

Grifols' net profit rose 36.8% in the first half of 2008 to 62.2 million euros

- *In the first half year period, revenue increased 13.8% year on year to 407.27 million euros.*
- *Sales rose in all markets, led by the US and Latin America, with increases of 21% and 55%, respectively.*
- *EBITDA advanced 30.4%, to 118.1 million euros.*
- *Net financial debt stood at 2x EBITDA.*

Barcelona, 27 August 2008.- Grifols, a Spanish holding company specialising in the pharmaceutical-hospital industry and a world leader in the production of plasma derivatives, reported **revenue of 407.2 million euros** in the first half of 2008, an increase of 13.8% from the same period a year earlier.

Stripping out the exchange rate effect, revenue would have climbed 20.8%. With regard to margins, Grifols' natural hedge against foreign currency risk largely allows it to offset the impact of sales in dollars with purchases of plasma, the company's main raw material, which are also in dollars.

Up to June, the company collected 21.9% more plasma than in the first half of 2007, through its 79 plasmapheresis centers in the US. As a result, raw material costs have benefited from the current exchange rate and driven the improvement in **gross margin** to 44.1% in 2007 vs. 49.5% in 2008. Grifols' long-standing business strategy relies on collecting raw material (plasma) from its own plasmapheresis centres, which has a two-pronged objective: to control costs and to provide a raw material with the maximum levels of safety, guarantee and quality. In the first six months of this year, Grifols also increased the volume of fractionated plasma to the same degree as plasma obtained from its centres, which in the medium term, will allow it to have more final product to meet market demand.

The higher gross margin was also due to an increase, both in volume and prices, of the main plasma derivatives the Group provides through its Bioscience division: albumin, intravenous immunoglobulin (IVIG) and coagulation factors VIII and IX, which have contributed to the 22.6% rise in revenues in this division.

A higher gross margin and lower operating costs have driven the Company's **EBITDA** up to **118.1 million euros**, an increase of 30.4% on the first half of 2007. The gross margin represented 29% of sales compared to 25.3% the previous year. **Net profit** in the first half of 2008 climbed 36.8% year-on-year to **62.2 million euros**.

In the **second quarter** of 2008, Grifols' revenues rose 16.8% to 205.5 million euros.

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Net financial debt stood at 406.4 million euros in the first half of 2008, giving a gearing ratio of 2x EBITDA versus 2.1x EBITDA a year earlier.

These results reflect the performance of a non-cyclical industry in which demand is continually on the increase and in which Grifols has significant competitive advantages thanks to its plasma collection and fractionation capacity.

Revenue performance by division:

- The **Bioscience** division had revenue of **300.6 million euros**, a **22.6%** rise on the first six months of 2007. The upward trend, both in volume and price, of Grifols' main plasma derivatives, continued with increased sales in all geographical areas, especially in the US and Latin America.

The "fractionation for third parties" agreements (maquila contracts), through which Grifols fractionates and purifies plasma from hospitals in Spain and the Czech and Slovakian Republics returning them the finished product (plasma derivatives), have contributed over 16 million euros to this division's revenue. This type of contract also allows the Company to optimise the use of its industrial facilities and increase the profitability of the investments made, thanks to which, today, Grifols has two of the most modern, safe and efficient industrial complexes for plasma derivatives production in the world.

- The performance of the **Diagnostic** division in the second quarter reflects the recovery of the Immunohaematology business, in particular sales of reagents, which was in line with Group forecasts. This division obtained revenue of **43.5 million euros**, a **4.5%** year-on-year rise on the same period in 2007.
- Sales in the **Hospital** division increased **10.6%**, totalling **42.5 million euros**. The Hospital Logistics division is experiencing rapid growth and posted sales of 9.6 million euros, up 14% on 2007, thereby making Grifols the leader in specific solutions to improve the efficiency and quality of hospital pharmacy services in various countries.
- The **Raw Materials & Others** division recorded revenue of 20.6 million euros, a fall of 36.7% on the same period in 2007. This was due to the end of existing direct plasma sales agreements to third parties and the exclusive use of raw material by the Group.

First half 2008 figures:

(millions of euros)	2Q 2008	% 2008 / 2007
Total revenue:	407.2	13.8%
Bioscience Division	300.6	22.6%
Diagnostic Division	43.5	4.5%
Hospital Division	42.5	10.6%
Raw Materials	20.6	-36.7%
EBITDA	118.1	30.4%
EBITDA margin	29.0%	
Net profit	62.2	36.8%
Net profit margin	15.3%	

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In regard to the rate of **growth in different geographical regions**: the US generated revenue of 137.9 million euros, where there was 21% growth (ex-PlasmaCare) on the first half of 2007, Spain and Portugal contributed 118.9 million euros (+15.2%) and Asia 14.1 million euros (+14.1%). Latin America contributed 37 million euros (+55%), thanks to the growth in Hospital Logistics (Hospital division) sales and the combination of increases in price and turnover recorded by Bioscience products in this region.

Main events in the first half of 2008:

The main initiatives carried out in the first half of 2008 clearly show the Company's solvency and its commitment to its shareholders, the environment and its employees:

- **The obtaining of a 350 million euros syndicated loan**, which will be used to repay the outstanding balance of the 225 million euros syndicated loan granted in 2005, refinance the short-term lines of credit and partially finance the group's 2008-2012 investment plan. The five-year loan has been signed with 24 financial institutions and is also partially available in US dollars. The amount, originally for 300 million euros, was extremely well received by the financial institutions involved and so the amount was pro-rated.
- **General Shareholders' Meeting**
 - Approval of a gross dividend of 0.165 euros per share, which amounts to a total dividend of 34.8 million euros and a **pay-out of close to 40% of net profit**.
 - Grifols agreed to give **0.7% of pre-tax profit to social and humanitarian projects**. The objective is to contribute to the improvement of healthcare in those regions which lack sufficient health resources and expertise.
- **Start up of two new plasma collection centres in the United States**
 - With the opening of these two new plasmapheresis centers, Grifols will have a total of 79 plasma collection centres in operation in the United States. The company's growth plans will proceed as scheduled, with both new openings and the expansion of existing ones.
- **The obtaining of the new FDA license for the new coagulation factor sterile dosage activity in the plasma derivatives plant in Los Angeles.**
 - The license was obtained in only four months and is already operative. Grifols expects the definitive closure of the old facilities to occur in the third quarter.
- **Human Resources developments**
 - At 30 June 2008, Grifols employed a total of 5,833 people, 10% more than at the end of 2007. All departments grew as a consequence of the group's strong business performance. Growth in particular was seen in the R&D department's workforce, in line with Grifols' strategy of bolstering its research and development area, and in the production department's workforce.

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- **Environmental activities**

- The start up of the **new 6.1 Mw cogeneration facility** at the plasma derivatives plant in Barcelona, which, as well as quadrupling energy capacity and guaranteeing electricity supply for this plant, will also reduce CO2 emissions by over 5,000 tonnes a year.

About Grifols

Grifols is a Spanish holding company specialising in the pharmaceutical-hospital industry, with a presence in over 90 countries. Since May 2006, Grifols has been listed on the Spanish electronic trading platform (the "Continuous" Market) and since January 2008 it has formed part of the IBEX 35 index. Grifols is currently Europe's leading company in the plasma derivatives sector and the fourth largest manufacturer worldwide. In the coming years it will strengthen its leadership position as a vertically integrated company, thanks to the investments already carried out and those that are scheduled to be carried out in the 2008-2012 period, which amount to 400 million euros. In regard to raw material, Grifols has its plasma supply guaranteed, with 79 plasmapheresis centers in the United States. In terms of fractionating capacity, its manufacturing capacity in Barcelona (Spain) and Los Angeles (United States) allow it to meet rising market demand. Nevertheless, the company is preparing to obtain sustained increases over the next 8-10 years, for which it has embarked on an ambitious investment plan.