GRIFOLS

Grifols boosts nine-month net profit by 43% to 92.8 million euros

- ***Revenue rose 14.5% from a year earlier to 600.2.7MM euros.***
- ***EBITDA, with a sales margin of 29%, climbed 32.1% to 174.1MM euros.***
- ***Grifols used only 68% of the financial resources available to it through previously-opened credit lines. Net financial debt stood at 2.1x EBITDA.***

Barcelona, 30 October 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 600.2 million euros** in the first nine months of 2008, an **increase of 14.5%** from the same period a year earlier. Stripping out the exchange rate effect caused by the US dollar's decline against the euro, sales rose 21.5%. Nevertheless, Grifols' natural hedge against exchange rate risk allowed it to largely offset exchange rate effects from dollar-denominated sales with purchases of plasma, the company's main raw material, which are also in dollars.

As for the **third quarter**, from July to September Grifols' sales rose 16.1% from the same quarter a year earlier, to 193 million euros. Stripping out changes in the dollar exchange rate, this quarterly increase would have been 22.9%.

Through September, in line with the positive performance registered all year, the group saw an increase both in volume and prices of its main plasma derivatives, such as intravenous immunoglobulin (IVIG), Albumin and Factor VIII. At the same time, the Diagnostic and Hospital divisions helped drive revenue growth, with sales increasing by 7.6% and 11.2%, respectively. By geographic area, sales in Latin America soared 48.2%; followed by the United States (up 16.1%) and Asia (up 14.1%). Meanwhile, sales in Europe climbed 10.1%, evidence of the group's balanced sales mix by geographic area in the European and US markets. Indeed, Europe generated 51.5% of the company's sales in the first nine months, while the US accounted for 34.4%.

An improved gross margin, which rose to 49.3% of sales, and the containment of operating costs, where growth trailed sales, allowed Grifols to **increase EBITDA by 32.1%** year-on-year, to **174.1 million euros**, unchanged at **29% of sales**.

Net profit in the first nine months **climbed 43%** on the previous year to **92.8 million euros.**

Grifols' net financial debt stood at 471.6 million euros, or 2.1x EBITDA, compared with 2.3x EBITDA in the same period a year earlier. Two-thirds of Grifols' total debt is long term debt, 350 million euros of which stems from a five-year syndicated loan signed in May 2008.

Grifols currently has guaranteed access to financial markets should it become necessary to tap external sources of financing. Financial gearing represents 68% of the total financial resources open to the company through available credit lines, giving Grifols a comfortable margin to continue the rollout of its investment plan, which includes a new corporate headquarters in

Barcelona (Sant Cugat del Vallés). After the end of the third quarter, Grifols signed a long-term (15-year) mortgage loan with BBVA for 45 million euros, which it will use exclusively to finance the purchase of its new headquarters building.

These earnings reflect the performance of a defensive sector in which demand is continually on the increase and in which Grifols has significant competitive advantages thanks to its plasma collection and fractionation capacity, which the company will continue to expand in coming years.

Sales performance by division:

The **Bioscience** division remained the key business in terms of growth, with revenue of 445.3 million euros, a 21.6% rise on the first nine months of 2007. The upward trend continued both in volume and price of Grifols' main plasma derivatives, while the company drew 21.4% more plasma than a year earlier. This increase in its raw material, as forecast in its strategic plan, will lead in the medium term to a larger supply of end product to satisfy market demand, which will also benefit from news that Grifols has obtained a new licence to market IVIG in Australia.

The ***Diagnostic*** business reported revenue of more than 63.6 million euros, a 7.6% increase from a year earlier. The main driver was the *Inmunohaematology* business, which posted significant growth in sales of both WADiana® automated analysers and reagents for in vitro diagnostics using gel card technology, DG Gel®.

Revenue at the ***Hospital*** division rose 11.2% yoy to 62.1 million euros. All segments of this division saw an increase in sales, though Hospital Logistics was the main driver of growth, with an increase of around 15.9%.

Revenue at the ***Raw Materials & Others*** business dropped to 29.1 million euros, in line with company forecasts. This division includes sales of intermediate products and raw material (plasma) to third parties. The decrease occurred following the expiry in 2007 of agreements acquired with the PlasmaCare purchase, as Grifols no longer sells plasma to third parties and all raw materials are used internally by the group.

First nine months of 2008 figures:

(millions of euros)	Q3 2008	% 2008 / 2007
Total revenue:	**600.2**	**14.5%**
Bioscience Division	445.3	21.6%
Diagnostic Division	63.6	7.6%
Hospital Division	62.1	11.2%
Raw Materials	29.1	- 31.8%
EBITDA	**174.1**	**32.1%**
EBITDA margin	**29%**	
Net Profit	**92.8**	**43%**
Net profit margin	**15.5%**	

Highlights:
The following are highlights of the main events in the third quarter of 2008:

- Grifols took out a loan with ***Compañía Española de Financiación del Desarrollo* (COFIDES)** for $10.7 million, repayable over nine years and with a two-year grace period. All of the financing obtained by the company was used to partially finance the May 2007 purchase of four plasma collection centres in the US.

- **Grifols increased its plasma collection centres.** The company currently has 81 plasmapheresis (plasma collection) centres in the US, as outlined in its strategic expansion plan.

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 traded on the Spanish electronic trading platform (the "Continuous" Market) and since January 2008 it has been listed on the IBEX 35 index. Grifols is currently the European leader in the plasma derivatives sector and is the No. 4 manufacturer worldwide. In coming years it will strengthen its leadership position as a vertically integrated company, thanks to the investments already carried out and those scheduled to be carried out in the 2008-2012 period, which amount to 400 million euros. With regard to raw material, Grifols has its plasma supply guaranteed, with 81 plasmapheresis centres in the United Status. In terms of fractionating capacity, its manufacturing capacity in Barcelona (Spain) and Los Angeles (United States) allows it to meet rising market demand. Nevertheless, the company is preparing to generate steady increases over the next 8-10 years, for which it has embarked on an ambitious investment plan.