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2010 ANNUAL REPORT

SUMMARY

GRIFOLS

Summary Annual Report 2010

Contents

This is a summarized version of the Annual Report. The full version is contained on the accompanying CD (see flap inside back cover).

1. Introduction

The five key elements of the Grifols business model

Grifols was established as a group of companies in 1987, but its origins date back to 1940 with the establishment of Laboratorios Grifols. This was the first step along the road which led to the creation of today's international group, focusing on the hospital-pharmaceutical sector.

Grifols currently has 3 business areas, organized around its different products.

- Bioscience division
- Diagnostic division
- Hospital division

Key 1

Patients

Helping improve people's health

Grifols provides innovative products and a high quality service, designed to help professionals working in the health sector to look after people's health. The plasma products we manufacture using human plasma are biological medicines which are essential to save lives. Deficiencies in the proteins (albumin, globulin or clotting factors) contained in blood plasma are the cause of serious health problems.

Grifols' in vitro diagnostic equipment for laboratory analysis, including products for hospital blood banks and transfusion centers, speed up the process of testing and obtaining information which is essential for the treatment of patients.

The group supplies a wide range of non-biological products for hospital pharmacy for surgery, clinical nutrition, fluid therapy and products for other health purposes.

Key 2

Plasma collection

Maximum safety and control in the collection of raw material

Plasma is the raw material from which plasma products are made. The plasma used by Grifols comes primarily from paid donations from the group's plasmapheresis centers in the United States. This payment means that Grifols benefits from using repeat donors for whom there is a medical record which is updated with information from a detailed examination before each donation. Each donation then undergoes exhaustive testing.

Grifols has a network of 80 FDA-certified donor centers. Strict donor selection procedures and the controls applied to plasma units before manufacturing have enabled Grifols to obtain "Quality Standards of Excellence, Assurance and Leadership" (QSEAL) certification from the PPTA (Plasma Protein Therapeutics Association).

Key 3

Plasma products manufacture

A vertically integrated model

From collection of the plasma unit until distribution of the final product takes between 9 and 11 months. This cycle is fully controlled by Grifols, with the company's vertically integrated model enabling it to guarantee the entire process, maintaining the highest possible standards of quality and safety in its plasma products.

The manufacture of plasma products is a complex process, involving fractionation, purification and filling. All the processes are performed in accordance with Good Manufacturing Practice for Drugs (GMP).
These guidelines regulate the manufacturing process for each line of health products or pharmaceutical preparations produced by Grifols. The FDA and competent regulatory authorities in other countries regularly inspect our facilities.

The production of plasma derivatives is concentrated in Spain (Barcelona) and the United States (Los Angeles). In total, this means that Grifols has production capacity for 4.3 million liters of plasma per year.

Key 4

R&D

The future of society and the future of Grifols

Grifols has an impressive project portfolio, backed by the resources necessary to ensure a long-term research effort across all three divisions. In addition, it has consolidated a global network of external collaborations with experts in different medical areas of Spanish and international hospitals, universities and research centers.

Our research efforts focus both on the search for treatments and solutions for those suffering from illnesses caused by plasma protein deficits, and new therapeutic applications for plasma products. An important development in this regard was the start of a new medical study for the treatment of Alzheimer's disease with a combined therapy of therapeutic plasmapheresis with the administration of two plasma products (albumin and IVIG).

Key 5

Team spirit

5,968 professionals serving people's health

Grifols is a multicultural company which brings together 5,968 employees from a range of nationalities. A very high proportion of the workforce, whether in production, research, sales and administration, perform jobs for which they must be highly qualified. For this reason, continuous professional development activities are essential.

The principles of Grifols are reflected in the Code of Conduct, which is designed to help ensure standards throughout the organization. The Code of Conduct establishes standards of individual behavior for all employees in any professional situation.

Letter from the President

Dear shareholders,

As in previous years, I am writing to you with an analysis of the year's activity with two aims in mind: to set out the achievements of Grifols and to express my firm belief that we are laying the foundations for a new stage in our company's history.

In 2010 Grifols celebrated 70 years. Seven decades. Over 25,000 days, characterized by growth, learning and change. Achieving success and overcoming obstacles. Delivering technological and scientific progress. Contributing, in sum, to the progress of society with safe, high-quality products of proven efficacy in the medical-hospital sector.

During the 1990s we consolidated our group's activities and its manufacturing structure. Building on this platform, during the first decade of the new millennium the group has pursued a strategy of international expansion. We now have a presence in over 90 countries, 77% of our income is generated in international markets, and with the opening of a representative office in China and two new subsidiaries, in Colombia and Sweden, we have a direct presence in 23 countries. This market diversification strategy, which began in 1986, has been essential to our ability to adapt to the current economic crisis, reducing its impact as far as possible and preparing for growth in the future.

To this end, we have continued to invest in our business. Despite a difficult environment, at Grifols we have stuck to our investment program for 2010, allocating 95 million euros to improving and expanding our manufacturing capacity. By the end of the year, over 90% of the Strategic Plan for the period 2008-2011 had been implemented, representing total investment of 450 million euros. As a result, we are well placed to continue to grow.

We have raw material, we have innovative, new sample testing laboratories, and we are working to increase our protein fractionation and purification capacity in order to meet the needs of patients and health professionals beyond 2013. The intravenous immunoglobulin manufacturing plant in Los Angeles (United States) is at the validation stage, as is the fibrin glue manufacturing facility in Barcelona (Spain). In addition, our new sample testing laboratory in San Marcos (Texas) is at the validation stage, and there is also a range of new projects awaiting go-ahead, such as a new plasma fractionation plant in Barcelona.

Our investment strategy has also included a strong focus on research. Over 4% of our sales income is allocated to the promotion of scientific progress, including both the search for new applications of our plasma products and improving our production processes, among other areas. Some of the most ambitious research lines include investigating a potential treatment for Alzheimer's disease and cirrhosis of the liver using plasma proteins, both of which could benefit thousands of people across the globe.

During 2010, investment, research and international expansion have been confirmed as providing the basis for the growth of the group. And it is this growth, planned and managed responsibly, which has delivered sales of over 990 million euros in 2010, some 8.5% higher than in 2009.

However, I would also like to highlight the fact that, if we look solely at recurring business, generated by the Bioscience, Diagnostic and Hospital divisions, overall sales revenue actually rose by 10.7%. This clearly demonstrates the level of organic growth achieved in each of the group's divisions.

Among the main achievements this year, in the Bioscience division I would like to highlight the launch in the United States and Europe of our new Flebogamma® 10% DIF, a liquid intravenous immunoglobulin at 10% concentration, together with the presentation and commercial launch of the new Erytra® autoanalyzer, for blood typing, in the Diagnostic division. In the Hospital division, we remain leaders in Hospital Logistics, developing and implementing products and services which help improve the efficiency of hospital pharmacy services.

However, there is no question that one of the major decisions we have taken during 2010, and probably during the entire decade, has been the agreement to purchase Talecris Biotherapeutics. I am convinced that the acquisition will go ahead and, although we are still waiting for approval from the United States anti-trust commission, I am sure that by the time you read these lines it will have been confirmed. I would therefore like to express my sincere thanks and those of all our executives for the vital and unstinting support of all of you in such a large operation. The combination of Grifols and Talecris will allow us to speed up our growth plans, consolidating our diversification and generating major synergies at every phase of our business model. We are completely complementary and, united, we will be able to respond better and on a larger scale to the needs of millions of patients across the globe, with the safety, quality, professionalism and ethics which are our hallmark.

The values in which we believe and which have characterized our work throughout the seven decades of our history will ensure that we remain competitive and, statistics apart, Grifols' existing achievements and new projects bring clear benefits for patients, customers, shareholders and employees.

I would like to end by saying that I am sure we can carry on making history for another 70 years.

Víctor Grifols
President and CEO of Grifols

Company profile

Mission	The research, development, manufacture and marketing of plasma derivatives, IV therapy, enteral nutrition, diagnostic systems and medical materials to look after people's health and well-being.
Values	Pride at belonging to the 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:** specializing in plasma derivatives. • **Diagnostic:** specializing in clinical diagnostics. • **Hospital:** specializing in the needs of hospital pharmacy, clinical nutrition, fluid therapy, medical supplies and hospital logistics.
International presence	• Over 90 countries. • Commercial subsidiaries in 23 countries.
Average staff numbers	• 5,968

Grifols' strategy for growth is based on three lines of action, with a clear set of objectives for each.

Targets

Strategic lines	Objectives
Investment Plan: 2008-2012	• Anticipate production requirements by a 5 to 6 year period. • Plan and optimize resources to match changes in demand. • Ensure growth from 2013.
Geographical diversification	• Consolidating presence in Asia and Latin America markets. • Opening new markets. • Balancing sales from Europe and the United States.
Promoting R&D	• Developing new products. • Investigating new therapeutic applications for existing products. • Improving the efficiency of production processes. • Consolidating a research network based on collaboration with external organizations. • Promoting research in biomedicine and regenerative medicine.

2010 in figures

Sales revenue
990.7
million euros

8.5%
sales growth

77%
of income generated outside Spain

22.5%
growth in United States

Net recurring profit*
127.7
million euros

12.9%
of sales

Recurring EBITDA*
272.5
million euros

2.4%
growth to 27.5% of sales

Net financial debt
604.9
million euros

2.4
times EBITDA

Average staff numbers
5,968
employees

60%
of staff (approx.) in United States

* Excluding the costs associated with the agreement to purchase Talecris Biotherapeutics.

2. Activity areas

General performance of divisions in 2010

Sales revenue and growth by division (millions of euros)

	Sales revenue	% growth	% over sales
Bioscience	773.4	11.3%	78.1%
Hospital	89.6	3.7%	9.0%
Diagnostic	109.1	5.8%	11.0%
Raw Materials & Others	18.7	-35.0%	1.9%
TOTAL	990.7	8.5%	100%

2.1 Bioscience division

- Bioscience sales have risen by 11.3%.
- 85% of sales came from international markets.
- Income from the United States has risen by 23.0%.
- The Asia-Pacific region continues to grow in importance, with increased sales of albumin in China.
- Sales of the new Flebogamma® DIF 10% began in the United States, following approval by the FDA.
- At the end of 2010 the EMA approved Flebogamma® DIF 10% for marketing in the European Union.
- Sales of the antihepatitis B intravenous immunoglobulin, Niuliva®, which began in the final quarter of 2009 in Spain and Italy, rose markedly during 2010.
- The group's 80 plasmapheresis centers in the United States collected 2.6 million liters, sufficient to cover requirements and maintain stable levels of inventory.
- 2010 also saw completion of construction of a second laboratory in San Marcos (Texas) which will come on stream once validation is completed. This second laboratory will handle the increased volume of samples to analyze, and will prevent work from being concentrated in a single laboratory.

773.4

million euross
of sales revenue

1 of only 3 fully vertically integrated plasma derivative companies in the world

1st company to offer two concentrations of liquid IVIG (5% and 10%)

2.2 Diagnostic division

- In 2010, sales of the Diagnostic division have risen by 5.8%.
- Grifols continues to be engaged in developing new immunohematology and hemostasis instrumentation to facilitate diagnosis.
- By specialty, the Blood Bank, Hemostasis and New Technology areas recorded the highest levels of growth.
- The output of blood typing cards exceeded 13 million units.
- In immunohematology, we have entered new markets including Saudi Arabia, Egypt and Switzerland, and have consolidated the sales of DG Gel® cards in other countries such as France, Brazil, Mexico, Turkey, the Czech Republic and China.
- The instrumentation area saw the launch of the new generation of the Erytra®, an automatic analyzer for processing blood typing cards.
- A new production facility was opened in Switzerland.
- In 2010 over 150,000 patients were treated with systems for Oral Anticoagulant Treatment. In this specialty, Grifols provides management software and portable patient monitors.
- The agreement with Progenika Biopharma allows to distribute a new blood genotyping test. BLOODchip® consolidates yet further Grifols' range of products for transfusion safety.

109.1

million euros
of income

>70%

of sales
in foreign markets

2.3 Hospital division

- The division's turnover has risen by 3.7% compared to 2009.
- The main objectives established for 2010 have been achieved, despite government measures to reduce pharmaceutical expenditure.
- Third-party manufacturing consolidated during 2010, enabling Grifols to make optimal use of its manufacturing facilities.
- The production of pre-diluted paracetamol has been started at Parets del Vallès plant.
- Medical Devices and I.V Therapy saw increase in sales.
- In 2010 the number of Hospital Logistics projects grew despite restraints on hospital budgets.
- The Oncotools line, providing solutions for the preparation of sterile medications, has been consolidated. These include Misterium clean rooms and the installation of over 100 Grifill® systems.
- The five-year agreement with Health-Robotics grants us exclusive distribution rights in Spain, Portugal and Latin America of the Robot i.v.STATION which automates the preparation of intravenous mixtures.
- In Clinical Nutrition, two different formulations of lipids, aminoacids and glucose in a three-chamber bag, and lipid emulsion of soya oil with medium-chain triglycerides (LCT/MCT) have been approved by the AEMPS.

89.6

million euros
of sales revenue

Leadership in the Spanish market for enteral and parenteral solutions

2.4 R&D as a growth strategy

In 2010 Grifols has invested 40.7 million euros in research and development, representing growth of 14.9% compared to 2009 and 4.1% of income. Grifols currently has an impressive project portfolio, backed by the resources necessary to ensure a long-term research effort across all three divisions.

40.7
million euros
allocated to R&D

14.9%
increase
compared to 2009

673
patents

Bioscience division R&D

The most important new product research projects include:

- Fibrin glue for vascular surgery.
- Thrombin for topical use in surgery.
- Prothrombin complex to reverse warfarin overdose in patients taking anticoagulants, and for treatment of factor VIII inhibitors and hemophilia A.

The most important research projects into new applications of existing products include:

- Therapeutic plasmapheresis with albumin for the treatment of Alzheimer's disease. Intermediate study results already published.
- Plasmapheresis with intravenous immunoglobulin (IVIG) for the treatment of Alzheimer's disease. Medical study under development.
- Use of IVIG (Flebogamma® 10% DIF) in idiopathic thrombocytopenic purpura. Two clinical trials under way.
- Use of IVIG (Flebogamma® 5% DIF) in children with primary immunodeficiency. Clinical trial under way.
- Use of IVIG anti hepatitis B (Niuliva®) in liver transplant. Clinical trial under way.

Diagnostic division R&D

Main research projects include:

Reagents:

- Development of gel technology for blood typing.
- New formulation thromboplastin.
- Human liquid thrombin.
- Activated cephalin based on synthetic phospholipids.

Instrumentation:

- New version of software for Erytra® analyzer.
- Development of a new autoanalyzer for ELISA microplate techniques.
- Development of new hemostasis analyzer to complement Q® hemostasis analyzer.
- Multicard results reader (rapid blood group classification tests).

Blood Bank:

- Development of a specific set for red blood cell inactivation, in collaboration with a US company.
- Development of an additive solution for platelets to improve preservation and storage.

Hospital division R&D

Some projects in the I.V. Therapy area:

- Development of prediluted medicines in bags for intravenous administration XXX.
- Development of two formulations for the treatment of osteoporosis and bone marrow loss in cancer patients.
- Development of new containers for electrolytic solutions and pre-diluted medicines.
- Development of pre-diluted potassium solutions.

Some projects in Clinical Nutrition:

- Industrial transfer process for bags of 12.5% aminoacid solution.
- Development of new high-protein and high-calory diets for enteral nutrition in plastic bottle.

Grifols patents

- Only 30% of a total of 637 patents expire in the next 10 years, representing the high level of protection enjoyed by the group's intellectual property.

Grifols patents

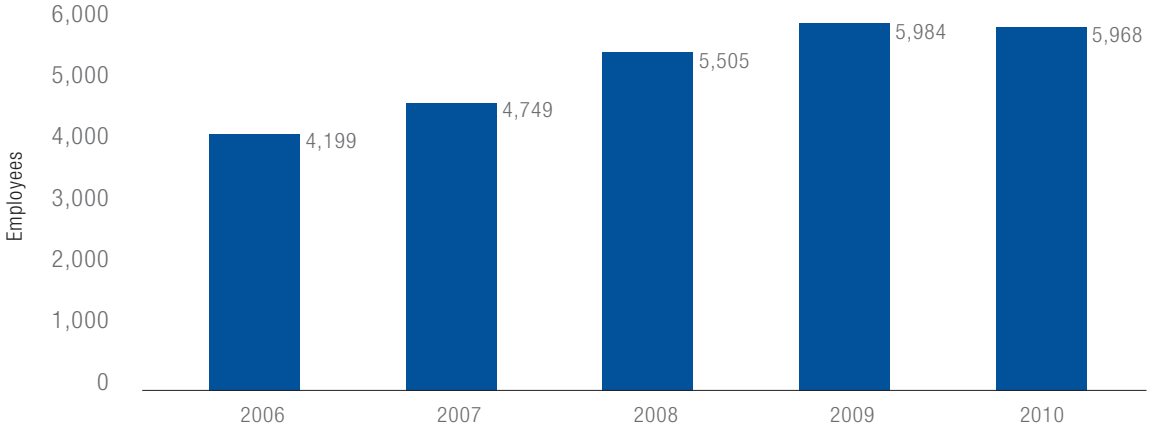
Bioscience	Diagnostic	Hospital	Others	Total
438	134	91	10	673

3. Grifols Commitment

Since the outset, Grifols has shown a firm commitment to its employees, offering them a stable position of employment, an open workplace culture, opportunities for professional development, and remuneration which reflects their occupation.

Grifols has an international presence and employs almost 6,000 people from a wide range of cultural backgrounds, working in the group's subsidiary companies, production plants and offices in 23 countries across the globe.

Five-year Evolution



Average No. of employees

3.1 Human Resources. Attracting and retaining talent

The growth experienced by the company in recent years has been built on the performance of the individuals who constitute the Grifols workforce. This growth has only been possible as a result of Grifols' ability to attract, develop and retain talent as part of a stable professional team.

The Grifols workforce has grown by around 42% over the last 5 years.

Grifols workforce

During 2010 Grifols employed an average of 5,968 members of staff, a reduction of 0.3% compared to 2009, as a result of optimizing the human resources required at Grifols' 80 plasma donor centers in the United States.

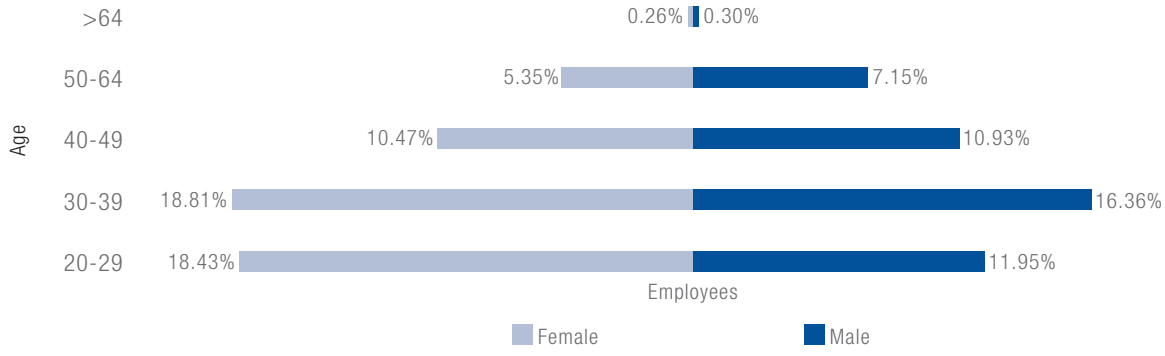
Training and development of human capital

Grifols is committed to the training and skills development of its staff to ensure that they are prepared for operating in today's increasingly demanding world. Our training strategy consists of the following aspects:

- Development of technical knowledge, management skills and competencies.
- Specific training for production areas which focuses on managing quality and safety, and preventing occupational hazards.
- Language training is a key element of our international growth strategy.
- Specific training offering for the plasma supply area, through the Grifols Academy of Plasmapheresis.
- Educational agreement with the Government of Catalonia to train unqualified staff.

In 2010 the Academy of Plasmapheresis reached an agreement with the University of Phoenix under which students can obtain university credits for some of the courses delivered by the Academy. The agreement is designed to help ensure the quality of training for staff working in plasma supply.

Age Pyramid by Gender (in percentages)



Key training indicators

No. of courses	23,969
Total hours	167,550
Average hours per employee	28

Main Indicators of the Grifols Academy of Plasmapheresis

	2010	2009	% Var.
No. of classes in courses/seminars	201	180	11.7
No. of hours of training delivered	10,724	10,146	5.7
No. of participants	644	641	0.4

3.2 The environment

Grifols' environmental management is based on its ISO 14.001-certified Management System and on the commitments established by the management in its environmental policy. Each company has an Environmental Committee which monitors the company's environmental system and performance, establishing targets and verifying that they have been achieved.

3.2.1 Environmental program 2008-2010

In 2010 the environmental program for the period 2008 to 2010 reached completion, and over 85% of the objectives contained in it were met. These objectives have involved significant improvements to the management of residues, reduced water consumption, improved waste quality, and reductions in CO_2 emissions.

Among the most important projects are the construction of the new Laboratorios Grifols plant in Murcia for the manufacture of parenteral solutions in plastic containers. This plant incorporates a range of equipment designed with energy-efficient criteria in mind, and polypropylene (PP) containers will replace PVC. The advantages associated with this change include reduced consumption of raw materials and energy, due to reducing the weight of bags by 25%; lower environmental impact over the life cycle of PP bags; reduction in residues generated after use, and of total CO_2 emissions.

3.2.2 Environmental management results

Energy consumption

During 2010, electricity consumption rose by 9% to 79.4 million kWh. The Bioscience division consumes 80% of this. Part of this increase is due to the validation of new facilities which are not yet operating on a regular basis.

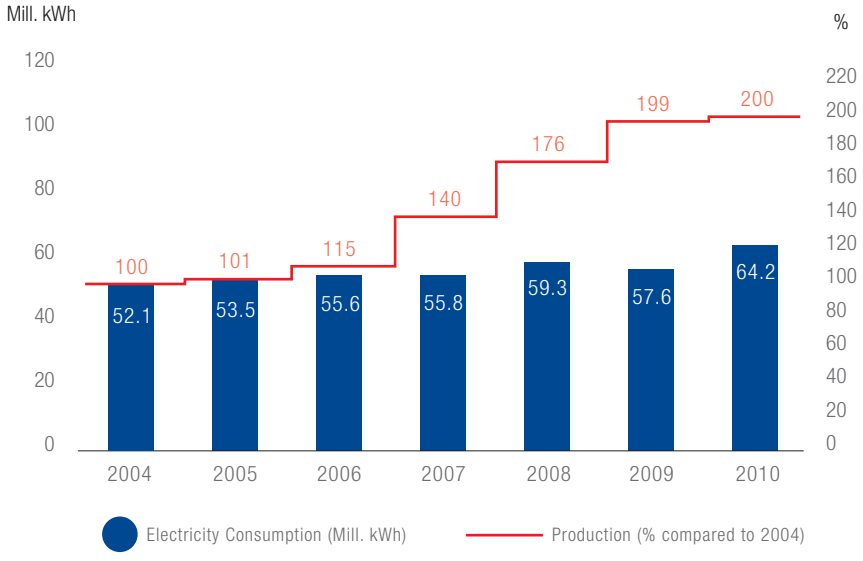
The cogeneration plant which supplies the production requirements of this division in Spain produced 33.9 million kWh of electricity, and recovered 22.4 million kWh in the form of steam and hot water.

Consumption and recycling of water

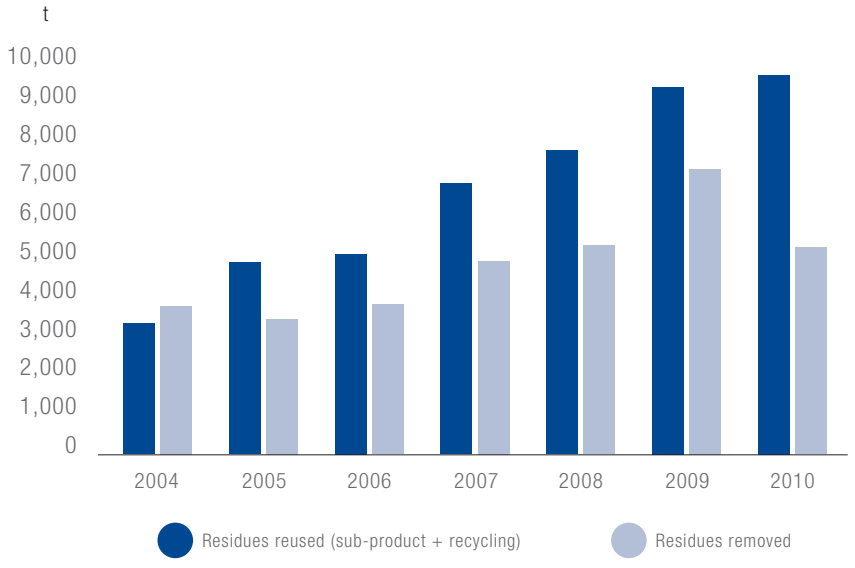
Water consumption was 861,618 m^3, a 4.45% reduction, despite production levels remaining constant.

During 2010, more Clean-in-Place systems, which are more efficient in their consumption of water and detergents, have been installed in the production areas of the Bioscience and Hospital divisions. In addition, the Hospital division has worked to improve the recovery of clean water for reuse in the refrigeration towers, and this contributed to the reduced consumption.

Bioscience Electricity Consumption vs. Production



Destination of residues



Residue generation and management

Total production of residues amounted to approximately 14,525 t, a fall of 12% compared to the previous year. The proportion of residues which is recycled has risen by over 10%, with 65% of all residues being either recycled or used as a by-product.

A new process to purify albumin using a diafiltration system has been installed at the Bioscience plant in Los Angeles, reducing acetone residues from the previous process by over 1,000 t.

CO_2 emissions

Total CO_2 emissions, both direct and indirect, due to the consumption of natural gas and electricity at all manufacturing facilities, were 54,119 t, 1% higher than the previous year. Emissions of CO_2 by the cogeneration plant totaled 19,764 t, 6.7% lower than the previous year.

3.2.3 Environmental investment and expenditure

Environmental expenditure during 2010 totaled 2.2 million euros, representing savings of 700,000 euros with respect to the previous year when taking into account income from the recycling of residues. The main causes of this saving have been the significant increase in the recycling of residues, and the gradual elimination of acetone at the Los Angeles plant.

Investments in environmental assets during 2010 exceeded 3.1 million euros. The main environmental investments have been allocated to energy efficiency projects at manufacturing facilities, and optimizing water use.

4. Economic-financial performance

In 2010, Grifols met its targets for organic growth, international expansion and investment, and strengthened its future development through acquisitions such as the proposed purchase of Talecris Biotherapeutics. Sales rose by 8.5%, while recurrent activity, which excludes Raw Materials, increased by 10.7%.

Analysis of results

- Sales performed well in all four quarters of the year.
- International diversification remains an essential element of the group's strategy for delivering organic growth of all divisions.
- Natural exchange rate coverage neutralizes the impact of fluctuations in the dollar-euro exchange rate, while exchange rate effects had a mild positive effect on sales income, compensating for the increased cost of plasma and reducing currency risk.
- 77% of income came from markets outside Spain; international sales rose by 11.0%.
- Asia and Australia both grew in importance, with increases of over 29% and 100%, respectively.
- Sales in the United States continued to grow, rising by 22.5% to total 350 million euros.
- In Europe, sales income remained stable at 432.2 million euros, growth of 1.8%.
- The cost control policy has been maintained, but the increased cost of plasma in the context of stable prices for plasma products had an impact on net margin and EBITDA.
- The financial result increased to 51 million euros, affecting the group's net profit.

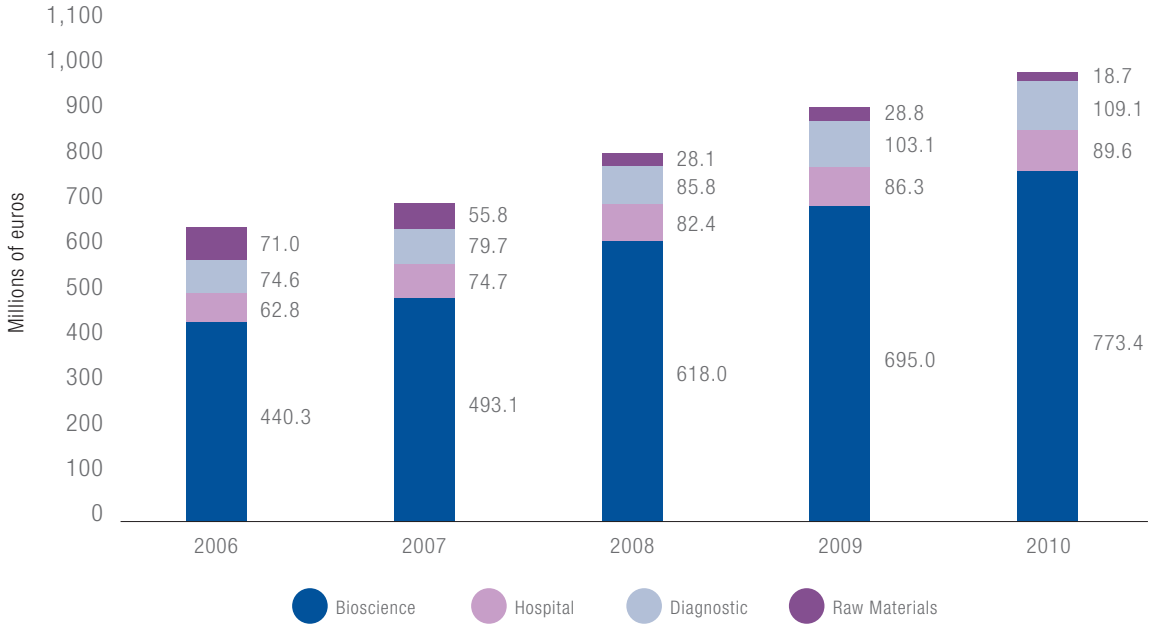
Strong performance of recurring activity

Income rises by	8.5%
Recurring EBITDA* grows	2.4%
Net recurring profit* falls	13.7%
Net profit falls	21.9%

*Excluding the costs associated with the agreement to purchase Talecris Biotherapeutics.

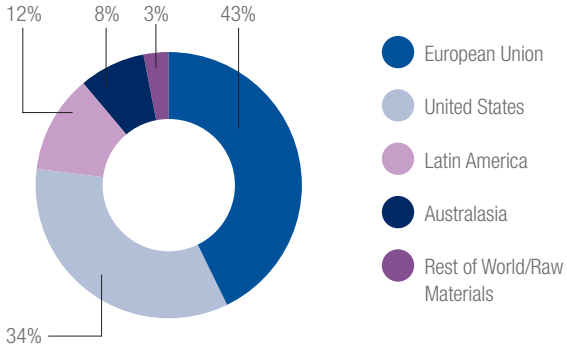
All business lines grew in 2010. Grifols' recurring activity, which excludes Raw Materials, rose by +10.7%

Performance by business line



In line with its growth strategy, the group has consolidated its presence in the United States and in emerging areas such as Asia and Latin America. There was significant growth in markets such as China, Australia and Brazil. Ensuring that international expansion reflects geographic areas with the greatest potential for growth is an essential element of Grifols' strategy.

Geographic mix of Grifols income in 2010



The balance sheet remained strong, enabling Grifols to secure the necessary funding for the purchase of Talecris Biotherapeutics once the United States anti-trust authority (the FTC) approves the operation

The group obtained its first ever official credit rating from Standard & Poor's and Moody's, with the aim of facilitating its access to financial capital markets

The main financial ratios remained stable during 2010. Net financial debt was around 2.4 times EBITDA

Total consolidated assets reached 1,889.0 million euros, compared to 1,657.2 million euros in 2009.

- Reviewing the balance sheet, it is important to note the 62.4 million euro net increase in fixed assets. Total investment (CAPEX) reached 95 million euros, corresponding primarily to capital investments to construct the new Flebogamma® DIF (IVIG) plant in the United States and the new fibrin glue plant in Spain, together with investments in Switzerland to expand production of blood typing cards.

- Inventory, which includes both finished product and work in process as well as the supply of raw materials, rose from 484.4 million euros in 2009 to 527.8 million euros in 2010. Inventory turnover ratio improved.

- There has been a gradual improvement in payment periods and this, together with higher sales in markets with shorter and more stable periods, allowed us to maintain our payment periods at levels similar to those of 2009.

- Net financial borrowings increased to 604.9 million euros in 2010, remaining at a level of around 2.4 times EBITDA.

- The senior debt rating was just below investment grade (BB and Ba3, respectively), and S&P included a positive outlook for the group.

At 31 December 2010, Grifols' equity was 707.4 million euros, a net increase of 128.9 million euros.

- At the close of 2010, the company held treasury shares equivalent to 0.07% of its capital.
- At the 2010 General Meeting of Shareholders, a complementary dividend of 0.13 euros gross per share and a total of 27.2 million euros, charged to the 2009 results, was distributed.
- In 2009 an interim dividend of 0.15 euros gross per share and a total of 32 million euros, on account of 2009 results, was distributed.

Corporate and financial operations

• Proposed purchase of Talecris Biotherapeutics

In June 2010 Grifols signed a definitive agreement to purchase the United States company Talecris Biotherapeutics for 3,400 million dollars (approximately 2,800 million euros).

Once the acquisition is approved by the US anti-trust authority (FTC), the combination of the two companies will create a world leader in the sector, strengthening the diversification of the Spanish group and vertical integration of the business. In addition to achieving significant complementarity both in geographic and product terms, it will consolidate the group's industrial capacity.

The main financial operations in 2010 were linked to the purchase of Talecris, and include term loan agreements for a value of 3,400 million dollars, signed during the final quarter of the year, subject to approval of the acquisition.

• Acquisition of 51% of the capital of Nanotherapix, S.L.

Technology company focused on the design and development of technologies, services, knowledge, molecules and products for application in biotechnology, biomedicine and pharmacy. The operation was funded by a share issue for the value of 1.47 million euros, fully subscribed by Grifols. Grifols' participation in this spin-off of the Autonomous University of Barcelona (UAB) demonstrates the group's commitment to promoting research in Spain and to fostering cooperation between the public and private sectors.

• Acquisition of 100% of Xepol AB

In June 2010 Grifols purchased 100% of the company Xepol AB (now Grifols Nordic AB), a company which holds the intellectual property rights for the treatment of Post-Polio Syndrome (PPS). The purchase of these intangible assets, which include patents for the United States, Europe and Japan for a specific treatment method for this syndrome using IVIG, cost 2.3 million euros and will enable Grifols to explore new treatment areas in its clinical research projects.

Post-Polio Syndrome (PPS) is recognized as a rare disease, and the United States FDA has designated intravenous immunoglobulin (IVIG) an orphan drug for its treatment.

5. Shareholders and Stock Market Performance

Grifols' shares have traded on the Barcelona, Madrid, Valencia and Bilbao stock markets and on the Spanish Continuous Market since 17 May 2006. In January 2008, Grifols joined the IBEX-35, the Spanish benchmark index. At the close of 2010, Grifols' share capital amounted to 106.5 million euros, represented by 213,064,899 ordinary shares, each with a nominal value of 0.50 euros.

Grifols continued to be one of the most widely recommended shares in 2010. During a year in which the IBEX-35 fell by 17.43%, Grifols closed 2010 with a share price of 10.20 euros, an interannual fall of 16.43%. Nonetheless, in relation to the reference price of 4.40 euros per share with which the shares started trading on 17 May 2006, Grifols' shares have risen by almost 132%.

The group's market capitalization was 2,173.26 million euros in 2010.

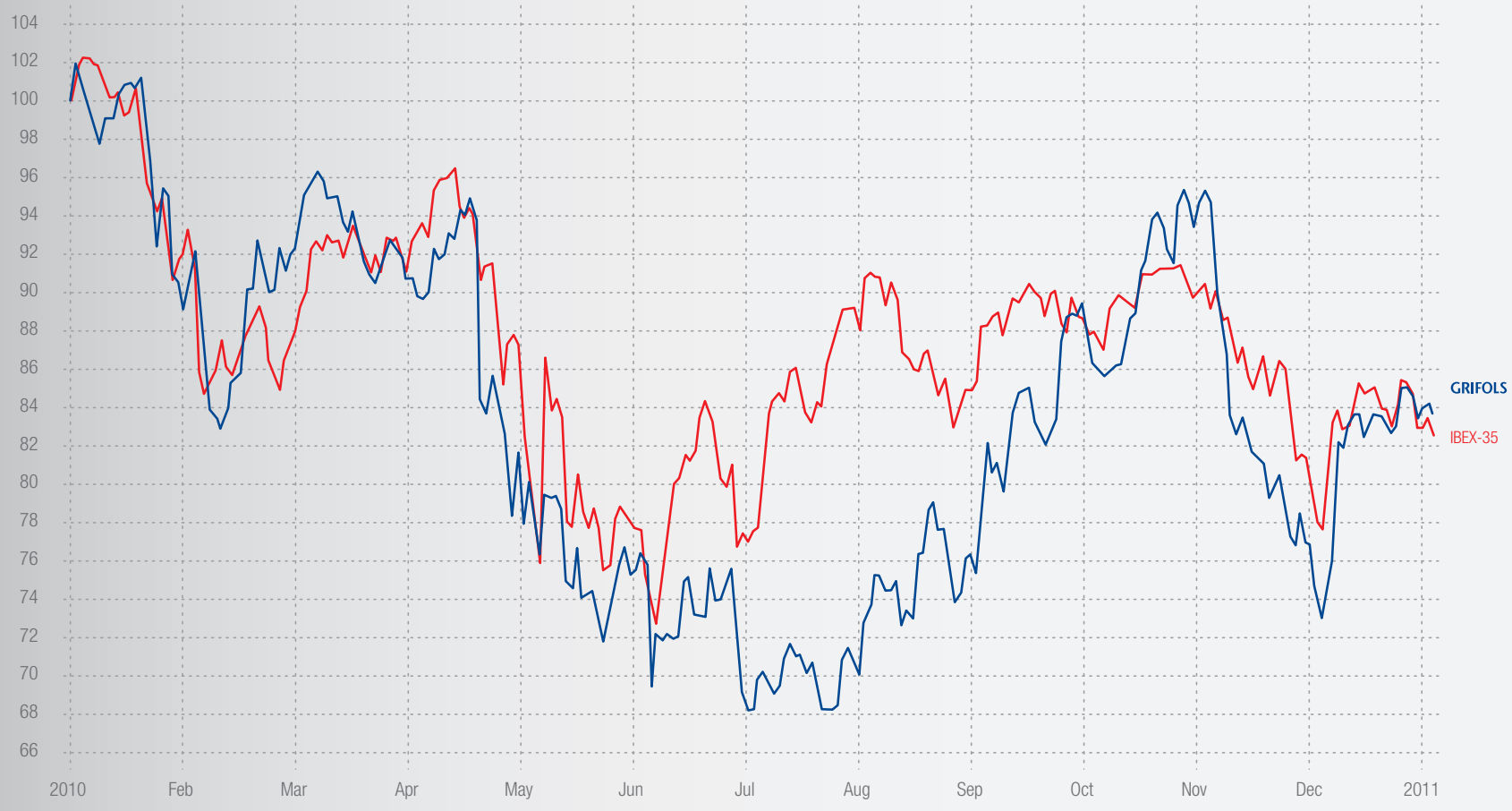
The high levels of volatility in the equity market during 2010 have meant that it has not been possible to consolidate the gradual growth in the trading volumes Grifols recorded since the company was included in the IBEX-35. In this context, in 2010 the trading volume fell by -3.42% to an average of 1.65 million shares traded daily.

Grifols stock market performance in 2010: Main Indicators

Year end (euros)	10.20
Intraday High (euros)	12.45
Intraday Low (euros)	8.11
Annual volume (number of shares)	422,331,389
Average daily volume (number of shares)	1,649,732
Annual cash volume (euros)	4,302,860,406.90
Daily annual volume (euros)	16,808,048.46
Trading days	256
Market capitalization (millions of euros)	2,173.261
Number of shares	213,064,899

Daily Grifols share performance vs. IBEX-35

(Base 100 | From 1 January to 31 December 2010)



GRIFOLS