Grifols sales in the first half of 2011 increase 30.2% reaching 635.3 million Euros

- Grifols completes the acquisition of Talecris and initiates the integration process
- 80% of the new Grifols’ sales are generated in international markets. It is expected sales in US and Canada will account for 60% of revenues in the medium term
- First step towards the realization of operating synergies: Grifols obtains FDA approval for the utilization of Fraction II+III of the Los Angeles plant (intermediate product) in the production of Gamunex®, Talecris’ IVIG
- Recurring\(^2\) EBITDA increases by 8.8% and reaches 162.7 million Euros, representing 25.6% on sales.
- Net Recurring\(^2\) profit up 12.4% to reach 76.4 million Euros\(^1\)
- Net Financial Debt at lower levels than expected for the completion of the acquisition. Net Debt over Recurring\(^2\) EBITDA stands at 4.4x compared to the expected level of 5.2x.
- Grifols average workforce exceeds 11,100 employees

Barcelona, July, 28 2011. - Grifols (MCE: GRF, MCE: GRF.P and NASDAQ:GRFS), third company worldwide in the plasma proteins industry, increased its sales by 30.2% in the first half of 2011 and reached 635.3 million Euros. This figure includes sales of Talecris in June 2011, first month to be consolidated within the group after the purchase became effective. Revenues on a pro-forma\(^3\) basis of Grifols and Talecris would have reached 1,139.0 million Euros between January and June 2011, which amounts to a 7.1% increase in relation to pro-forma revenues for the same period of 2010.

Considering Talecris’ contribution in the month of June, sales of the Bioscience division grew by 37.2% to reach 521.5 million Euros, representing 82.1% of the total turnover. Diagnostic increases its turnover by 4.4% to 56.8 million Euros and Hospital by 9.2% to 49.3 million Euros. Both divisions reduce their weight within the new group to 8.9% and 7.8% respectively. Considering Grifols and Talecris sales for the first half of year 2011 on a pro-forma\(^3\) basis, the Bioscience division would generate 90% of the total revenues, while Diagnostic would generate 5% and Hospital 4%, approximately.

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1 Includes Talecris’ results for June 2011, first month consolidated
2 Excluding costs associated to the transaction of Talecris and non recurring costs
3 Pro-forma unaudited figures obtained from the consolidated statements of both companies for the 6 months period to 30 June 2011. Provided for guidance purposes only.
Sales volumes maintain its upward trend in all divisions despite the impact of the acquisition on the sales of the new Grifols not yet materialised in full. The results of the first half of 2011 anticipate changes in the relative weights of the different business areas with respect to the group revenues.

The acquisition further modifies the geographic mix of income. In the first half of 2011, 42% of sales have been generated in the US and Canada, a new significant market for the group, while 38.7% of sales were generate in Europe. Areas such as Australia gain prominence. In this respect, we note how over 80% of Grifols activities are generated outside of Spain, whose relative weight decreases to 19% as compared to 24.5% in the same period of 2010.

Considering the geographical fit of the markets of both companies prior to the integration, it is worth noting the significant growth of revenues from the US and Canada. During the first half of 2011, sales in these regions increased by 69.1% and exceeded 266 million Euros. In Europe, sales increased by 10.4% and reached 246.1 million Euros as expected; with market share increases in Germany and Portugal significant growth in Australia.

The recurring EBITDA grew by 8.8% to 162.7 million Euros, representing 25.6% of sales

The effect of healthcare reforms that had not yet affected first half 2010 results, the negative contribution of prices to the performance of revenues and the impact of higher costs of raw materials (plasma), have all had a direct impact on the gross margin, which was 45% over sales.

The recurring EBITDA grew by 8.8% to 162.7 million Euros, during the first half of 2011, representing 25.6% of sales.

Transaction costs related to the acquisition of Talecris and non recurring, impact the gross operating results of the period by over 65 million Euros, resulting in an EBITDA of 96.9 million Euros.

Pro-forma results of Grifols and Talecris show how recurring EBITDA between January and June 2011 would have reached 305.6 million Euros, or 26.8% of sales, down by 2.7% with respect to the pro-forma gross operating result for the same period of 2010.

Subsequent to the closing of the first half of 2011, Grifols has obtained FDA approval for the utilization of Fraction II+III of the Los Angeles plant (intermediate product) in the purification of IVIG to obtain Talecris’s final product, Gamunex ®. This approval will enable to increase production with higher yield that will bring margin improvements in the medium term.

Financial expenses arising from the new financing structure

Financial expenses increased in the first six months of 2011 in line with expectations, reaching 55 million Euros. The increase from 25.8 million Euros in the first half of 2010, is the result of new financing raised through syndicated loans and a new bond issued in 2011 to meet the cost of the acquisition of Talecris. It also includes previously capitalized costs related to the group’s debt cancelled as a result of the purchase.

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Thus, Grifols’ recurring net profit increases by 12.4% to 76.4 million Euros, which amounts to 12% of revenues. Considering the expenses relating to the acquisition, net profit for the first 6 months to June 2011 reached 19.3 million Euros, representing 3% on sales.

**Projected capital investment (CAPEX) maintained**

Total consolidated assets as at June 2011 reached 5,344.2 million Euros, as compared to 1,889.0 million Euros reported at year end 2010.

Tangible fixed assets have increased by over 200 million Euros, as a result of the acquisition of Talecris assets, including the plasma fractionation plant, located in Clayton (North Carolina, USA) and several collection centers. In addition, Grifols has continued with the projected investment plan (CAPEX), allocating over 31 million Euros to the expansion and improvement of its production facilities, given that the investments planned for 2011 and 2012 are independent from the Talecris acquisition. Among the above, the start of the building works of a new fractionation plant in Parets del Vallès (Barcelona, Spain), which will have capacity to fractionate 1 million liters per year (expandable to 2 million); the investments undertaken in the new albumin production plant in Los Angeles (USA) and the completion in Barcelona, Spain, of the Grifols Academy, a meeting point for advanced training on all processes related to plasma-derived products production.

The increase in intangible fixed assets mainly relates to the goodwill generated through the acquisition of Talecris for an estimated amount of 2,124 million Euros. At the time of publication, this is a provisional amount as there was not yet sufficient information to adequately allocate the purchase price among the various balance sheet items.

During the period, the Australian market performed worse than expected. As a result, an evaluation was carried out of the goodwill relating to investments in the country that triggered a 13 million Euros adjustment to its value. This resulted in a lower profit.

**Net financial debt beats estimates**

Grifols’ net financial debt stands at 2,595.3 million Euros at the end of the first half of 2011, 4.4x over recurring EBITDA, and lower than 5.2x expected at the closing of the transaction. In this respect, the projected increase in short term cash flows to reduce leverage in a swift manner is confirmed. Grifols estimates that the net financial debt to EBITDA ratio will return to levels previous to the purchase, once synergies have been achieved.

In addition, the geographic redistribution of sales following the acquisition will allow for an increase of the group’s exposure to countries with shorter collection periods, and it is anticipated that this will contribute to gradually optimizing the short term financing needs and to improve working capital.

Inventory levels have decrease moderately during the first half of 2011 as a result of measures implemented by Grifols. This trend, which started in the first quarter of 2011, will be reinforced along the year as a result of the acquisition of Talecris.

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3 Pro-forma unaudited figures obtained from the consolidated statements of both companies for the 6 months period to 30 June 2011. Provided for guidance purposes only.
New financing structure
(Millions of US dollars)

<table>
<thead>
<tr>
<th>Senior secured debt</th>
<th>Amount</th>
<th>Term</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche A</td>
<td>$1,500</td>
<td>5 years</td>
<td>3.75% / 4.00%</td>
</tr>
<tr>
<td>Tranche B</td>
<td>$1,600</td>
<td>6 years</td>
<td>4.25% / 4.50%</td>
</tr>
<tr>
<td>Revolving credit facility</td>
<td>$300</td>
<td>-</td>
<td>3.75% / 4.00%</td>
</tr>
<tr>
<td>Total</td>
<td>$3,400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Senior unsecured debt</th>
<th>Amount</th>
<th>Term</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bond issue</td>
<td>$1,100</td>
<td>7 years</td>
<td>8.25%</td>
</tr>
</tbody>
</table>

Grifols' net equity doubles

The acquisition of Talecris has entailed a significant increase of the group's equity, as a result of the issue of new non-voting shares (Class B) of Grifols to cover the non-cash consideration portion. As at June 2011, Grifols' net equity amounts to 1,513.6 million Euros that compared to the 707.4 million Euros reported at year end 2010, shows an increase exceeding 806 million Euros.

As a result of the new share issue, and in addition to increasing the share capital of the company, the share premium has also increased by 768.5 million Euros, reaching 890.3 million Euros. Grifols shareholders approved at the Annual Shareholders Meeting the allocation to reserves of 2010 net profit in its entirety thus increasing Equity funds by 115.5 million Euros.

As at 2011, the share capital of the company was 114.91 million Euros, represented by 213,064,899 ordinary shares (Class A) and 83,822,688 non-voting shares (Class B).

Favorable evolution in all divisions

The operating results obtained by the group1 witness to the positive evolution of sales in all divisions, and confirm Grifols' leadership in the plasma proteins industry, as the third company by sales volume worldwide. The integration plan currently underway will help to obtain the anticipated synergies, on the basis of cost optimization and increased efficiency in all stages of the production processes. Grifols consolidates its basis for future growth by maintaining its internationalization, product diversification, promoting R+D and planning investments as strategic management pillars.

Sales of the Bioscience division, including June 2011 Talecris sales, increased by 37.2% to 521.5 million Euros. The increase in sales volumes of plasma-derived products has been the main driver of the division's growth, with a negative impact of prices in some countries. In addition the portfolio of available plasma-derived products is expanded with new trade references, which are maintained to meet the specific needs of patients and healthcare professionals in the various markets.

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2 Excluding costs associated to the transaction of Talecris and non recurring costs
3 Pro-forma unaudited figures obtained from the consolidated statements of both companies for the 6 months period to 30 June 2011. Provided for guidance purposes only.
By products, the sales of intravenous immunoglobulin (IVIG) should be highlighted, boosted by significant increases in the US, Asia-Pacific and Australia among others. Similarly, sales of factor VIII and albumin increased, with relevant growths posted by countries, such as Germany, Chile, and Argentina. In global terms, Australia and Canada join in as important generators of plasma-derived products demand from Grifols, whereas in terms of products, sales of alpha-1 antitrypsin gain prominence.

The recent acquisition will allow Grifols to significantly expand its fractionation installed capacity. Following completion of the transaction, the group has 4 facilities available in the United States and in Spain, allowing for the fractionation of a maximum of 8.5 million liters of plasma per year in aggregate. Furthermore, Grifols has become the world leader in terms of plasma collection capacity. It currently has 147 plasma collection centers in the United States, from which it can obtain over 6.5 million liters of plasma per year, thus maximizing and ensuring self-sufficient supply of raw materials necessary to produce plasma-derived protein therapies.

**Diagnostic (8.9% of sales)¹** increases its turnover by 4.4% to 56.8 million Euros. Significant are the increases in the blood bank (10.1%); pathogen inactivation (28.4%); and new technologies (20.4%) areas. This division counts with an international footprint as well as multiple potential growth paths. With this objective in mind, Grifols has grouped the areas of Immunohemathology and Blood Bank in the so-called Transfusion Medicine area.

Revenues from the **Hospital division (7.8% of turnover)³** have increased by 9.2% until June 2011, reaching 49.2 million Euros. The increase in sales of I.V. therapies (13.4%), medical devices (10.7%) and hospital logistics area (7.8%) in an environment of budgetary contention on the part of hospitals, have been driving factors for the good performance of revenues. In addition, we should highlight the international and the geographical diversification strategy initiated for the division through 3rd party agreements. Among these, a 5 year period agreement with CareFusion, a global leader in medical technology, to distribute the BlisPack® system throughout several countries of Europe, Middle East, Africa and Asia. The BlisPack® is a device designed by Grifols to automate blister cutting, and identify drugs for hospital use by electronic means.

**Main results of Grifols in the first half of 2011 (data in million Euros)**

<table>
<thead>
<tr>
<th>Million Euros</th>
<th>H1 – 2011¹</th>
<th>H1 – 2010</th>
<th>% var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>635.3</td>
<td>487.8</td>
<td>+30.2%</td>
</tr>
<tr>
<td>Bioscience Division</td>
<td>521.5</td>
<td>380.1</td>
<td>+37.2%</td>
</tr>
<tr>
<td>Diagnostic Division</td>
<td>56.8</td>
<td>54.4</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Hospital Division</td>
<td>49.3</td>
<td>45.1</td>
<td>+9.2%</td>
</tr>
<tr>
<td>Raw Materials &amp; Others Division</td>
<td>7.7</td>
<td>8.1</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Recurring EBITDA²</td>
<td>162.7</td>
<td>149.6</td>
<td>+8.8%</td>
</tr>
<tr>
<td>% on sales</td>
<td>25.6%</td>
<td>30.7%</td>
<td></td>
</tr>
<tr>
<td>Recurring Net profit²</td>
<td>76.4</td>
<td>67.9</td>
<td>+12.4%</td>
</tr>
<tr>
<td>% on sales</td>
<td>12.0%</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>96.9</td>
<td>147.6</td>
<td>-34.4%</td>
</tr>
<tr>
<td>% on sales</td>
<td>15.2%</td>
<td>30.2%</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>19.3</td>
<td>66.4</td>
<td>-71.0%</td>
</tr>
<tr>
<td>% on sales</td>
<td>3.0%</td>
<td>13.6%</td>
<td></td>
</tr>
</tbody>
</table>

¹ Includes Talecris results for June 2011, first month consolidated
² Excluding costs associated to the transaction of Talecris and non recurring costs
³ Pro-forma unaudited figures obtained from the consolidated statements of both companies for the 6 months period to 30 June 2011. Provided for guidance purposes only.
Main pro-forma results\(^2\) in the first half of 2011
(data in million Euros)

<table>
<thead>
<tr>
<th>Million Euros</th>
<th>H1 – 2011(^2)</th>
<th>H1 – 2010</th>
<th>% var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>1,139.0</td>
<td>1,063.5</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Recurring EBITDA(^2)</td>
<td>305.6</td>
<td>314.1</td>
<td>-2.7%</td>
</tr>
<tr>
<td>% on sales</td>
<td>26.8%</td>
<td>29.5%</td>
<td></td>
</tr>
<tr>
<td>Recurring Net Profit(^2)</td>
<td>151.9</td>
<td>146.5</td>
<td>3.6%</td>
</tr>
<tr>
<td>% on sales</td>
<td>13.3%</td>
<td>13.8%</td>
<td></td>
</tr>
</tbody>
</table>

Second quarter of 2011 highlights

Grifols successfully completes the purchase of Talecris
On 2 June 2011, Grifols concluded the acquisition of 100% of Talecris shares, becoming the third producer of plasma derivatives worldwide by sales volumes.

*First step towards the realization of operating synergies: Grifols has obtained FDA approval for the utilization of an intermediate product in the production of Gamunex*®
Subsequent to the closing of the first half of 2011, Grifols has obtained FDA approval for the utilization of the Fraction II+III of the Los Angeles plant (intermediate product) in the purification of IVIG to obtain Talecris’ final product, Gamunex®. This approval is an important step towards achieving the operating synergies designed by the group, in particular those relating to cost optimization of raw materials, as it will enable to increase the yield per liter of plasma utilized in the medium term.

*Grifols non-voting shares listed in NASDAQ and in the Spanish market*
From June 2011, Grifols non-voting shares (Class B) are listed in the Spanish stock exchange (GRF.P) and in NASDAQ (GRFS) via ADSs (American Depositary Shares). Since 2006, Grifols’ ordinary stock (Class A) is listed in the Spanish stock exchange, and since 2008 it is part of the Ibex-35 index (GRF).

*Grifols starts the integration process*
Grifols has already defined its new operations steering committee for the US operations, through which the integration process will be fostered. Grifols has also set up several task forces with a view to assessing and combining the best expertise and implement the best practices.

*Research as a commitment*
In the first half of 2011 Grifols’ investments in R+D, including the technical area, exceeded 30 million Euros, 4.7% of revenues obtained, and doubling the amount allocated to research in the first half of 2010. This emphasizes the commitment of the new group with scientific development and society. Grifols features a significant portfolio of R+D projects and has the necessary resources to ensure the group’s continuing research activity in the long term. Furthermore, the group has announced that it will foster research in other fields with projection of future, such as advanced therapies through Gri-cel.

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About Grifols

Grifols, with presence in more than 90 countries, is a global pharmaceutical company specializing in the Hemotherapy sector, the medical discipline that treats disease using blood components. The company’s class A shares have been listed on the Spanish Stock Exchange (MCE: GRF) since 2006 and have been part of the Ibex-35 since 2008. In 2011, the company listed non-voting class B shares on the Mercado Continuo (MCE: GRF.P) and in NASDAQ-United States via ADRs (NASDAQ: GRFS).

Grifols is the third company worldwide in plasma protein therapies, in terms of capacity after the recent purchase of Talecris, with a balanced and diversified range of products. In upcoming years, the company will strengthen its leadership in the industry as a vertically integrated company, as a result of on-going investment plans. Grifols is the world leader in plasma collection with 147 plasma donor centres in the United States to ensure a continued and reliable supply of human plasma for the production of plasma therapies. In terms of production capacity (fractionation), Grifols owns and operates several plants in Spain and the United States that allow it to respond to the growing market demand. Grifols’s sustained growth will be supported by a strong presence in the United States, Canada and Europe, where upcoming sales are expected to represent 53%, 7% and 26%, respectively.

DISCLAIMER
The facts and figures contained in this report which do not refer to historical data are "projections and forward-looking statements. The words and expressions like believe, hope, anticipate, predict, expect, intend, should, try to achieve, estimate, future and similar expressions, insofar as they are related to Grifols Group, are used to identify projections and forward-looking statements. These expressions reflect the assumptions, hypothesis, expectations and anticipations of the management team at the date of preparation of this report, which are subject to a number of factors that could make the real results differ considerably. The future results of Grifols Group could be affected by events related to its own activity, such as shortages of raw materials for the manufacture of its products, the launch of competitive products or changes in the regulations of markets in which it operates, among others. At the date of preparation of this report Grifols Group has adopted the measures it considers necessary to offset the possible effects of these events. Grifols, S.A. does not assume any obligation to publicly inform, review or update any projections and forward-looking statements to adapt them to facts or circumstances following the preparation of this report, except as specifically required by law.
This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law 24/1988, of July 28, the Royal Decree-Law 5/2005, of March 11, and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.

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