

# ANNUAL REPORT 2011

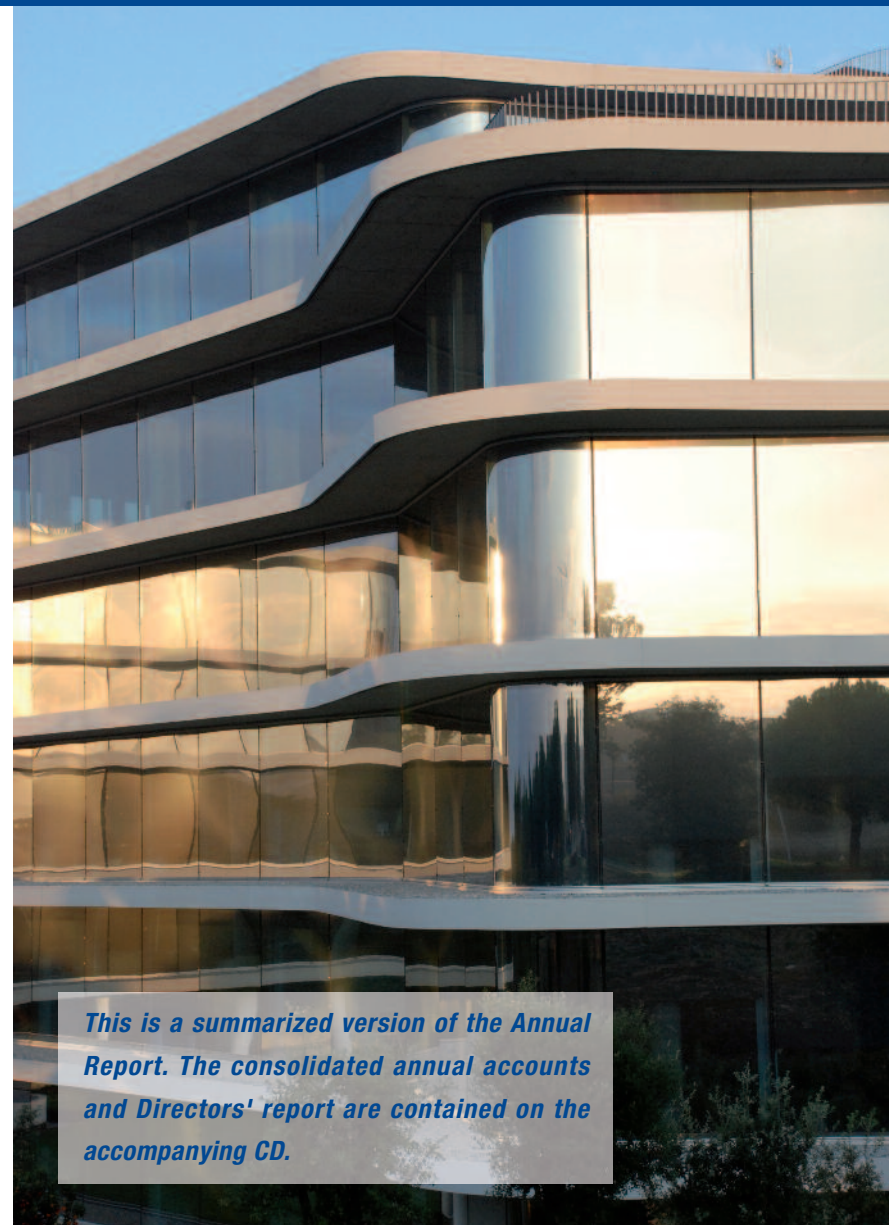
SUMMARY



GRIFOLS

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*This is a summarized version of the Annual Report. The consolidated annual accounts and Directors' report are contained on the accompanying CD.*



# 1 Introduction

# Letter from the President



Dear Shareholders,

As in previous years, I am writing to you with an analysis of the fiscal year that just ended, although this year I do so in reference to the announcement and commitment assumed in 2010 to continue making history. And we did it.

One year ago I told you of my certainty and confidence regarding the fact that the acquisition of Talecris would take place. And that was the case. In June 2011 we obtained all the necessary authorization to consolidate the acquisition and the transaction was completed satisfactorily, giving rise to a *New Era* at Grifols. We have become the third largest producer of hemoderivatives in the world and we are the world leaders in the sale

of gamma globulins and alpha1-antitrypsin, a hemoderivative primarily used to treat pulmonary emphysema. It is a leadership that we responsibly assumed and, while the goal has not yet been reached, it is a new starting point from which we can continue to build.

We now have more sick persons, patients, and family members to whom direct our efforts in order to improve their health and quality of life. More health professionals with whom we work hand in hand in order to obtain more effective solutions. More employees to motivate so that they continue working as they have done until now. More donors to thank for their invaluable contributions to the production of plasma derived products. More investors and financial partners to be shown the value that we generate. Definitely, we now have more commitments that we will continue to fulfill with the same hopes and dreams as always and with the same *Spirit* that has always marked our past and business character: work well done, effort, perseverance, and a drive for improvement and innovation.

We therefore start on this path, grounded on a proven business model, strong commitments, and solid values as the main pillars of our business management, whose main lines of action and results I will briefly describe, as you will be able to find detailed information in the annual report that I introduce here.

As I had anticipated, 2011 was marked by the acquisition of Talecris. As regards our financial results, the completion of the transaction in June 2011, the start of the integration process, and the materialization of some of the projected synergies have impacted a large part of the group's main figures. Both the pro-forma financial statements that we provide for informational purposes, which have been obtained from the consolidated financial statements for Grifols and Talecris, as well as those which were audited and reported, including the results from Talecris starting in June 2011 (seven months), reflect these effects, although the full impact has not yet materialized.

Sales have increased to more than 2.3 billion euros in pro-forma terms or to close to 1.8 billion euros if accounted for in reporting terms. Nevertheless, our growth has also taken place in a year marked by global economic difficulties.

In fact, in a greatly volatile environment such as this one, we have been able to reconcile our organic growth with the implementation of new corporate and commercial structures, mainly in the United States, as part of the integration process that started in June 2011. This has allowed the group to rapidly adapt to the healthcare needs of the main agents that operate in the U.S. market (patient associations, purchasing centers, physicians, etc.) and to create value in the short-term thanks to the attainment of some of the projected production synergies.

All of this has occurred while continuing with the capital investment plan designed to expand and improve production facilities, to which we have earmarked 222 million euros, together with an ambitious R&D policy to which we have dedicated around 5% of our sales.

I first want to note that in 2011 we have begun the construction of a plasma fractionation plant in Parets del Vallès (Barcelona-Spain), with capacity to fractionate 1 million liters per year and expandable to 2 million liters per year in a second phase. In the United States we continue to build the new fractionation plant started by Talecris in Clayton (North Carolina-United States), whose capacity will be 6 million liters per year and which we expect to be completed in 2015, while in Los Angeles the investments made involved the facilities for producing albumin and for the purification of intravenous immunoglobulin. In addition, important investments were made in facilities in Texas, including the laboratories in San Marcos and Austin which, once operational, will allow us to centralize all analyses of plasma donated at our 147 centers in the United States.

Furthermore, the acquisition of Talecris has allowed the group to supplement the important portfolio of R&D projects and to ensure excellent research activity in the long term. The new Grifols has a large number of patent and research projects under way, more than a dozen of which have moved on to the pre-clinical development phase. In 2011 we have also continued with several projects to treat Alzheimer's disease by combining therapeutical plasmapheresis with plasma derived products which will undoubtedly continue to be strengthened in 2012.

Regarding the evolution of our divisions, the recent acquisition also provided the Bioscience Division with added protagonism and weight within the group, as it already represents more than 85% of the business in pro-forma terms. The acquisition also allowed us to continue with our international development and to drive the international activities of all divisions, including the Hospital Division, which was the least diversified until now. In fact, at the close of the year less than 10% of our business was generated in Spain.

In terms of human resources, the acquisition of Talecris has nearly doubled the number of Grifols employees. The average number of employees at December 2011 was 11,250. The adoption of common best practices, the consolidation of policies of training, compensation, and professional outlook, together with talent management, are some of the areas on which we are currently focusing to bring the new Grifols together cohesively. We have also been proactive with respect to the environment, an area in which we are working to unify and expand indicators, implement and homogenize eco-efficient measures and environmental best practices in an uniform manner at all production facilities.

Therefore, in conclusion to such an intense year, I would like to issue a single message: we are on the correct path and we can consider the integration process completed.

We hope to continue deserving your trust to undertake 2012 with new challenges.

Sincerely,



Víctor Grífols  
President and CEO of Grifols

## 2011 in figures

Sales revenue 2,302.7 million euros <sup>1</sup>	7.7% sales <sup>1</sup> growth ( <i>constant exchange rate</i> )
2,031.4 million euros in sales <sup>1</sup> of hemoderivatives	88.3% weight of the Bioscience Division <sup>1</sup> . 3.1% growth <sup>1</sup>
90% of revenues generated outside Spain <sup>1</sup>	Nearly 60% of revenues generated in the United States and Canada <sup>1</sup>
630.8 million euros in adjusted <sup>3</sup> Ebitda <sup>1</sup>	6.4% <sup>1</sup> increase and 27.4% margin over pro-forma
233.6 million euros in adjusted <sup>3</sup> net profit <sup>1</sup>	10.1% over pro-forma sales
2,738.2 million in net financial debt	4.3x adjusted Ebitda <sup>3</sup> . Ratio below 5.2x initially estimated
11,230 employees on average	Close to 80% of employees outside of Spain
Sales in 100 countries	Subsidiaries in 24 countries
Industrial facilities in North America, Spain, Australia, and Switzerland	147 plasma centers in the United States

## Company profile

### Mission

- The research, development, manufacture, and marketing of hemoderivatives, intravenous therapy products, enteral nutrition, diagnostic systems, and medical materials designed for the health and well-being of people.

### Values

- Pride in our company.
- Effort to achieve results.
- Commitment to our customers.
- Striving to make the best use of available resources.
- Competitiveness based on teamwork.
- Improvement and innovation.
- Quality and safety in all our activities.

### Divisions


- Bioscience: focusing on the specialization of hemoderivatives.
- Diagnostic: focusing on clinical diagnostics.
- Hospital: focusing on the needs of hospital pharmacy, clinical nutrition, fluid therapy, medical supplies, and hospital logistics.

### International presence

- 100 countries
- Commercial subsidiaries in 24 countries.

### Average number of employees

- 11,230



*2011, a year marked by an acquisition that makes us the third largest hemoderivative producer in the world*

On June 2, 2011, Grifols completed the acquisition of Talecris Biotherapeutics announced one year earlier. The Company has become one of the three largest hemoderivative companies in the world with a balanced and diversified product range. Regarding the raw materials for the elaboration of hemoderivatives, we occupy a leadership position in obtaining plasma and we have an assured supply through our 147 plasmapheresis centers in the United States. From a fractionation capacity perspective, the various production facilities in Spain and the United States will allow us to respond to the growing market demand.

Grifols acquired all shares of Talecris Biotherapeutics for a total of approximately USD 3.7 billion (2.6 billion euros), although the total value of the transaction, including the net debt recorded by Talecris, was approximately USD 4 billion (3.3 billion euros). Grifols confirms its firm commitment to the group's long-term growth through one of the most successful and important corporate transactions of the year.

Since the acquisition was finalized, we have worked extremely hard to successfully integrate the two companies and consolidate the third largest company in the hemoderivative sector worldwide.





## 2 Areas of activity

2.1 Bioscience Division

2.2 Diagnostic Division

2.3 Hospital Division

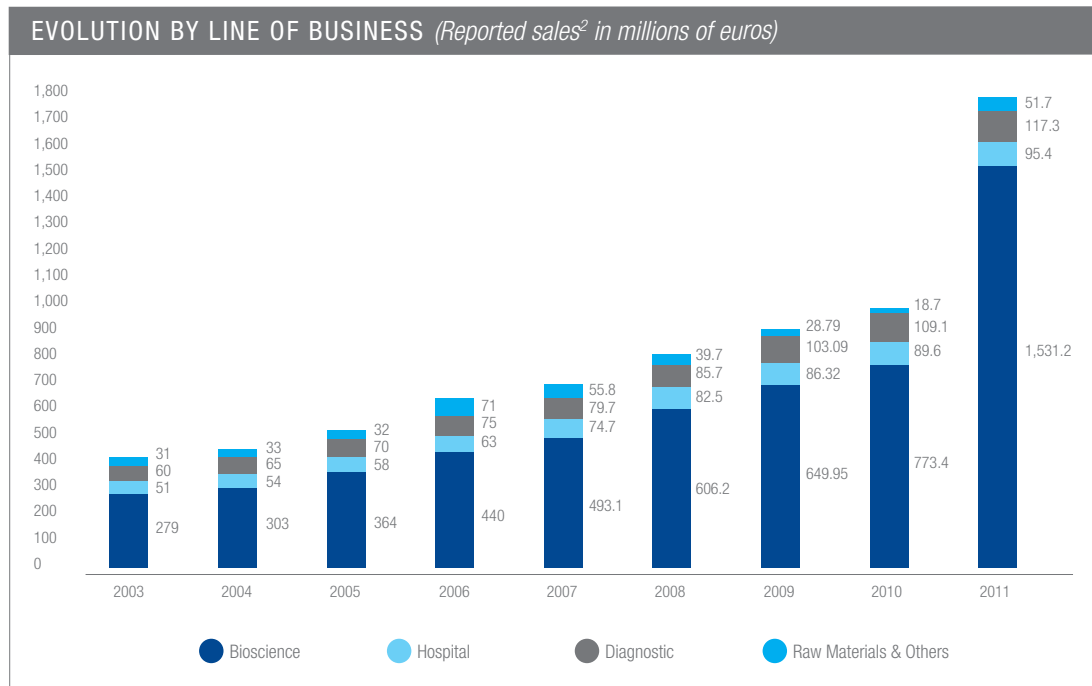
2.4 Research and Development

# Activity in 2011

Grifols was created as a group of companies in 1987, although our origins date back to 1940 with the creation of Laboratorios Grifols. In 2011 we united our business with Talecris Biotherapeutics and we started a new phase as one of the largest suppliers of plasma derivatives for therapeutic use worldwide, as a manufacturer of diagnostic systems and a benchmark partner in innovative solutions for hospitals.

Our activity is organized into three divisions: Bioscience, Diagnostic, and Hospital, through which we offer specialized products and services for the various groups that we attend to.

2011 REVENUE AND GROWTH BY DIVISION (Pro-forma data <sup>1</sup> in millions of euros)			
	Revenue	% growth	% of revenue
Bioscience	2,031.3	3.1	88.3
Hospital	95.4	6.5	4.1
Diagnostic	117.3	7.6	5.1
Raw Materials & Others	58.6	79.8	2.5
TOTAL	2,302.6	4.6	



## 2.1 Bioscience Division

### Improving the patient's quality of life

Patients whose lives depend on treatment with plasmatic proteins are the focus of our activity. Our products are obtained from human plasma, the liquid part of blood that contains the essential proteins for the proper functioning of the human body. From the start of our business we have manufactured quality hemoderivatives safely and efficiently, minimizing risks and investing in the continuous improvement of production processes.

- The company is the worldwide leader by sales of immunoglobulins and alpha1-antitrypsins.
- The portfolio of hemoderivative products sold by Grifols has increased to respond to the needs of patients and health care professionals.
- In the United States, 147 plasma donation centers allow up to 6.5 million liters of plasma to be obtained each year.
- The new production facilities in Clayton (USA) have increased Grifols' fractionation capacity to 8.5 million liters per year.
- In pro-forma terms<sup>1</sup>, sales grew by 3.1% to 2,031.3 million euros: more than 88% of total revenue.
- According to reported data<sup>2</sup>, which include seven months of joint operations, revenue increased by 98% to 1,531.2 million euros. This represents 85.3% of revenue for Grifols in 2011.

### Internationalization of sales: Grifols gains market share in the United States

The majority of the sales of hemoderivatives took place in international markets, mainly in North America where, after the recent acquisition, the group has gained market share and hemoderivative sales growth exceeded 8.1% at a constant exchange rate (nominal rate of 3.5%) in pro-forma terms<sup>1</sup>.

The agility with which the sales force has been reorganized in this market through mixed sales units (Marketing and Sales) according to various types of products: IVIG, albumin, and hyperimmune globulins, hematology (factor VIII, factor IX, and antithrombin) and pneumology (alpha1-antitrypsin). This measure allows for a rapid repositioning in the United States and Canada as a leading company in the sector, both among health professionals, and between patient associations and group purchasing organizations (GPOs).

### Obtaining quality plasma

Since 2002, Grifols has progressively created its own network of plasma donation centers in the United States that guarantees a reliable constant supply of raw materials to satisfy the growing demand for treatments using plasmatic proteins. The plasma used by Grifols mainly originates from compensated donations, which allow us to have repeat donors whose medical histories are kept up to date.

After the acquisition of Talecris Biotherapeutics, the donation centers were reorganized into a new operating structure which, in the medium term, will translate into cost improvements. The 147 plasmapheresis centers have been organized into eight divisions as independent business areas, establishing a single corporate management

structure. The objective is to minimize structural costs, diversify risks in order to guarantee plasma supply, optimize raw material logistics costs, homogenize high efficiency levels in obtaining plasma, reduce the contracting of third party services (such as those relating to analyses), and control inventory levels.



MAIN INDICATORS	2011	2010	% GROWTH
No. of plasmapheresis centers	147	80	84%
No. of plasma donations	7,150,000	3,000,000	138%
No. of repeat donors	More than 275,000	More than 150,000	83%
No. of sample analyses performed	More than 15.5 million analyses	More than 6.3 million analyses	146%
Capacity for plasma collection	6.5 million liters per year	3 million liters per year	117%
Liters of plasma obtained	5.8 million liters of plasma	2.6 million liters per year	123%
No. of fractionation plants	3 plants	2 plants	
Fractionation capacity	8.5 million liters per year	4.5 million liters per year	89%

### Higher capacity for fractionation and purification of proteins

Production capacity has increased after the acquisition of Talecris. At the close of 2011, the company has three plants, located in the United States (Los Angeles and Clayton) and in Spain (Parets del Vallès), and it also has a four-year lease for facilities located in Melville (New York, United States). In total, the installed plasma fractionation capacity represents a maximum of 8.5 million liters of plasma per year, although projected capital investments call for this capacity to exceed 12 million liters per year in 2016. All of the fractionation plants have been approved by the U.S. FDA and the health authorities in the European Union.

### Expansion of trademarks to 2,607 in 2011

In 2011 the expansion of Grifols' trademark portfolio was notable after the acquisition of Talecris. This diversification, together with geographical diversification, allows us to adapt to the demand of patients and health professionals with diverse needs and preferences.

There are 2,607 commercial trademarks for use in therapies principally relating to coagulation problems, acute hepatic insufficiency, genetic emphysema, immunodeficiencies, autoimmune neuropathies, exposure to certain infectious diseases such as hepatitis A and B, tetanus, rabies and measles (rubella), and the loss of blood due to shock or trauma.



## 2.2 Diagnostic Division

### Pioneers in diagnostic technology for health services

Specialized in the development of diagnostic instruments, this division drives new cutting edge technologies that facilitate clinical diagnoses in three specialties: transfusion medicine, hemostasis, and immunology. Hospital blood banks, transfusion centers, and clinical laboratories are the main users of our diagnostic technology.



- The division's organic growth is maintained and the geographic diversification of sales minimizes the impact of budget austerity policies.
- Grifols reinforces the penetration of its diagnostic products in the United States and Japan through trade agreements.
- A pioneer in transfusion medicine, the group leads development in this specialty.
- The launch of new instruments and reagents are key to the sustainability of the division in the medium and long terms.
- Sales totaled 117.3 million euros, which represents 7.6% growth compared with 2010.
- In pro-forma terms<sup>1</sup>, sales by the Diagnostic Division represent 5.1% of revenue and 6.5% in accordance with the reported financial statements<sup>2</sup>.
- The division's strong international presence has driven sales volume, mainly with respect to reagents.
- Card units sold in 2011 increased by 23%.
- The division has consolidated its position in Japan through a distribution agreement with the Japanese company Kainos.
- Novartis has started to market some of Grifols' main immunohematology products in the United States.

## 2.3 Hospital Division

### Improve health care

Hospitalized patients usually require some kind of intravenous solution to restore or maintain their hydroelectrolytic balance, or nutritional products if they cannot ingest or tolerate traditional foods. Hospitals need technological systems and platforms that contribute to improving patient safety, improve the efficiency of drug handling, and optimize human and financial resources.



- Grifols strengthens the penetration of the division in the United States and drives geographic diversification of sales through trade agreements with third parties.
- In 2011 the Group reinforced its leadership position with respect to intravenous therapies and as a provider of hospital logistics services in Spain.
- Manufacturing for third parties through the Grifols Partnership has been consolidated.
- The organic growth of the Hospital Division is maintained, despite being the division most affected by budget cuts in Spain.
- Division sales totaled 95.4 million euros, a 6.5% increase compared with 2010.
- In pro-forma terms<sup>1</sup> they represent 4.1% of revenue and 5.3% of total reported income<sup>2</sup>.
- Revenue from manufacturing for third parties increased by more than 50%.
- The division developed the automated Stockey® system, designed to optimize the management of health care supply restocking in hospitals.
- The BlisPack® system is available to countries on four continents.
- It completed the process of automating the pharmacy service at Hospital Vall d'Hebron in Barcelona, one of the most important in Spain.
- Completed the formulation of new drugs for the treatment of bone diseases and the development of new clinical nutrition diets.

## 2.4 Research and Development

Grifols has invested 89.4 million euros in R&D, which is more than 119% higher than the 40.7 million euros invested in 2010. R&D expenses represent only 5% of sales. In pro-forma terms<sup>1</sup>, R&D investments exceeded 118 million euros, although the ratio remains around 5% of pro-forma revenues<sup>1</sup>. The acquisition of Talecris has allowed the important portfolio of projects to be increased and research activity in the long-term to be ensured.



Some notable R&D projects are the clinical trial for the use of plasmin in cases of acute peripheral arterial occlusion is notable, the studies that could support new uses for the antithrombin in heart surgery (cardiopulmonary bypass) and severe burns, and the studies currently in progress for the use of Fibrin Glue, a biological glue, in several types of surgeries.

The medical trials for the treatment of Alzheimer's disease continue through the combination of plasmapheresis therapy with the administration of albumin and IVIG.

In 2011 Grifols announced that it would strengthen research in other fields with future prospects, such as regenerative medicine, by creating companies with the investment of Gri-Cel S.A., an investment vehicle created in 2010 to promote the group's participation in research initiatives in new fields of medicine.

### Grifols patents

Grifols has maintained patent activity in 2011. At the close of the year the group had 857 patents and applications, of which 247 are currently undergoing final approval. All of them have protection periods of 20 years, although approximately 259 of these patents expire in 10 years. Grifols has nearly 2,600 trademarks, of which 159 are in the final approval process.





# 3 Grifols commitment

3.1 Human Resources

3.2 Environment

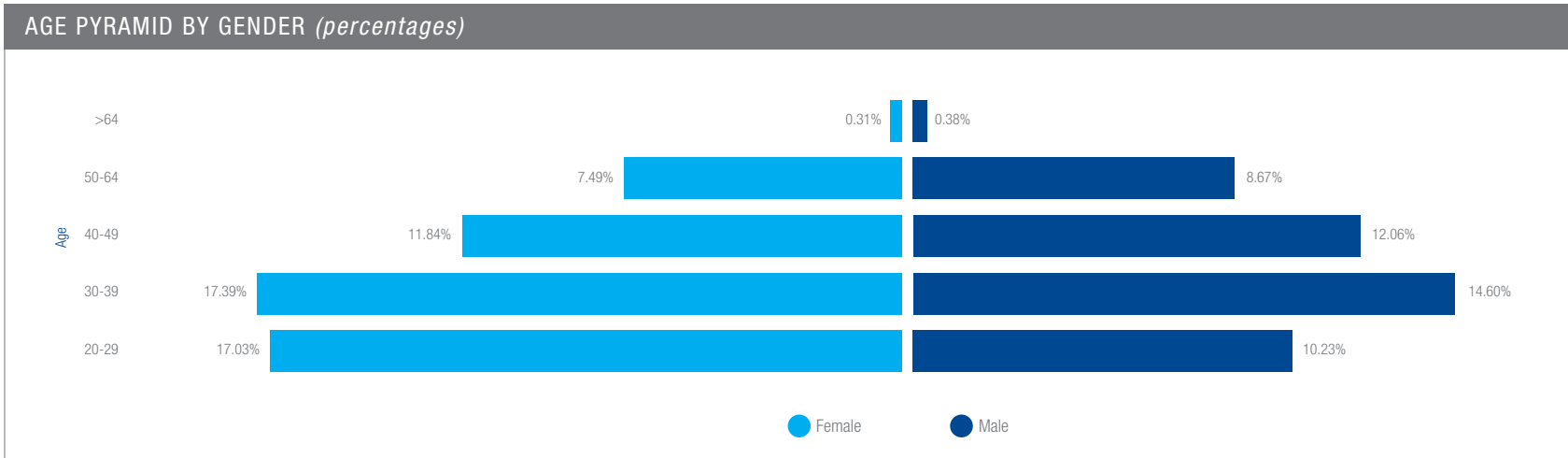
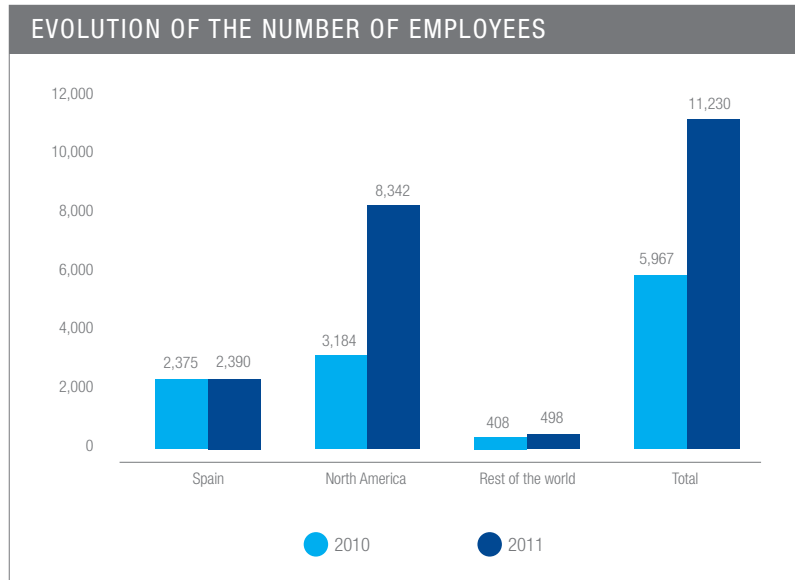
# 3.1 Human Resources

In 2011 Grifols doubled the number of employees to 11,230, which is an 88% increase compared to 2010. This increase was the result of the integration of Talecris Biotherapeutics employees, including the employees at its 67 plasma donation centers. The harmonization of training and compensation policies has been completed to attain cohesion within the new organization.

## Evolution of the number of employees

Grifols has become a leader in the workforce. The average length of service at the company is more than six years, always with focus on the equality of opportunities for men and women. Men make up 46% of employees and women represent 54% and the average age is nearly 38 years.

The age pyramid by gender (percentages) is as follows:



## Compensation

As a result of the acquisition, personnel expenses increased by 69% compared with 2010 to 488.6 million euros, of which 80.8% relate to the payment of salaries and the rest to employee welfare charges.

## Training and the development of human capital

True to the believe that people are the true generators of value and wealth, Grifols has continued working in developing and training its human resources.

A notable element within the framework of training activities in 2011 was the reinforcement of two key areas of our business: continuous training in product quality and safety, and the leadership program, designed to strengthen the cohesion of teams.

Some key programs in 2011:

1. An online GMPs training program for all production areas, the objective of which is to provide continuous training adapted to the organizational dynamics of our production processes.
2. Training in technological aspects that facilitate the implementation of new technological solutions in the industrial area or internal management.
3. Proximity leadership program in which more than 125 managers from Spain and Latin America participated this year.
4. Language training, especially in English, a key element of an international growth model.



### KEY TRAINING INDICATORS

No. of courses	26,611
Total hours	260,791
Average hours per employee	30

## 3.2 Environment

The acquisition of Talecris on June 2, 2011 is also reflected in environmental results. Environmental aspects of the facilities acquired in 2011 are included in full. All of the data regarding production activity and those relating to warehouses, group offices, and plasma donation centers in the United States are also included.

The inclusion of these facilities in the environmental records by Grifols, in addition to a significant increase in production of waste, disposal, emissions, and consumption, has led to a significant increase in production.

DIVISION	BIOSCIENCE	HOSPITAL	DIAGNOSTIC
Increase in production	113%	7.4%	16.7%

### 2011-2013 Environmental Program

The main actions have focused on the design and implementation of eco-efficient production processes and the optimization of auxiliary installations that are being carried out in the expansion of the Hospital Division in Murcia, the new fractionation plant under construction and the new fibrin glue production plant, both pertaining to the Bioscience Division in Parets del Vallès.

Hospital Division: substitution of the manufacture of PVC bags for polypropylene (PP) bags, and the installation of a high efficiency distiller, with two sterilization autoclaves using a mix of steam and air instead of superheated air, "Clean In Place" cleaning systems (CIP), and a high efficiency boiler with heat recovery system. The implementation of these environmental goals will produce a savings with respect to the annual electricity consumption of 1.7 million kWh/year and natural gas consumption totaling 5 million kWh/year.

The objectives program was expanded to include those of the facilities in North Carolina (Grifols Therapeutics), notable among which are the decrease in the annual consumption of water by nearly 100,000 m<sup>3</sup>, the reduction of electricity consumption by 2.8 million kWh/year, and the implementation of ecoefficiency measures at the new fractionation building.

### Main environmental indicators

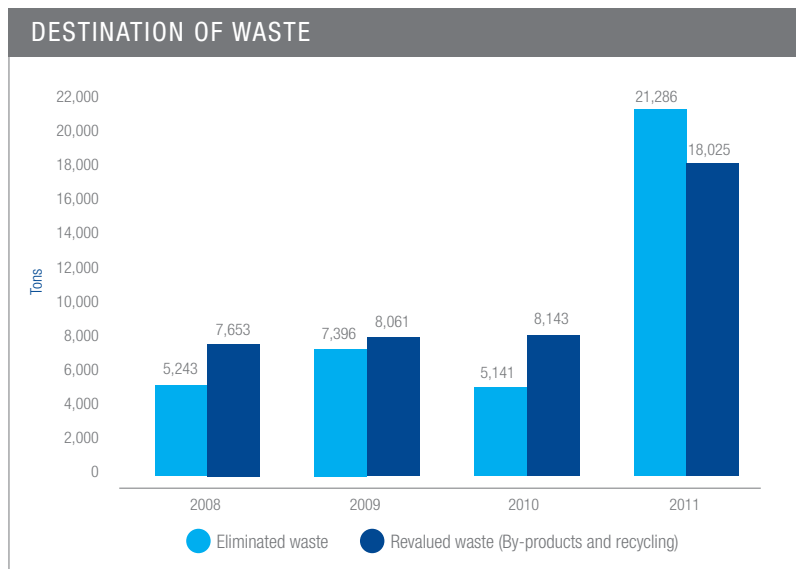
MAIN ENVIRONMENTAL INDICATORS	
Electricity consumption	265.1 million kWh
Natural gas consumption	206.7 million kWh
Consumption of natural gas through cogeneration	110.5 million kWh
Water consumption	1,939,083 m <sup>3</sup>
Generation of waste	39,311 t
Revalued waste (recycling and by products)	46%
Waste water	1,357,358 m <sup>3</sup>
Organic material in waste water (DQO)	842 t
Carbon footprint (equivalent tons of CO <sub>2</sub> )	226,779 t

*Includes data from Grifols Therapeutics and from the donation centers for all of 2011.*

The cogeneration plant at the Bioscience Division in Spain produced 39.6 million kWh of electricity and recovered 32.1 million kWh in the form of steam and hot water. Its overall performance was 72.06% and the savings of primary energy was 17.18%, which has kept 4,100 tons of CO<sub>2</sub> from being emitted, if compared with the production of electricity and steam separately.

The 23% decrease in water consumption by Laboratorios Grifols in Parets del Vallès is notable. In 2011 a plan was initiated in order to take advantage of clean water in the refrigeration towers and there are plans to launch a system to recover water from autoclaves.

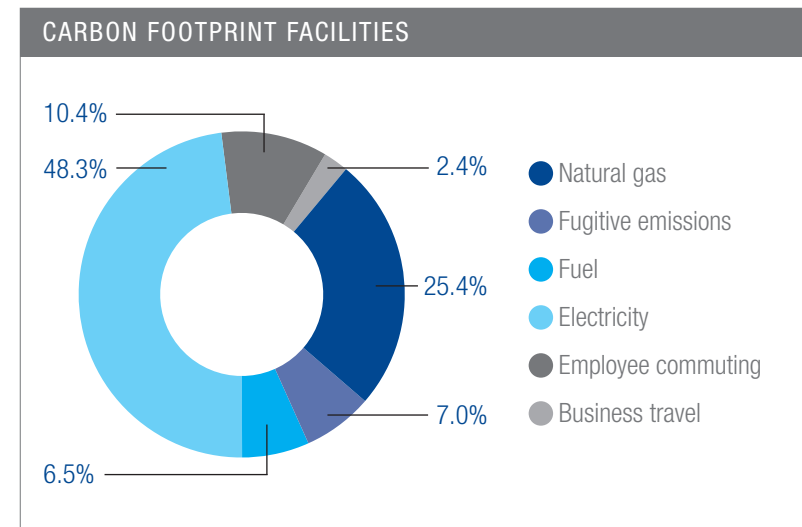
Grifols generated a total of 39,311 tons in waste, of which 46% can be revalued. All of the waste generated by the 147 plasma donation centers totaled 12,891 tons this year.



### Carbon footprint

The carbon footprint is the sum of all emissions of direct and indirect greenhouse gases produced by an organization, service, or product. This calculation has taken into account all of Grifols' facilities and the main factors that give rise to the emission of greenhouse gases, such as the consumption of electricity, natural gas, and other fuels, as well as business travel, employee transportation, and the emission of refrigerant gases.

The total number of equivalent tons of CO<sub>2</sub> in 2011 increased to 226,779.



The largest contribution of Grifols to global warming derives from electricity consumption and second from the consumption of natural gas. The emissions generated by employee transportation to work are not inconsiderable.

### Investments and environmental expenses

Environmental expenses incurred in 2011 exceed 9 million euros. The largest increase was produced in the management of waste due to the rise in the number of production centers and in the cost of treating waste water.

The main environmental investments were dedicated to the optimization of water use and to energy efficiency projects at new production plants. Investments in environmental assets in 2011 exceeded 8.2 million euros.

# 4 Economic and financial performance

**GRIFOLS**

## Analysis of results

- Organic growth and expansion through acquisitions was consolidated in a year marked by market volatility. 90% of revenue was generated abroad, minimizing group risks.
- The increase in sales volumes is driving results in an unfavorable pricing environment.
- The high volatility of currencies has a negative impact on results, but geographic diversification minimizes its effects.
- The identification of production synergies, the optimization of corporate and commercial structures, and the integration of teams completed in December 2011 are the main areas of action of the new Grifols.

## Positive development of activities

- Pro-forma sales<sup>1</sup> exceed 2.3 million euros. Increase of 7.7% at a constant exchange rate.
- Growth of reported sales<sup>2</sup> was 88.6% up to 1,795.6 million euros.
- Adjusted<sup>3</sup> Ebitda<sup>1</sup> increased by 6.4% to 630.8 million euros, a 27.4% margin over pro-forma sales<sup>1</sup>.
- Net adjusted profit<sup>3</sup> totaled 233.6 million euros a 10.1% margin over pro-forma<sup>1</sup> sales.
- The completion of the acquisition modifies the balance sheet: total consolidated assets amounted to 5,807.7 million euros compared with 1,889 million in 2010.
- Financial debt was lower than projections for 2011.
- Net equity totaled 1,665.0 million euros which, compared with 707.4 million euros in 2010, is an increase of more than 900 million euros.



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# 5 Shareholders and the Stock Market



Ordinary shares of Grifols (Class A) were the best performers in 2011 within the IBEX 35. With an appreciation of 27.45% they closed at 13 euros per share.

- Since May 17, 2006 all shares representing the capital of Grifols are listed on the Barcelona, Madrid, Valencia, and Bilbao stock markets, as well as on the Spanish continuous market.
- In January of 2008 Grifols entered the IBEX 35, which is the Spanish index of reference.
- In June of 2011 the first issue of non-voting shares in Grifols (Class B) took place and started to be traded on the Spanish Continuous Market and on the NASDAQ (through ADS).

In 2011, Grifols carried out two share capital increases with a total nominal value of 11,349,934.6 euros. Taking into account both increases, share capital totaled 117,882,384.10 million euros as of December 31, 2011, represented by 213,064,899 ordinary shares with a nominal value of 0.50 euros each and 113,499,346 class B shares with a nominal value of 0.10 euros each.

The first capital increase was carried out to meet part of the payment for the acquisition of Talecris Biotherapeutics. With this purpose, 83,811,688 non-voting shares (Class B) were issued and subscribed with a nominal value of 0.10 euros each.

The second capital increase, took place at the end of 2011, to remunerate shareholders as an alternative to the payment of cash dividends. It consisted of the issue and subscription of 29,687,658 Class B shares with equal nominal value to the previous Class B shares (0.10 euros per share). This issuance increased Class B liquidity strengthening their trading on the markets.

In both cases, in 2011, the shares were admitted for trading on the Spanish Continuous Market and the NASDAQ, through ADS (American Depositary Shares).

Since November 21, 2011, Grifols (NASDAQ:GRFS) has been a component of the NASDAQ Biotechnology Index<sup>®</sup>, designed to include the main biotechnological or pharmaceutical securities trading in NASDAQ according to the Industry Classification Benchmark (ICB). Grifols has also been part of the MSCI World Index created by Morgan Stanley, since May 2008.

DAILY LISTED PRICE OF GRIFOLS SHARES VS. IBEX 35

*(Base 100 | From January 1 to December 31, 2011)*

1. Unaudited pro-forma financial statements, provided for guidance purposes only, prepared from the consolidated statements of both companies.

2. Includes results for Talecris as of June 2011 (seven months), the first month in which it consolidated.

3. Excludes costs relating to the acquisition of Talecris and non-recurring.

4. Different share exchange ratios were used depending on the identity of the owner of Talecris shares at the Transaction completion date; 0.6485 for general purposes and 0.641 when the shareholder was Talecris Holdings, LLC, a director and/or a board member of Talecris.