



■ ■ ■ ■ FIRST HALF REPORT

2009

GRIFOLS

NET PROFIT ROSE 31.4%
FROM 1H08 TO 81.7 MM EUROS

EBITDA WAS 19.2%
HIGHER AT **140.8** MM EUROS

FIRST HALF RESULTS 2009

REVENUE ADVANCED 15.6%
TO OVER 470 MM EUROS

THE EBITDA MARGIN WAS 29.9%, COMPARED TO 29.0% LAST YEAR

Grifols 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.

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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.

GOOD PERFORMANCES BY ALL DIVISIONS

The **Bioscience** division posted 1H09 revenue⁽¹⁾ 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.

| MILLIONS OF EUROS | 1ST HALF 2009 | 1ST HALF 2008 | % VAR. |
|-------------------|---------------|---------------|-------------|
| EBITDA | 140,8 | 118,1 | 19,2 |
| <i>% ON SALES</i> | <i>29,9</i> | <i>29,0</i> | |
| NET PROFIT | 81,7 | 62,2 | 31,4 |
| <i>% ON SALES</i> | <i>17,5</i> | <i>15,3</i> | |

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.



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 Grifols' R&D policy the company has reached agreements with the *Fundació Clinic 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 ascitis 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.

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.

SUMMARY OF SALES BY DIVISION

| IN THOUSANDS OF EUROS | 1ST HALF 2009 | % ON SALES | 1ST HALF 2008 | % ON SALES | % VAR. |
|-----------------------------|----------------|--------------|----------------|--------------|-------------|
| BIOSCIENCE | 350,957 | 74.6 | 305,708 | 75.1 | 14.8 |
| HOSPITAL | 45,057 | 9.6 | 42,400 | 10.4 | 6.3 |
| DIAGNOSTIC | 50,827 | 10.8 | 43,502 | 10.7 | 16.8 |
| RAW MATERIALS+OTHERS | 23,689 | 5.0 | 15,588 | 3.8 | 52.0 |
| TOTAL | 470,531 | 100.0 | 407,198 | 100.0 | 15.6 |





PERFORMANCE BY REGION

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 161.4 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.

Despite the economic environment, Grifols managed to sustain the growth of revenue in all regions

SUMMARY OF SALES BY REGION

| IN THOUSANDS OF EUROS | 1ST HALF 2009 | % ON SALES | 1ST HALF 2008 | % ON SALES | % VAR. |
|-----------------------|----------------|--------------|----------------|--------------|-------------|
| EUROPEAN UNION | 219,832 | 46.7 | 214,001 | 52.5 | 2.7 |
| US | 161,364 | 34.3 | 137,904 | 33.9 | 17.0 |
| ROW | 89,334 | 19.0 | 55,293 | 13.6 | 61.6 |
| TOTAL | 470,531 | 100.0 | 407,198 | 100.0 | 15.6 |



SECOND QUARTER 2009

In the second quarter of 2009, Grifols' revenues rose 14.3% to 234.9 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.

SUMMARY OF SALES BY DIVISION

| IN THOUSANDS OF EUROS | 2ND Q 2009 | % ON SALES | 2ND Q 2008 | % ON SALES | % VAR. |
|-----------------------------|----------------|--------------|----------------|--------------|-------------|
| BIOSCIENCE | 175,666 | 74.8 | 153,276 | 74.6 | 14.6 |
| HOSPITAL | 23,177 | 9.9 | 21,382 | 10.4 | 8.4 |
| DIAGNOSTIC | 24,979 | 10.6 | 23,184 | 11.3 | 7.7 |
| RAW MATERIALS+OTHERS | 11,127 | 4.7 | 7,679 | 3.7 | 44.9 |
| TOTAL | 234,949 | 100.0 | 205,522 | 100.0 | 14.3 |

SUMMARY OF SALES BY REGION

| IN THOUSANDS OF EUROS | 2ND Q 2009 | % ON SALES | 2ND Q 2008 | % ON SALES | % VAR. |
|-----------------------|----------------|--------------|----------------|--------------|-------------|
| EUROPEAN UNION | 109,445 | 46.6 | 105,804 | 51.5 | 3.4 |
| US | 77,832 | 33.1 | 72,379 | 35.2 | 7.5 |
| ROW | 47,672 | 20.3 | 27,339 | 13.3 | 74.4 |
| TOTAL | 234,949 | 100.0 | 205,522 | 100.0 | 14.3 |

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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.

In addition, in June Grifols decided to initiate two clinical trials with the FCRB. The first involves the therapeutic use of Albumin on patients with advanced cirrhosis of the liver and ascites to prevent complications inherent in the illness. This test has already met all the related requirements and is now awaiting the first patients.

The second entails the combined use of Albumin

and plasma exchange on patients with severe complications of cirrhosis of the liver. This trial should be ready to start in the year's last quarter.

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 Fundació 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.

Given the results obtained so far, in June Grifols' Clinical Department decided to submit them



for publication in the *Drug News & Perspectives* magazine. The work was accepted and should be published in the third quarter of 2009.

In addition to this albumin-based study, Grifols is in the second phase of another study involving the use of intravenous gammaglobulin.

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

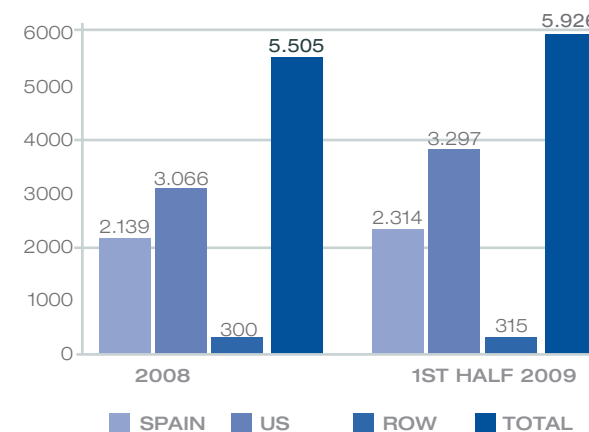
Grifols has renewed the agreement with Kardex Remstar, the global leader in automated hospital storage and retrieval solutions, for a period of five years. This will enable Grifols to remain the exclusive distributor of Kardex's systems in Spain, Portugal, Italy and Latin America, and to integrate Kardex 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.

Human Resources developments

Grifols' had an average workforce of 5,926 employees in 1H09, 7.7% more employees than at the end of 2008. Noteworthy was the start-up of the Grifols campus, a new online sales and marketing training tool for employees. Its combination with on-site classes optimises and ensures the development of employees' knowledge and professional potential.

Average workforce



Environmental activities

Regarding the environment, the Company is gradually meeting the targets of its 2008-2010 Environmental Programme, whose main actions entail the steady reduction in the use of energy, water and raw materials per unit of production, the improvement of waste management and the reduction of CO₂ emissions.

In this respect, in the first half of 2009 the cogeneration power facility brought on stream in 2008 at the Barcelona plasma derivatives plant generated 23.5 million kWh of power, double the amount of electricity consumed by the plant. Its operation at full capacity enabled the Company to harness the useful heat in the form of steam and hot water, preventing the emission of more than 1,500 tonnes of CO₂ into the atmosphere and saving 35% of the natural gas consumed by boilers in the period.



PROFIT AND LOSS ACCOUNT

IN THOUSANDS OF EUROS

| | 1ST HALF 2009 | 1ST HALF 2008 | % VAR. |
|---|----------------|----------------|--------------|
| TOTAL REVENUE | 470,531 | 407,198 | 15.6 |
| COST OF SALES | 240,433 | 205,672 | 16.9 |
| GROSS PROFIT | 230,098 | 201,526 | 14.2 |
| <i>% ON SALES</i> | <i>48.9</i> | <i>49.5</i> | |
| R&D | 16,756 | 15,537 | 7.8 |
| SGA | 91,709 | 83,809 | 9.4 |
| OPERATING EXPENSES | 108,465 | 99,346 | 9.2 |
| OPERATING PROFIT | 121,632 | 102,180 | 19.0 |
| <i>% ON SALES</i> | <i>25.8</i> | <i>25.1</i> | |
| FINANCIAL RESULT | 6,634 | 13,285 | -50.1 |
| SHARE OF RESULT OF ASSOCIATES | -10 | -11 | -9.1 |
| PROFIT BEFORE TAXES | 115,008 | 88,906 | 29.4 |
| <i>% ON SALES</i> | <i>24.4</i> | <i>21.8</i> | |
| TAX PROVISION | 32,860 | 26,559 | 23.7 |
| NET PROFIT BEFORE MIN. INTERESTS | 82,148 | 62,347 | 31.8 |
| MINORITY INTERESTS | 448 | 186 | 140.9 |
| GROUP NET PROFIT | 81,700 | 62,161 | 31.4 |
| <i>% ON SALES</i> | <i>17.4%</i> | <i>15.3</i> | |
| E B I T D A | 140,757 | 118,078 | 19.2 |
| <i>% ON SALES</i> | <i>29.9</i> | <i>29.0</i> | |

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CASH FLOW

IN THOUSANDS OF EUROS

| | 1ST HALF 2009 | 1ST HALF 2008 |
|---|-----------------|-----------------|
| NET INCOME | 81,700 | 62,161 |
| DEPRECIATION/AMORTITZATION | 19,124 | 15,898 |
| OTHER ADJUSTMENTS | 27,627 | 21,848 |
| CHANGES IN INVENTORIES | (60,282) | (37,723) |
| CHANGES IN TRADE DEBTORS | (37,868) | (40,795) |
| CHANGES IN TRADE PAYABLE | 23,156 | 7,179 |
| <i>CHANGE IN WORKING CAPITAL</i> | (74,994) | (71,339) |
| NET CASH FLOW FROM OPERATING | 53,457 | 28,568 |
| CAPEX (PROPERTY.PLANT & EQUIP) | (47,204) | (49,651) |
| R&D/OTHER INTANGIBLE ASSETS | (4,571) | (2,290) |
| OTHER CASH INFLOW (OUTFLOW) | (15,165) | (1,245) |
| NET CASH FROM INVESTING | (66,940) | (53,186) |
| <i>FREE CASH FLOW</i> | (13.483) | (24.618) |
| TREASURY STOCK | (22,801) | (3,553) |
| ISSUE (REPAYMENT) OF DEBT | 95,250 | 59,942 |
| DIVIDENDS | (48,746) | (34,792) |
| CONVERSIONS DIFFERENCES | 1,277 | 3,492 |
| NET CASH FROM FINANCING | 24,980 | 25,089 |
| TOTAL CASH FLOW | 11,497 | 471 |
| CASH BEGINNING BALANCE | 6,368 | 5,690 |
| EFFECT OF EXCHANGE RATE ON CASH | (69) | 111 |
| CASH ENDING BALANCE | 17,796 | 6,272 |

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BALANCE

IN THOUSANDS OF EUROS

ASSETS

NON-CURRENT ASSETS

FIXED ASSETS

GOODWILL AND OTHER INTANGIBLE

OTHER NON-CURRENT ASSETS

CURRENT ASSETS

INVENTORIES

TRADE AND OTHER RECEIVABLES

OTHER CURRENT ASSETS

CASH AND CASH EQUIVALENTS

TOTAL ASSETS

LIABILITIES

EQUITY

SHARE CAPITAL

RESERVES

TREASURY STOCK

CURRENT YEAR EARNINGS

MINORITY INTERESTS

ADJUSTMENTS BY VALUE CHANGES

NON-CURRENT LIABILITIES

FINANCIAL LIABILITIES

OTHER NON-CURRENT LIABILITIES

CURRENT LIABILITIES

FINANCIAL LIABILITIES

OTHER CURRENT LIABILITIES

TOTAL LIABILITIES

1ST HALF 2009

2008

611,118

553,639

331,749

301,009

243,299

216,323

36,070

36,307

753,568

626,600

435,677

373,098

293,721

240,454

6,374

6,680

17,796

6,368

1,364,686

1,180,239

505,265

481,279

106,532

106,532

442,508

369,471

(55,890)

(33,087)

81,700

121,728

14,804

1,250

(84,389)

(84,615)

475,137

381,422

415,544

324,055

59,593

57,367

384,284

317,538

161,842

157,232

222,442

160,306

1,364,686

1,180,239

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GRIFOLS' DAILY SHARE PRICE VS IBEX 35

(BASE 100, FROM JANUARY 1 2008 TO JUNE 30 2009)



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