

T H I R D Q U A R T E R R E P O R T 2 0 0 6

GRIFOLS

Overall progress in the third quarter of 2006

The third quarter of this financial year has shown very favorable growth in terms of the volume of Grifols' business in the different geographic areas and divisions. The turnover in these three months has exceeded 160 million euros, representing an increase of 23.6% in comparison to sales for the same period last year.

Grifols continues to grow in the United States, with sales of 60.4 million euros which represents an increase of 60.4%. Excluding the impact of PlasmaCare sales, a like for like comparison reveals growth in the American market compared to the previous year of 38.1%.

By division, sales in Bioscience rose to 110.3 million euros, 16% more than the previous year, with significant growth in the sales of Factor VIII. Sales from the Raw Materials division went from 5.4 million to 19.2 million. Even excluding the impact of plasma sales to third parties carried out by PlasmaCare (acquired in early 2006) this division would have recorded very significant growth, doubling its turnover from the previous year.

SUMMARY OF SALES. THIRD QUARTER 2006.

BY REGION

In thousands of Euros	3rd. Q. 2006	% on sales	3rd. Q. 2005	% var.
Europe	83,344	51.8	75,214	10.8
US	60,364 (*)	37.5	37,629	60.4
ROW	17,125	10.6	17,285	-0.9
TOTAL	160,833	100.0	130,128	23.6

BY DIVISION

In thousands of Euros	3rd. Q. 2006		3rd. Q. 2005	% var.
BIOSCIENCE Division	110,270		95,077	16.0
HOSPITAL Division	14,489		13,494	7.4
DIAGNOSTIC Division	16,900		16,173	4.5
RAW MATERIALS Division + Others	19,174 (*)		5,384	256.1
TOTAL	160,833		130,128	23.6

(*) PlasmaCare sales 8,409

Accumulated growth in the nine first months of 2006

This year has seen 23.7% growth in accumulated net sales to reach 482 million euros, confirming the trend seen in the first half of this year.

The efforts aimed at strengthening the presence of Grifols' products in the United States continue, and as a result the increase in turnover in this market is well above that of Europe. The US market currently accounts for 36.7% of the group's activities. Sales in comparable terms (excluding turnover generated by PlasmaCare) have reached 157.4 million euros compared to 108 million euros in 2005.

In the Bioscience division, the most significant elements in the first 9 months of the year were the excellent sales of Factor VIII in the United States and the increase in the price of albumin and IGIV. Growth in this division was 21.7% with total sales of 329 million euros.

SUMMARY OF SALES. ACCUMULATED SEPTEMBER 30 2006

BY REGION

In thousands of Euros	Accum. 2006	% on sales	Accum. 2005	% var.
Europe	251,155	52.1	235,050	6.9
US	177,186 (*)	36.7	108,097	63.9
ROW	53,899	11.2	46,559	15.8
TOTAL	482,240	100.0	389,706	23.7

BY DIVISION

In thousands of Euros	Accum. 2006	Accum. 2005	% var.
BIOSCIENCE Division	329,309	270,595	21.7
HOSPITAL Division	46,211	42,560	8.6
DIAGNOSTIC Division	55,894	51,353	8.8
RAW MATERIALS Division + Others	50,826 (*)	25,198	101.7
TOTAL	482,240	389,706	23.7

(*) PlasmaCare sales 19,732

Summary of results

The accumulated net profit in the first nine months of 2006 reached 28.4 million euros, 5.2% greater than the profits from the same period last year. The rate of increase was slower than in the third quarter due to the one-off impact of the amortization of non-voting shares in May 2006. Were it not for this effect, growth would have been over 41%.

Considering the third quarter on its own, results were double those for the same period in 2005, rising from 5.9 million euros to 12.4 million euros.

NET PROFIT

In thousands of Euros	2006	2005	% var.
Third quarter	12,387	5,906	109.7
Accumulated Jan-Sep	28,418 (*)	27,165	5.2

(*) Net effect of amortization of non-voting shares 17.5 million

The average employee count during this period has been 4,161, almost 750 more than in the previous financial year. However, approximately half of this increase is due to the integration of the PlasmaCare staff into the group in March 2006. At present, 47.8% of the company's employees work in the different European countries and 49.5% in the United States.

Among the most important events in this period was the finalization of the purification and sterile dosing facilities for the coagulation factors (Factor VIII, Factor IX and PTC) in Los Angeles (USA). The new building has a total surface area of 3,800m², and represents an investment of 12 million euros. The plan is that, after completion of a second phase of development, it will incorporate the sterile dosing of albumin.

With completion of the construction stage, the next phase was the preparation of conformance lots, required to initiate the process of gaining FDA approval.

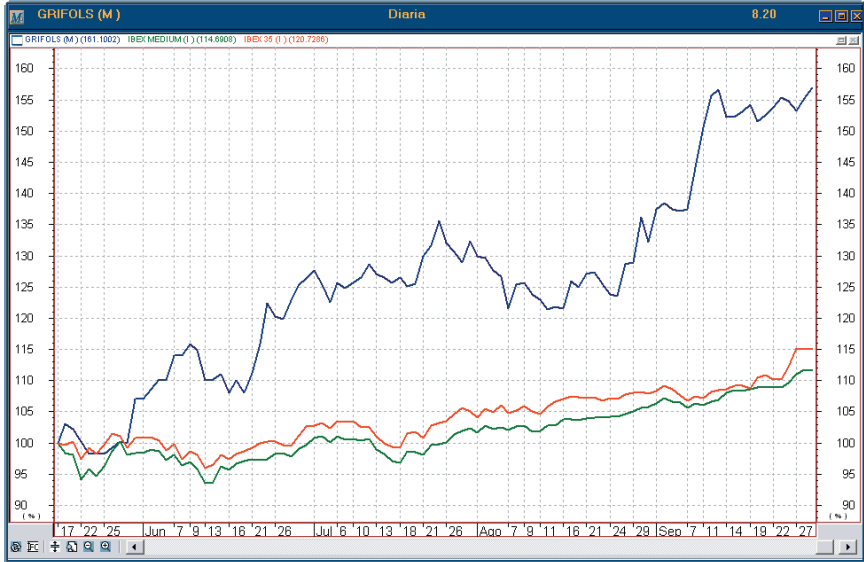
The technology used in the design of this new production area and much of its equipment was developed by Grifols Engineering, following the guidelines used in the Barcelona (Spain) plant which have already been validated by the FDA.

At the same time, a third manufacturing line for the filling of large volume bags (3 liters) has been put into operation at the parenteral solutions plant in Barcelona.

In the third quarter, Grifols has also opened a representation office in Japan in order to help plan the introduction of the company's products in this marketplace over the next 3 to 5 years. Grifols already sells diagnostic instruments in Japan with a turnover of 1.3 million euros in FY 2005.

The increase in sales of DG Gel cards used in Grifols' diagnostic equipment around the world has made it necessary to expand the manufacturing facilities currently in Parets del Valles (Barcelona, Spain). This will enable the company to significantly increase production of reagents and to grow its presence in the global immunohematology market. The investment totaled 2.3 million euros, with construction scheduled to finish in the second quarter of 2007.

Grifols' daily share price vs IBEX 35 & IBEX Medium (Base 100, from May 17 to September 30 2006)



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