GRIFOLS

The profits after taxes in 2006 were 45.4 million euros

Net profits for Grifols increased 93.4% in 2007 to reach 87.8 million euros

- **Total revenue amounted to 703.3MM euros, up 8.4% on last year´s figure. Stripping out the exchange rate effect this increase would have been 12.3%**

- **Grifols' Net Financial Debt / EBITDA was reduced by a factor of 1.9, which gives the holding a greater leverage margin to carry out the investment plan**

- **The EBITDA increased 37% to reach 177.9 million euros and represents 25.3% of sales**

Barcelona, February 28, 2008- Grifols, a holding company specialized in the pharmaceutical-hospital sector and fourth in the world in the production of plasma derivatives closed out the year 2007 with a business figure of 703.3 million euros, representing an increase of 8.4% with respect to 2006. Excluding the effect from variation in exchange rates, the increase was 12.3%.

The company´s turnover was boosted by growth at all its divisions. Of particular note are the increases of around 12% of its main plasma derivatives both in terms of sales and prices. This trend is a clear indication of the strong performance of a non-cyclical sector which saw demand rise in 2007.

At the end of 2007, Grifols' revenue in international markets accounted for 72.6% of total turnover. International sales totalled 510.5MM euros, up 5.8% on the previous year. By region, the US generated 33.5% of group revenue while Europe generated 53.6%.

To 31 December 2007 the **gross margin** represented 44.9% of sales compared to 39.6% the previous year. This confirms Grifols' strategy of pursuing a vertically integrated business model able to guarantee the supply of its raw material, plasma, and also to control costs. This improvement is thanks to the company´s control over plasma prices, the strong performance of plasma derivative prices and the development and roll out of more efficient processes which have improved the yield per litre of plasma used (such as that used in manufacturing the new intravenous immunoglobulin –IVIG- sold under the Flebogamma DIF® brand name).

In fact, at the end of 2007 Grifols successfully replaced sales of its traditional IVIG with the new version (Flebogamma DIF®) in the US and expects to do the same in Europe approximately in the next eighteen months.

Operating expenses amounted to 24.1% of total sales, 2bp less than the previous year. However, global R&D expenditure rose 11.9%, a clear indication of Grifols' commitment to research and development in order to obtain licences and procedure patents

EBITDA totalled 177.9MM euros and accounts for 25.3% of sales, which is 37% higher than the previous year.

Net profit for 2007 climbed 93.4% to 87.8MM euros compared to the 45.4MM euros in 2006. However, if we were to deduct the impact of amortizing the shares without voting rights which had been included as financial costs in 2006 for a total of 17.6MM euros, the increase in net profit would have been 39.3%.

Despite rising interest rates, financial expenses performed well. Financial leverage at year-end 2007 was **1.9x EBITDA**, compared to 2.3x in 2006. This marked improvement gives Grifols a greater leverage margin with which to carry out planned investment. Net financial debt at 31 December 2007 totalled 343.2MM euros.

Grifols' main results in 2007 (figures in millions of euros)

	Results 2007	**% change from 2006**
INCOME	**703.3**	**+8.4%**
EBITDA	**177.9**	**+37%**
NET PROFIT	**87.8**	**+93.4%**

The incorporation of new plasma centres in the United States in 2007 enabled Grifols to collect 22% more plasma than in 2006

All the different lines of products experienced significant growth in 2007.

Turnover at the **Bioscience Division**, which includes all the products and activities related to plasma for therapeutic use (production of plasma derivatives), **Net profit** for 2007 climbed 93.4% to 87.8MM euros compared to the 45.4MM euros in 2006. However, if we were to deduct the impact of amortizing the shares without voting rights which had been included as financial costs in 2006 for a total of 17.6MM euros, the increase in net profit would have been 39.3%.

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The **Hospital Division** includes non-biological pharmaceutical products for the hospital pharmacy, such as parenteral solutions and parenteral and enteral nutrition products. This division is also responsible for the distribution of products related to hospital logistics.

In 2007 sales from this business line rose 18.7% to 74.7MM euros compared to 2006. The division currently contributes 10.6% of total revenue.

Of particular note within the Hospital Division is the performance of the Hospital Logistics projects with turnover up practically two-fold. These logistics and control systems are being well received by various types of hospitals, public and private, in Spain, Portugal and Latin America.

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The **Diagnostic Division** posted 79.7MM euros in sales revenues in 2007, up 6.9% on 2006. The Division encompasses the manufacture and development of instruments, devices and reagents for clinical analysis laboratories. In revenue terms, this division represents 11.3% of the business. The sustained increase in sales of reagents is particularly noteworthy. These sales will be boosted in coming years by the start-up at the end of 2007 of a new production plant for gel cards for in vitro diagnosis, sold under the DG Gel® brand. Thanks to these facilities, production of these reagents will treble. It also has an automated warehouse for both intermediate and finished products.

This division has completed and launched the Q automatic coagulometer, which provides Grifols with a way to enter the coagulation market with its own instrumentation.

Finally the **Raw Materials & Others Division**, which covers the sales of excess intermediate products and the sale of special albumin for industrial use and as a culture medium, generated sales of over 55MM euros. In the first quarter of 2007 the company cancelled the contract it had acquired with PlasmaCare in 2006 and no longer sells plasma directly to a competitor. As a result, turnover at this division is lower than the previous year and in line with the company´s estimates.

Turnover and growth by division in 2007 (figures in millions of euros)

	Turnover in M€	**% growth**	**% of turnover**
Bioscience	**493.1**	**12%**	**70.1%**
Hospital	**74.7**	**18.7%**	**10.6%**
Diagnostic	**79.7**	**6.9%**	**11.4%**
Raw Materials	**55.8**	**-21.4%**	**7.9%**

400 million euros invested through 2012 ensure Grifols' expansion in coming years

The strategic plan for growth in the United States began in 2003 required an investment of 300 million euros in 4 years. The results of this investment have allowed the company to steadily increase its penetration into the world´s principle market for plasma derivatives, achieving a turnover of 235.9 million euros in 2007 and a balanced structure for income growth in the United States and Europe. Today, the United States accounts for 33.5% of the total turnover. In 2008, the group will begin to increase penetration into other markets in which it is already present such as Latin America and Asia. In 2007 growth in these geographical areas were 42.6% and 22.6%, translating to 50.7 million and 28 million euros, respectively.

Grifols is also preparing to guarantee sustained growth in the long term. To achieve this, at the end of 2007 the Board of Directors approved an investment plan of 400 million euros with the objective of increasing plasma fractionation and protein purification (plasma derivatives) capacity, as well as increasing its plasma supply.

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In the investment plan for 2008-2012, 230 million euros are dedicated toward ensuring an increase in production and in sales for this four year period and the remaining 170 million euros is to guarantee growth after 2013 (although the investments will be made between 2008 and 2012). Through these investments, the company is preparing for sustained growth in the upcoming 8 – 10 years.

Grifols – Main events in 2007

- **Addition of four new plasma collection centres in the US**
- **The EMEA granted a licence to sell next generation IVIG, Flebogamma DIF® 5% in Europe**
- **The FDA approved the indication of von Willebrand disease for Alphanate® , the first and only high-purity complex concentrate of Factor VIII and von Willebrand Factor**
- **Approval of a 400MM euro Investment Plan for 2008-2012**
- **The Technical Committee of the IBEX-35 approved Grifols' entry to the Spanish benchmark index as of 2 January 2008**

About Grifols

Grifols is a holding company specialized in the pharmaceutical hospital sector and is present in more than 90 countries. Since May 2006, the company has been listed on the Spanish Stock Market and forms part of the IBEX Medium Cap index. Currently, it is the first company in Europe in the plasma derivatives sector and the fourth in production in the world. 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 primary material, Grifols' plasma supply is ensured from its 77 plasmapheresis centres in the United States. The company´s fractionation capacity at its plants in Barcelona (Spain) and Los Angeles (United States) will allow the company to respond to growing market demands. Nevertheless, the company is preparing for sustained growth in the following 8-10 years and has launched an ambitious investment plan.

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