GRIFOLS

GRIFOLS, S.A. and Subsidiaries

Interim Consolidated Financial Statements for the six-month period ended 30 June 2010

This is a translation of a **SPANISH** language announcement filed with the **CNMV**. In case of discrepancies, **the Spanish version will prevail**

GRIFOLS, S.A. AND SUBSIDIARIES

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GRIFOLS, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets
at 30 June 2010 and 31 December 2009
(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Assets	30/06/10 (unaudited)	31/12/09
Non-current assets		
Intangible assets		
Goodwill (note 6)	201.317	174.000
Other intangible assets (note 7)	77.611	69.385
Total intangible assets	278.928	243.385
Property, plant and equipment (note 7)	423.096	371.705
Investments in equity accounted investees (note 3)	1.196	383
Non-current financial assets	8.188	3.731
Deferred tax assets	33.859	33.395
Total non-current assets	745.267	652.599
Current assets		
Inventories	545.277	484.462
Trade and other receivables		
Trade receivables (note 8)	194.259	207.840
Other receivables	41.574	39.540
Current income tax assets	24.337	7.802
Trade and other receivables	260.170	255.182
Other current financial assets	8.547	8.217
Other current assets	11.776	7.345
Cash and cash equivalents	350.140	249.372
Total current assets	1.175.910	1.004.578
Total assets	**1.921.177**	**1.657.177**

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Consolidated Balance Sheets
at 30 June 2010 and 31 December 2009
(In thousands of Euros)

Equity and liabilities	30/06/10	31/12/09
Equity		
Share capital	106.532	106.532
Share premium	121.802	121.802
Reserves		
Accumulated gains	350.319	264.039
Other reserves	53.368	50.864
Total reserves	403.687	314.903
Own shares	(1.927)	(677)
Interim dividend	0	(31.960)
Profit for the year attributable to the Parent	66.408	147.972
Total equity	696.502	658.572
Available-for-sale financial assets		--
Cash flow hedges	(1.849)	(1.948)
Translation differences	(16.825)	(90.253)
Other comprehensive income	(18.674)	(92.201)
Equity attributable to the Parent (note 9))	**677.828**	**566.371**
Minority interest	12.972	12.157
Total equity	**690.800**	**578.528**
Liabilities		
Non-current liabilities		
Grants	2.309	2.311
Provisions	1.283	1.232
Non-current financial liabilities		
Loans and borrowings, bonds and other marketable securities	742.106	703.186
Other financial liabilities	12.075	12.552
Total non-current financial liabilities (note 10)	754.181	715.738
Deferred tax liabilities	65.029	60.325
Total non-current liabilities	822.802	779.606
Current liabilities		
Provisions	4.460	4.702
Current financial liabilities		
Loans and borrowings, bonds and other marketable securities	146.157	113.991
Other financial liabilities	56.930	12.230
Total current financial liabilities (note 10)	203.087	126.221
Trade and other payables		
Suppliers	127.720	120.909
Other payables	16.296	17.832
Current income tax liabilities	23.391	3.258
Total trade and other payables	167.407	141.999
Other current liabilities	32.621	26.121
Total current liabilities	407.575	299.043
Total liabilities	**1.230.377**	**1.078.649**
Total equity and liabilities	**1.921.177**	**1.657.177**

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Consolidated Income Statements
for the six month period ended 30 June 2010 and 2009

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Profit and loss	30/06/10 (unaudited)	30/06/09 (unaudited)
Revenues (note 5)	487.809	470.531
Changes in inventories of finished goods and work in progress	41.209	60.615
Self-constructed non-current assets	16.051	15.094
Supplies	(157.107)	(162.090)
Other operating income	631	861
Personnel expenses	(141.972)	(138.809)
Other operating expenses	(100.298)	(106.152)
Amortisation and depreciation (note 7)	(21.434)	(19.124)
Non-financial and other capital grants	550	1.034
Impairment and gains/(losses) on disposal of fixed assets	681	(328)
Results from operating activities	**126.120**	**121.632**
Finance income	2.179	4.799
Finance expenses (notes 8 & 11)	(25.285)	(10.447)
Change in fair value of financial instruments (note 11)	(15.404)	(1.197)
Exchange losses	1.970	211
Finance income and expense	**(36.540)**	**(6.634)**
Share of profit of equity accounted investees	**(728)**	**10**
Profit before income tax from continuing operations	**88.852**	**115.008**
Income tax expense (note 12)	(23.022)	(32.860)
Profit after income tax from continuing operations	**65.830**	**82.148**
Profit attributable to equity holders of the Parent	66.408	81.700
Profit attributable to minority interest	(578)	448
Consolidated profit for the year	**65.830**	**82.148**
Basic earnings per share (Euros)	0,31	0,39
Diluted earnings per share (Euros)	0,31	0,39

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income for the six month period ended 30 June 2010 and 2009

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	30/06/10	30/06/09
	(unaudited)	(unaudited)
Consolidated comprehensive income for the year	65.830	82.148
Income and expenses generated during the year		
Measurement of financial instruments	0	(13)
Available-for-sale financial assets	0	(13)
Tax effect	0	
Translation differences	74.874	271
Income and expenses generated during the year	**74.874**	**258**
Income and expense recognised in the income statement:		
Cash flow hedges	99	0
Cash flow hedges	159	
Tax effect	(60)	0
Income and expense recognised in the income statement:	**99**	**0**
Total comprehensive income for the year	**140.803**	**82.406**
Total comprehensive income attributable to the Parent	139.935	81.926
Total comprehensive income attributable to minority interests	868	480
Total comprehensive income for the year	**140.803**	**82.406**

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Statements of Cash Flows
for the six month period ended 30 June 2010 and 2009

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	30/06/10 (unaudited)	30/06/09 (unaudited)
Cash flows from operating activities		
Profit before tax	**88.852**	**115.008**
Adjustments for:	**53.782**	**26.657**
Amortisation and depreciation	21.434	19.124
Other adjustments:	32.348	7.533
(Profit) /losses on equity accounted investments	728	(10)
Exchange differences	(1.970)	(211)
Net provision charges	129	873
(Profit) / loss on disposal of fixed assets	(681)	328
Government grants taken to income	(550)	(1.034)
Finance expense / income	33.386	6.879
Other adjustments	1.306	708
Changes in capital and assets	**13.700**	**(62.940)**
Change in inventories	(11.982)	(60.282)
Change in trade and other receivables	20.239	(32.202)
Change in current financial assets and other current assets	(3.875)	(1.652)
Change in current trade and other payables	9.318	31.196
Other cash flows from operating activities	**(34.465)**	**(24.559)**
Interest paid	(19.801)	(9.347)
Interest recovered	3.861	4.659
Income tax (paid) / recovered	(18.525)	(19.871)
Other amounts received / (paid) from operating activities	0	0
Net cash from operating activities	**121.869**	**54.166**
Cash flows from investing activities		
Payments for investments	**(56.997)**	**(67.749)**
Group companies and business units (note 3)	(3.727)	(15.826)
Property, plant and equipment and intangible assets	(49.151)	(51.774)
Property, plant and equipment	(43.146)	(44.705)
Intangible assets	(6.005)	(7.069)
Other financial assets	(4.119)	(149)
Proceeds from the sale of investments	**2.863**	**809**
Property, plant and equipment	2.863	809
Net cash used in investing activities	**(54.134)**	**(66.940)**
Cash flows from financing activities		
Proceeds from and payments for equity instruments	(1.250)	(22.801)
Issue	0	0
Acquisition of treasury shares	(1.250)	(22.860)
Disposal of treasury shares	0	59
Proceeds from and payments for financial liability instruments	(8.671)	95.818
Issue	51.067	106.320
Redemption and repayment	(59.738)	(10.502)
Dividends and interest on other equity instruments paid	(53)	(48.746)
Other cash flows from financing activities	323	0
Other amounts received from financing activities	323	0
Net cash used in financing activities	**(9.651)**	**24.271**
Effect of exchange rate fluctuations on cash	**42.684**	**(69)**
Net increase in cash and cash equivalents	**100.768**	**11.428**
Cash and cash equivalents at beginning of the year	**249.372**	**6.368**
Cash and cash equivalents at end of year	**350.140**	**17.796**

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Statement of Changes in Consolidated Equity
for the six month period ended 30 June 2010 and 2009

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Attributable to equity holders of the Parent						Other comprehensive income					
	Share capital	Share premium	Reserves	Profit attributable to Parent	Interim dividend	Treasury Shares	Translation differences	Cash flow hedges	Available-for sale financial assets	Equity attributable to Parent	Minority interests	**Equity**
Balances at 31 December 2008	106.532	121.802	247.669	121.728	0	(33.087)	(84.457)	0	(158)	480.029	1.250	481.279
Translation differences	--	--	--	--	--	--	239	--	--	239	32	271
Cash flow hedges										0		0
Available-for-sale financial assets Gains/(losses)	--	--	--	--	--	--	--		(13)	(13)	--	(13)
Other comprehensive income for the year	0	0	0	0	0	0	239	0	(13)	226	32	258
Profit/(loss) for the year	--	--	--	81.700	--	--	--	--	--	81.700	448	82.148
Total comprehensive income for the year	0	0	0	81.700	0	0	239	0	(13)	81.926	480	82.406
Operations with own shares	--	--	--	--	--	(22.803)	--		--	(22.803)	--	(22.803)
Business Combinations	--	--	--	--	--	--	--		--	0	13.129	13.129
Distribution of 2008 profit												
Reserves	--	--	73.037	(73.037)	--	--	--	--	--	0	--	0
Dividends	--	--	--	(48.691)	--	--	--	--	--	(48.691)	(55)	(48.636)
Operations with equity holders or owners	0	0	73.037	(121.728)	0	(22.803)	0	0	0	(71.494)	13.074	(58.420)
Balances at 30 June 2009 (unaudited)	106.532	121.802	320.706	81.700	0	(55.890)	(84.218)	0	(171)	490.461	14.804	505.265
Balances at 31 December 2009	106.532	121.802	314.903	147.972	(31.960)	(677)	(90.253)	(1.948)	0	566.371	12.157	578.528
Translation differences	--	--	--	--	--	--	73.428	--	--	73.428	1.446	74.874
Cash flow hedges	--	--	--	--	--	--	--	99	--	99	--	99
Available-for-sale financial assets Gains/(losses)	--	--	--	--	--	--	--	--		0	--	0
Other comprehensive income for the year	0	0	0	0	0	0	73.428	99	0	73.527	1.446	74.973
Profit/(loss) for the year	--	--	--	66.408	0	--	--	--	--	66.408	(578)	65.830
Total comprehensive income for the year	0	0	0	66.408	0	0	73.428	99	0	139.935	868	140.803
Operations with own shares	--	--	--	--	--	(1.250)	--	--	--	(1.250)	--	(1.250)
Other changes	--	--	1	--	--	--	--	--	--	1	--	1
Business combinations	--	--	--	--	--	--	--	--	--	0	--	0
Distribution of 2009 profit												
Reserves	--	--	88.783	(88.783)	--	--	--	--	--	0	--	0
Dividends	--	--	--	(27.229)	--	--	--	--	--	(27.229)	(53)	(27.282)
Interim dividend	--	--	--	(31.960)	31.960	--	--	--	--	0	--	0
Operations with equity holders or owners	0	0	88.784	(147.972)	31.960	(1.250)	0	0	0	(28.478)	(53)	(28.531)
Balance at 30 June 2010	106.532	121.802	403.687	66.408	0	(1.927)	(16.825)	(1.849)	0	677.828	12.972	690.800

The accompanying condensed notes 1 to 18 form an integral part of the consolidated financial statements.

GRIFOLS, S.A. AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements for the six-month period ended 30 June 2010

(1) GENERAL

Grifols, S.A (hereinafter, the Company) was founded in Spain on 22 June 1987 as a limited liability company for an indefinite period of time. Its registered and fiscal address is in Barcelona (Spain). The Company's statutory activity is the provision of corporate administrative, management and control services and investment in real and personal property. Its main activity consists on the provision of corporate administrative, management and control services to its subsidiaries.

All the Company's shares are listed in the Barcelona, Madrid, Valencia, and Bilbao stock exchanges and on the electronic market.

Grifols, S.A. is the parent company of a Group which acts in an integrated fashion under a single management and whose main activity is the procurement, manufacturing, preparation, and sale of therapeutic products, particularly haemoderivatives.

The main manufacturing facilities of the Spanish companies of the Group are located in Barcelona, Parets del Vallés (Barcelona) and Torres de Cotillas (Murcia), while those of the American companies are located in Los Angeles (USA).

(2) Basis of Presentation and Accounting Principles

The abridged consolidated interim financial statements for the six-month period ended at 30 June 2010 (hereinafter interim financial statements) have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (hereinafter IFRS-EU), pursuant to the (CE) regulation number 1606/2002 of the European Parliament, and specifically, with that provided by the guidelines of International Accounting Standard (hereinafter IAS) 34 on Interim Financial Reporting and in accordance with Section 12 of Royal Decree 1362/2007.

These interim financial statements have been prepared under the assumption that any one reading these statements will also have access to the Consolidated Annual Accounts of the Group for fiscal year 2009, prepared in accordance with the International Financial Reporting Standards (IFRS-EU) by the Board of Directors on 19 February 2010 and approved on the Annual General Meeting of the Parent Company on 21 June 2010. Consequently, it has not been necessary to repeat or to update the notes included in the aforementioned Consolidated Annual Accounts. Instead, the selected attached notes include a description of the events or variations that may be pertinent in order to explain the changes in the Group's financial situation and consolidated earnings since 31 December 2009.

Accordingly, for a proper understanding of the information included in these interim financial statements, it is necessary to read these jointly with the Group's Consolidated Annual Accounts for fiscal year 2009.

These interim financial statements have been prepared by the Board of Directors at a meeting held on 22 July 2010.

The figures in these interim financial statements are expressed in thousand Euros.

The interim financial statements of Grupo Grifols for the first six months of 2010 have been prepared based on the accounting records kept by Grifols and by the other Group companies.

These interim financial statements reflect a true and accurate image of the Group's equity and financial situation at 30 June 2010, as well as of the results of its operations, its global income statements, and variations in net equity and cash flows during the six-month period ended on the above-mentioned date.

Comparison of information

In addition to the consolidated figures for the six-month period ended on 30 June 2010, these interim financial statements show the figures corresponding to 31 December 2009 for the balance sheet and the six-month period ended on 30 June 2009 for the remaining financial statements.

Accounting principles and basis of consolidation

The accounting principles and basis of consolidation applied in the preparation of these interim financial statements are the same as those used for preparing the consolidated annual accounts for the year ended 31 December 2009.

In addition, the following standards that entered into force in 2010 have, accordingly, been taken into account for the preparation of these interim financial statements:

EU-adopted standards applicable to accounting years starting after 1 January 2009	Mandatory application in years starting after:
IAS 27 (revised) Consolidated and Individual Financial Statements	1 July 2009
Amended IAS 39: Financial Instruments: Recognition and Measurement	1 July 2009
IFRS 3 (revised) Business combinations	1 July 2009
IFRIC 12 Service Concession Arrangements	27 March 2009
IFRIC 16 Hedges of a net investment in a foreign operation	30 June 2009
IFRIC 17 Distributions of non-cash assets to owners	1 November 2009
IFRIC 18 Transfer of assets from customers	1 November 2009

The application of these standards did not have a significant impact on the Group's financial statements.

The European Union also adopted the following standards, the application of which is mandatory for accounting years starting as of 1 January 2010. As it is not mandatory for the Group to apply these standards in 2010, it has decided not to apply such standards in ahead of time:

EU-adopted standards applicable to accounting years starting after 1 January 2009	Mandatory application in years starting after:
Amendement to IAS 32: Classification of rights issues	1 February 2010
IFRS 1 (revised)First-time adoption of international financial standards	1 January 2010
Amendment to IFRS 2 Group cash-settled share-based payment	1 January 2010
IFRS improvements	1 January 2010
IFRIC 15 Agreements fo the construction of real estate assets	1 January 2010

At the date of preparation of these interim financial statements, it is not expected that standards or interpretations published by the International Accounting Standards Board (IASB) which are pending implementation by the European Union, will have a significant impact on the Group's consolidated interim financial statements.

Responsibility regarding information, estimates, hypotheses, and relevant judgments in the application of accounting policies

The information contained in these interim financial statements for the six-month period ended 30 June 2010 is the responsibility of the Administrators of the Parent Company.

Estimates made by Management have been used for the preparation of the interim financial statements. These estimates are made based on the best information available and refer to:

- The corporate tax expense which, according to IAS 34, is recognised in interim periods based on the best estimate of the average tax rate that the Group expects for the annual period.

- The useful life of property, plant, and equipment and intangible assets.

-The valuation of assets and goodwill to determine if there are any impairment losses.

- Assessment of the capitalisation of development expenses.

- Valuation of provisions and contingencies.

- Valuation of the reasonable value of financial instruments.

The estimates, hypotheses and relevant judgments used in the preparation of these interim financial statements do not differ from those applied in the preparation of the consolidated annual accounts for the year ended 31 December 2009.

Seasonality of transactions during this period

Given the nature of the activities conducted by the Group, there are no factors that determine any significant seasonality in the Group's operations that could affect the interpretation of these interim financial statements for the period ended 30 June 2010 in comparison with the financial statements for a full fiscal year.

Relative importance

When determining the information to be disclosed in these Notes, in accordance with IAS 34, the relative importance in relation to these interim financial statements has been taken into account.

(3) Changes in the composition of the Group

For the preparation of its interim financial statements, the Group has included its investments in all subsidiaries, associates, and joint ventures. Note 3 (c) of the consolidated annual accounts at 31 December 2009 lists the subsidiaries in which Grifols, S.A. holds a direct or indirect stake and that have been included in the scope of consolidation at that date.

The main variations in the scope of consolidation during the interim period ended 30 June 2010 are detailed below:

a) Business combinations or other acquisitions or increased shareholdings in subsidiaries, joint ventures and/or investments in associates:

Name of entity (or type of business) acquired or merged	Category	Effective transaction date	(Net) sum paid in acquisition + other expenses directly attributable to the combination	% of acquired voting rights	% of total of post-acquisition voting righs in entity
Nanotherapix, S.L.	Joint venture	09/03/2010	1.472	51%	51%
Xepol, AB	Subsidiary	03/06/2010	2.255	100%	100%
Grifols Colombia, Ltda.	Subsidiary	03/06/2010	8	100%	100%

Nanotherapix, S.L.

The Group acquired a 51% interest in Nanotherapix, S.A., a company devoted to the development, validation, and production of technology required for implementing the use of gene and cell therapy in the treatment of human and animal pathologies. The Nanotherapix, S.L. acquisition was recognised as a joint venture and, accordingly, it has been included in the scope of consolidation by means of the equity method.

Xepol AB

The Group acquired a 100% stake in Xepol AB, a company that holds the intellectual property rights for treating post-polio syndrome, including patents in the United States, Europe, and Japan for a specific treatment method for this syndrome using intravenous immunoglobulin (haemodrivative). The assets acquired and liabilities assumed do not constitute a business in accordance with the definition provided by IFRS 3 and, accordingly, the transaction has been recorded as an asset acquisition.

Grifols Colombia, Ltda

On 3 June 2010, the Group created Grifols Colombia, Ltda. to bolster its presence in the Colombian market.

b) ***Reduction in holdings in subsidiaries, joint-ventures, and/or investment in associates:***

In January 2010, Plasma Collection Centers, Inc. merged with Biomat USA, Inc. without this having any impact on the Group.

(4) Risk Policy

At 30 June 2010, the Group maintains the same financial risk management policies as those in place at 31 December 2009.

(5) Segments Reporting

The breakdown by business segments of the company's ordinary revenues and consolidated income for the six-month period ended 30 June 2010 and 30 June 2009 is as follow:

	Ordinary revenues			
	Ordinary revenues from external customers		**Total ordinary revenues**	
SEGMENTS	Current period	Prior period	Current period	Prior period
Bioscience	380.081	350.957	380.081	350.957
Hospital	45.146	45.057	45.146	45.057
Diagnostic	54.413	50.828	54.413	50.828
Raw materials + Other	8.169	23.689	8.169	23.689
TOTAL	**487.809**	**470.531**	**487.809**	**470.531**

SEGMENTS	Consolidated Income/(loss)	
	Current period	Prior period
Bioscience	162.938	154.248
Hospital	5.196	4.928
Diagnostic	4.798	8.152
Raw materials + Other	4.763	5.948
Total income/(loss) of reported segments	177.695	173.276
Non-allocated income/(loss)	(111.137)	(91.138)
Other income/(loss)	(728)	10
Income Tax	23.022	32.860
Pre-tax income/(loss) from continued activities	**88.852**	**115.008**

(6) Goodwill

The breakdown and variations in the "Goodwill" caption of the consolidated balance sheet at 30 June 2010 is as follow:

	Balance at 31/12/09	Translation differences	Transfers	Balance at 30/06/10
Net value				
Grifols UK,Ltd.	7.736	668	0	8.404
Grifols Italia,S.p.A.	6.118	0	0	6.118
Biomat USA, Inc.	90.089	18.244	14.770	123.103
Plasmacare, Inc.	35.676	6.208	0	41.884
Plasma Collection Centers, Inc. (nota 3 (b))	14.770	0	(14.770)	0
Woolloomooloo Holdings Pty Ltd.	19.611	2.197	0	21.808
	174.000	27.317	0	201.317

In accordance with the impairment tests performed in 2009, based on the Group's estimates and projections, the profit forecast for cash-generating units exceeded the book value of associated goodwill.

The circumstances and results at 30 June 2010 that made it possible to conclude satisfactorily on the recoverability of goodwill remain unchanged and, accordingly, there are no indications of impairment in relation to these assets as a result of operations in the first six months of fiscal year 2010.

(7) Other Intangible Assets and Property, Plant, and Equipment

The breakdown and variations at 30 June 2010 are as follows:

	Other intangible Assets	Property, plant and equipment	Total
Total Cost at 31/12/2009	**130.783**	**557.411**	**688.194**
Total dep. & amort. At 31/12/2009	**(61.383)**	**(185.706)**	**(247.089)**
Impairment of other intangible assets at 31/12/2009	**(15)**	**0**	**(15)**
Balance at 31/12/2009	**69.385**	**371.705**	**441.090**
Cost			
Additions	8.301	44.398	52.699
Disposals	(300)	(3.944)	(4.244)
Transfers	1.011	1.244	2.255
Translation differences	5.552	36.139	41.691
Total Cost at 30/06/2010	**145.347**	**635.248**	**780.595**
Depreciation & amortization			
Additions	(4.106)	(17.328)	(21.434)
Disposals	5	2.057	2.062
Transfers	(846)	(1.409)	(2.255)
Translation differences	(1.406)	(9.766)	(11.172)
Total dep. & amort. At 30/06/2010	**(67.736)**	**(212.152)**	**(279.888)**
Disposals	15	0	15
Impairment of other intangible assets at 30/06/2010	**0**	**0**	0
Balance at 30/06/2010	**77.611**	**423.096**	**500.707**

The figure corresponding to the additions of property, plant, and equipment of 44,398 thousand Euros mainly refers to investments in the new Flebogamma manufacturing plant in the United States and the Fibrin Glue production factory in Spain.

In accordance with the impairment tests performed in 2009, based on the Group's estimates and projections, the profit estimates for cash-generating units exceeded the book value of intangible assets with an indefinite useful life.

The circumstances and results at 30 June 2010 that made it possible to conclude satisfactorily on the recoverability of intangible assets with indefinite useful lives remain unchanged and, accordingly, there are no indications of impairment in relation to these assets as a result of operations in the first six months of fiscal year 2010.

(8) Trade Receivables

At 30 June 2010, some Group companies had executed purchase agreements for credit rights without recourse with certain financial institutions.

The total sum of credit rights without recourse, which ownership was assigned to financial entities pursuant to the aforementioned agreements, amounts to 88,747 thousand Euros (38.609 thousand Euros at 30 June 2009).

The financial expenses of these operations incurred by the Group amount to approximately 3,958 thousand Euros (963 thousand Euros for the six-month period ended at 30 June 2009) which are recorded under the "Finance Expenses" caption in the consolidated income statement.

(9) Capital and Reserves

The detail and variations in relation to consolidated capital and reserves are detailed in the statement of changes in consolidated equity.

(a) Share Capital

There were no variations in the parent company's share capital during the first six months of 2010.

(b) Treasury Stock

The Company has executed the following transactions with its own shares during the six-month period ended 30 June 2010 and 2009.

	Num. of shares	Thousand Euros
Balance at 1 January 2009	2.411.622	33.087
Acquisitions	1.977.438	22.860
Disposals	(4.442)	(57)
Balance at 30 June 2009	4.384.618	55.890
Balance at 1 January 2010	53.326	677
Acquisitions	105.000	1.250
Balance at 30 June 2010	158.326	1.927

Accordingly, at 30 June 2010 and 2009, the Company held own shares equivalent to 0.07% and 2.06% of the share capital, respectively.

(c) Dividends

The following dividends were paid in the first six months of 2010 and 2009:

	June 2010			June 2009		
	% over par value	**Euros per share**	**Amount in thousand Euros**	**% over par value**	**Euros per share**	**Amount in thousand Euros**
Ordinary shares	0,00%	0,00	0	46,00%	0,23	48.691
Total dividends paid	0,00%	0,00	0	46,00%	0,23	48.691
Dividends charged to income	0,00%	0,00	0	46,00%	0,23	48.691
Dividends charged to issue premium	0,00%	0,00	0	0,00%	0,00	0

The dividend distributed at 30 June 2010 was paid in July 2010.

(10) Financial Liabilities

The detail of non-current financial liabilities at 30 June 2010 and 31 December 2009 is as follow:

	Thousand Euros	
Non-current financial liabilities	**30/06/10**	**31/12/09**
Corporate bonds issued	478.136	410.552
Bonds	478.136	410.552
Deal Club	132.457	195.471
Other credit facilities	126.143	90.961
Finance lease liabilities	5.370	6.202
Loans and borrowings	263.970	292.634
Loans and borrowings and bonds or other current marketeable securities	742.106	703.186
Other non-current financial liabilities	12.075	12.552
	754.181	**715.738**

The detail of current financial liabilities 30 June 2010 and 31 December 2009 is as follow:

	Thousand Euros	
Current financial liabilities	**30/06/10**	**31/12/09**
Issuance of bearer commercial paper	7.997	6.407
Interest accrued corporate bonds	7.870	6.716
Bonds	15.867	13.123
Club Deal	66.171	33.014
Other credit facilities	60.164	63.120
Finance lease liabilities	3.955	4.734
Loans and borrowings	130.290	100.868
Loans and borrowings and bonds or other current marketeable securities	146.157	113.991
Financial derivatives	16.708	3.333
Other financial liabilities	40.222	8.897
Other current financial liabilities	56.930	12.230
	203.087	**126.221**

The detail of bond issues, repurchases, or reimbursements at 30 June 2010 and 2009 is as follow:

	Opening balance at 01/01/09	Issues	Repurchases or reimbursements	Adj. for translation differences and other	Final balance at 30/06/09
Debt securities issued in a EU member State which did not require registration of a prospectus (par value)	5.679	6.561	(5.679)	0	6.561

	Opening balance at 01/01/10	Issues	Repurchases or reimbursements	Adj. for translation differences and other	Final balance at 30/06/10
Debt securities issued in a EU member State which did not require registration of a prospectus (par value)	6.510	8.334	(6.510)	0	8.334
Other debt securities issued outside a EU member State (par value)	416.147	0	0	72.404	488.551

(11) Financial Income and Expenses

In relation to futures contracts with a creditworthy financial entity the underlying asset of which are Company shares and as a result of the performance of the Company's shares in the stock market, the financial income/(loss) reflects a non-realised loss of 15.8 million Euros.

The financial expense relating to the corporate bond issue in 2009 totals 15,609 thousand Euros in the six-month period ended 30 June 2010 (0 thousand Euros in the six-month period ended 30 June 2009).

(12) Income Tax

The tax rate that would be applicable to the estimated profit for the fiscal year was applied to calculate taxes accrued in this period and, accordingly, the tax expense for the interim period would be the result of applying the effective annual tax rate to pre-tax profit in the interim period.

The tax expense recorded in the consolidated income statement at 30 June 2010 and 2009 represents an effective tax rate of 25.9% and 28.6%, respectively.

On 30 June 2010 and in relation to tax inspections affecting Grifols, S.A., Instituto Grifols, S.A., Laboratorios Grifols, S.A. and Movaco, S.A., the Group received notices of acceptance in relation to Corporate Tax, Value Added Tax, and Personal Income and Investment Income Tax, with the payable amounts being 557 thousand Euros, 8 thousand Euros and 21 thousand Euros, respectively.

At 30 June 2010, Grifols Inc. and subsidiaries received inspection notices for Corporate Taxes for the years ended 31 December 2006, 2007 and 2008. The Group's management does not anticipate any significant liability arising from these inspections.

(13) Average Workforce

The average consolidated workforce of the Group at 30 June 2010 and 2009 is as follows:

	June 2010	June 2009
Men	2.831	2.736
Women	3.050	3.190
Total	**5.881**	**5.926**

(14) Discontinued Operations

The Group has not discontinued any operations during the six-month period ended 30 June 2010.

(15) Commitments and Contingencies.

No payments were made in the January to June 2010 period in relation to litigation processes.

On 6 June 2010, the Company executed an agreement for the acquisition, worth 3.4 billion dollars, of the U.S. company Talecris Biotherapeutics, which also specialises in biological drugs derived from plasma.

The effectiveness of the aforementioned agreement is subject to the approval of anti-trust authorities.

In the event of an unfavourable resolution, the Company would have o pay 375 million US dollars for damages.

The transaction would involve cash and newly issued Grifols shares without voting rights.

On 6 June 2010 and in relation to this potential acquisition, the Company obtained a finance assurance commitment from six financial entities for an amount of 4.5 billion dollars. This funding would be used to pay for the acquisition in cash and to refinance the existing debt.

The offer refers to all Talecris shares and the offered price for each Talecris share is 19 dollars in cash and 0.641 newly issued Grifols non – voting rights shares.

It is estimated Grifols will issue a total of 84 million non-voting rights shares, representing approximately 28% of outstanding Grifols shares after issuance. The shares lacking voting rights are expected to trade in NASDAQ Global Market (United States) and in the Continuous Market (Spain).

(16) Court and Arbitration Procedures

An arbitration process has been initiated by a supplier in relation to the interpretation of a plasma supply contract.

The Group's management does not anticipate that the arbitration resolution will have a significant impact on the Company's financial statements.

(17) Related Party Transactions.

Related party transactions are part of the Group's normal business activities and have been executed in market conditions.

The sums of the Group's related party transactions during the six-month period ended 30 June 2010 are as follow:

	Thousand Euros			
	Key managemen personnel	Other related parties	Major shareholders	Company Directors
Net purchases	--	--	--	--
Net sales	--	--	--	--
Other service related expenses	--	5.912	--	90
Personnel expenses	2.931	--	--	1.033
	2.931	5.912	0	1.123
Dividends and other benefits distributed	--	--	11.970	2.061
	0	0	11.970	2.061

The sums of the Group's related party transactions during the six-month period ended 30 June 2009 are as follow:

	Thousand Euros			
	Key managemen personnel	Other related parties	Major shareholders	Company Directors
Net purchases	--	--	--	--
Net sales	--	--	--	--
Other service related expenses	--	2.898	--	120
Personnel expenses	2.922		--	1.074
	2.922	2.898	0	1.194
Dividends and other benefits distributed	--	--	16.488	3.686
	0	0	16.488	3.686

Independent outside Directors have not received any remuneration during the six-month period ended on 30 June 2010 and 2009.

The Group has not granted any advances or loans or has assumed any obligations on behalf of Board members or key management personnel as guarantees or obligations in matters relating to pension plans or life insurance in relation to former or current members of the Board of Directors or key management personnel.

(18) Subsequent events

From 30 June 2010 to the signing date of the attached financial statements, no subsequent event has taken place which, due to its importance, should have been mentioned in these Notes.