

Grifols' net profit rose 31.4% in the first half of 2009 to 81.7 MM euros

- *In the first half-year period, revenue increased to 470.5 MM euros, an increase of 15.6% from the same period last year*
- *Sales continued rising in the second quarter, to 234.9 MM euros, up 14.3% from 2008*
- *EBITDA grew 19.2% to 140.8 MM euros, increasing the net profit margin to 29.9% from 29.0% in 2008*
- *Net financial debt stood at 2.1x EBITDA*

Barcelona, 29 July 2009.- Grifols, a holding company specialized in the pharmaceutical-hospital sector and one of the world's leading producers of plasma derivatives, has reported revenue of 470.5 MM euros in the first half of 2009, an increase of 15.6% from the same period last year. Revenue amounted to 234.9 MM euros between April and June this year, 14.3% higher than in the same quarter last year.

All divisions posted higher revenues. Noteworthy was the sustained increase in volume sales of and stable prices of plasma derivatives seen from the first three months of the year, driving a 14.8% increase in revenue from the Bioscience division to 351.0 MM euros. The performance in the first half of 2009 also bears out the acquisition-led growth strategy adopted for the Diagnostic division, with the purchase in March of 49% of the Australian-Swiss group Lateral Diagnostics for 25 MM euros.

Extracting synergies and consolidating the stake in this company helped push revenue at Grifol's Diagnostic division over 50.8 MM euros, 16.8% higher than the 43.5 MM euros reported in 1H08. Meanwhile, Hospital division revenues increased 6.3% to 45.1 MM euros.

In addition to its strong sales performance, Grifols maintained its policy of cost containment and control, which helped boost the EBITDA margin to 29.9% from 29.0% in the first half of last year. Gross operating profit in 1H09 was 140.8 MM euros, an increase of 19.2% compared with the first half of 2008.

Net profit through June rose 31.4% to 81.7 MM euros, leaving a net margin of 17.4% compared to 15.3% in the first six months of 2008.

Net financial debt at 30 June 2009 stood at 532.7 MM euros, or 2.1x EBITDA, in line with the year-ago figure. Grifols continues to boast a solid balance sheet.

Despite the economic environment, Grifols managed to sustain the growth of revenue in 2Q09

In the second quarter of 2009, Grifols' revenues rose 14.3% to 234.9.1 MM euros. EBITDA rose 16.8% between April and June to 68.42 MM euros and net profit by 29.1% to 40.1 MM euros.

These results underscore the overall performance of the industry, where demand continues to rise and in which Grifols boasts considerable competitive advantages thanks to its ability to obtain plasma from fractionation. They also reflect the group's growth strategy, aimed at boosting other core businesses and stepping up its international footprint.

Good performances by all divisions

The **Bioscience** division posted 1H09 revenue¹ of 351.0 MM euros, an increase of 14.8% from the first six months of 2008. Volume sales of plasma derivatives, mainly Factor VIII and Albumin, continued to rise, while prices remained broadly stable. Grifols collected 16% more litres of plasma in the period, to over 1.5 million litres.

Looking at the geographical breakdown, revenue from the US operations climbed 17.0% in the year's first half, with progress also made by Grifols' business in this market in the year's second quarter. Meanwhile, revenue from other areas (e.g. Asia and Latin America) surged by more than 61.6%. Mexico, Brazil, Argentina, Paraguay, Uruguay and China are gradually demanding more plasma derivatives, with Grifols' able to supply part of their needs thanks to its positioning. As for the outlook for this division, in line with Grifol's R&D policy the company has reached agreements with the Fundació Clínic per a la Recerca Biomèdica (FCRB) foundation of Barcelona to initiate two new clinical tests. The first involves albumin (plasma derivative) for patients with advanced cirrhosis and ascites and the second relates to testing of the plasmapheresis method with albumin on patients with acute decompensation in chronic liver failure. Both aim to drive and promote new therapeutic possibilities of plasma derivatives in the treatment of illnesses and the benefit of patients.

Data for the second quarter for the **Diagnostic** division includes revenue from the Lateral-Diagnostic group following its acquisition for 4.7 MM euros. This division reported 50.8 MM euros of revenue in the first half of the year, 16.8% higher than the year-earlier figure. Recurring revenue in this division also rose, by more than 5% from the first half of last year. Noteworthy were the performance of the pathogen inactivation activity, which achieved a sharp (68.5%) increase in revenue, and the sustained growth in immunohaematology, immunology and haemostasis.

Hospital division revenue increased 6.3% to 45.1 MM euros. The Hospital Logistics business posted an 8.5% increase in revenue, underpinned by the progress in rolling out these specific solutions to improve the efficiency and quality of hospital pharmacy services in Portuguese and Latin American hospitals.

¹ *Since the first quarter of 2009, sales of albumin for non-therapeutic uses and intermediate products, previously recorded under the Raw Materials division, are accounted for as part of the Bioscience division's sales. Because of this accounting change, 5.1 MM euros must be added to the Bioscience division's revenue in the first half of 2008 for comparability with the 2009 figure.*

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The renewal of some commercial agreements, such as the one with Kardex Remstar, should bolster this activity, in which Grifols is a benchmark. Elsewhere, medical instrument sales posted significant growth (7%).

Revenue from the **Raw Materials & Others** division totalled 23.7 MM euros. This division includes third-party sales of raw materials (plasma) and revenue generated from other services.

First half 2009 figures:

(MM euros)	1H09	1H08	% change YOY
Total revenue	470.5	407.2	+15.6%
Bioscience Division	351.0	305.7	+14.8%
Diagnostic Division	50.8	43.5	+16.8%
Hospital Division	45.1	42.4	+6.3%
EBITDA	140.8	118.1	+19.2%
Net profit margin	29.9%	29%	
Net profit	81.7	62.2	+31.4%
Net profit margin	17.4%	15.3%	

The geographical breakdown of revenue shows a 17% increase in the US in the first half of 2009 compared to the same period last year to 161.1 MM euros. Driving revenue in this market was a 14.5% increase in the sale of plasma derivatives (Bioscience division). Other geographical areas are beginning to play a greater role, in line with the Group's plans.

Europe posted moderate growth in revenue to 219.8 MM euros, while the company's geographical diversification strategy led to a 61.6% jump in revenue in other markets, led by Asia (66.6%) and Latin America (41.5%). In June, Grifols began making shipments of Flebogamma to Brazil. The other countries (Australia and other non-EU countries) reported a 40.7% increase in revenue.

Main events in the quarter

The main actions carried out in the second quarter of 2009 clearly highlight the Company's solvency and commitment to shareholders, the environment and employees.

Start of trading in the US in Grifols shares via ADRs. The Group has initiated a Level 1 Sponsored American Depositary Receipts (ADR) issue program to make its shares available to all US investors. Grifols' ADRs are priced in US dollars (USD) and traded in the OTC (over-the-counter) market, with a ratio of 1 Grifols share for every 2 ADRs. Trading in ADRs broadens Grifols' investor base and gives employees in the US the opportunity to acquire a stake in the company.

Annual General Meeting. Grifols shareholders have approved the payment of a gross dividend of 0.23209 per share out of 2008 profit. This amounts to a total dividend

payment of 48.69 MM euros and implies a 40% payout ratio, and marks a 40% increase from last year's dividend.

An agreement was also reached to pay dividends charged to earnings for the year in two payments from 2009 and beyond. The first will be an interim dividend against current-year profits in December and the second a final dividend after the AGM.

Grifols promotes European research into cirrhosis of the liver. Grifols has signed a cooperation agreement with Fundació Clínic per a la Recerca Biomèdica (FCRB) to promote and fund the development of the European Consortium for the Study of Chronic Liver Failure. Grifols' contribution of 2 MM euros will cover the initial development phase of the agreement for a period of four years.

Grifols decides to publish the interim results of clinical trials with Alzheimer patients. The results are of a clinical study carried out in various stages and begun towards the end of 2005. Participants in the project include the Fundación ACE foundation and the Universitari Vall d'Hebron hospital in Barcelona, the Gregorio Marañón hospital in Madrid, and Howard University (Washington, DC) and the Mid Atlantic Geriatric Association (New Jersey) in the US.

The purpose of this study is to evaluate whether successive plasma exchange with albumin in Alzheimer patients would mobilise and eliminate beta-amyloid peptide in cerebrospinal fluid. This protein is considered a cause of the destruction of neurons in the brains of these patients.

Smooth integration of operations in Australia. After completing the acquisition of the new business area in Australia, the company successfully integrated it under the Diagnostic division. As part of its expansion plan, the Grifols also purchased a building where it will set up its new immunohematology DG Gel® cards production facility. Production is expected to begin early next year.

Agreements reached between April and June 2009. Grifols has renewed the agreement with Kardex Remstar, the global leader in automated hospital storage and retrieval solutions, for a period of five years. This will enable Grifols to remain the exclusive distributor of Kardex's systems in Spain, Portugal, Italy and Latin America, and to integrate Kardex systems into the solutions rolled out to automate the general stores for the hospital pharmacy services.

Agreements with Cerus Corporation: Grifols and Cerus Corporation agreed to extend the sale and distribution of the INTERCEPT Blood System for the inactivation of platelets and plasma in transfusions to include Italy -Grifols currently distributes this in Spain, Portugal and Chile- and to jointly develop the INTERCEPT system for the specific inactivation of red blood cells.

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About Grifols

Grifols is a Spanish holding company specialized in the pharmaceutical-hospital sector and is present in more than 90 countries. Since 2006, the company has been listed on the Spanish Continuous Market and forms part of the Ibex-35. Currently it is the first company in the European sector in plasma derivatives and the fourth in production worldwide. In upcoming years, the company will strengthen its leadership in the industry as a vertically integrated company, thanks to recent investments and those which will be carried out in 2008-2012, representing 400 million euros. In terms of raw materials, Grifols has ensured its plasma supply with 80 plasmapheresis centers in the United States and in terms of fractionation, its plants in Barcelona (Spain) and Los Angeles (United States) will allow the company to respond to the growing market demand. Nevertheless, the company is preparing for sustained growth in the following 8-10 years and has launched an ambitious investment plan.