

# GRIFOLS

Pursuant to the provisions of article 82 of the Spanish Securities Market Act (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*), Grifols, S.A. (“Grifols”) hereby notifies the National Securities Market Commission of the following

## RELEVANT EVENT

On June 6<sup>th</sup>, 2010, New York time, Grifols, a Spanish holding Company specialising in the pharmaceutical-hospital sector and one of the leading companies in the production of plasma derivatives has signed a definitive agreement to acquire Talecris Biotherapeutics Holdings Corp (“Talecris”), an American company listed on the NASDAQ Global Market and also specialized in the production of plasma-derived biological medicines, for an aggregate value of USD 3,400 million (EUR 2,800 million). The transaction will be carried out in the form of a combined offer of cash and newly-issued Grifols non-voting shares, thus creating a world leader in the plasma derivative sector.

### Offer Details

The offer will be made for all of the common stock of Talecris for USD 19.00 in cash and 0.641 newly-issued non-voting Grifols’ shares for each Talecris share.

Based on the closing price of Grifols’ ordinary shares as of June 4<sup>th</sup> and prevailing Euro-Dollar exchange rates, the offer represents a price of USD 26.16 per Talecris share and a premium of 53% to the average closing price of Talecris common stock over the last 30 days. The total net value of the transaction, including Talecris’ net debt, is approximately USD 4,000 million (EUR 3,300 million).

The newly-issued non-voting shares will have a non-cumulative preferred dividend of EUR 0.01 per share and the same rights generally established in the Spanish Corporation Act (*Ley de Sociedades Anónimas*) as well as the benefit of certain protections in the event of a public offering of shares and the anti-dilution mechanisms provided for capital increase.

Grifols is expected to issue 84 million of non-voting shares, which represents approximately 28% of the total number of Grifols shares after their issue. Grifols non-voting shares are expected to be listed on the NASDAQ Global Market (USA) and the Spanish Stock Market Interconnection System (*Mercado Continuo*) (Spain).

### Strategic Logic

The combination of Grifols and Talecris will favour the diversification of the Spanish group, the vertical integration of the business and also increase its manufacturing

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scale. Grifols' international presence will benefit from Talecris established position in the United States and Canada. On the other hand, Grifols' available manufacturing capacity in the U.S. will enable Talecris to increase production in the near term in order to be better able to meet the needs of more patients around the world.

In addition, upon completion of the transaction, the combined company will be able to:

- Optimize use of every litre of plasma collected producing more plasma derivatives per litre and enhancing availability for patients.
- Strengthen its capacity to obtain plasma through a significant network of plasma collection centres in order to have enough raw materials to meet the combined company's needs to address increasing patient demand. Accelerate path to improving the efficiency of the Talecris plasma platform, minimizing costs.
- Have a broad range of key biological medicines to treat pathologies related to therapeutic areas such as neurology, immunology, hematology and pulmonology, among others.
- Enhance R&D pipeline of new products, including new research into recombinant therapies, which will drive sustainable growth.
- Have a well established clinical research program in the United States.

## **Financial impact**

The acquisition is expected to generate approximately USD 230 millions in operating synergies. Such synergies will be mainly generated from a more efficient plasma collection network and the optimization of the resources devoted to manufacturing, commercialization and marketing, and R&D, which Grifols expects to realize over the next four years with an associated one-time cost of USD 100 million.

The transaction is expected to be accretive to earnings in the first year and produce meaningful accretion from year two. The combined company will have pro-forma annual revenues of approximately USD 2,800 million with 58% coming from North America, 28% from Europe and 14% from the rest of the world.

Once the acquisition is completed, Grifols anticipates that its net debt to EBITDA ratio will reach approximately 5 times. However, Grifols expects to generate significant cash flow over the near term after the transaction, which together with the synergies will enable it to reduce leverage rapidly. In this sense, Grifols expects that

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the net debt will be approximately 3 times EBITDA by year-end 2012 and below 2 times by year-end 2014, even when key capital programs are sustained.

## **Financing**

The transaction's financing is fully committed by a syndicate loan led by Deutsche Bank, Nomura, BBVA, BNP Paribas, HSBC and Morgan Stanley. The merger agreement has no financing contingency.

## **Closing conditions**

The transaction is subject to customary closing conditions, including the approval of each company's shareholders, who will be provided with all the necessary information to pass the relevant resolutions, as well as the appropriate authorisations from the antitrust and regulatory authorities. The transaction is expected to close in the second half of 2010.

## **Unanimous approval of the Boards of Directors**

The Boards of Directors of both Grifols and Talecris have unanimously approved the transaction.

In Barcelona, on the 7<sup>th</sup> June 2010

The Secretary to the Board of Directors  
Raimon Grifols Roura