SECOND HALF 2013 REPORT

GRIFOLS

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The facts and figures contained in this report which do not refer to historical data are "projections and forward-looking statements". The words and expressions like "believe", "hope", "anticipate", "predict", "expect", "intend", "should", "try to achieve", "estimate", "future" and similar expressions, insofar as they are related to Grifols Group, are used to identify projections and forward-looking statements. These expressions reflect the assumptions, hypothesis, expectations and anticipations of the management team at the date of preparation of this report, which are subject to a number of factors that could make the real results differ considerably. The future results of Grifols Group could be affected by events related to its own activity, such as shortages of raw materials for the manufacture of its products, the launch of competitive products or changes in the regulations of markets in which it operates, among others. At the date of preparation of this report Grifols Group has adopted the measures it considers necessary to offset the possible effects of these events. Grifols, S.A. does not assume any obligation to publicly inform, review or update any projections and forward-looking statements to adapt them to facts or circumstances following the preparation of this report, except as specifically required by law. This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law 24/1988, of July 28, the Royal Decree-Law 5/2005, of March 11, and/or Royal Decree 1310/2005, of November 4, and its implementing regulations.

THIS IS A TRANSLATION OF A SPANISH LANGUAGE ANNOUNCEMENT FILED WITH THE CNMV. IN CASE OF DISCREPANCIES, THE SPANISH VERSION WILL PREVAIL.

2013 INVESTING FOR FUTURE GROWTH. GREATER DIVERSIFICATION, NEW OPPORTUNITIES

2013 results support the soundness of a growing company that continues to work towards its mission: improving people's health and wellbeing.

The company's capitalisation at the end of 2013 was Euros 10,790 million and our financial results and the milestones achieved in terms of production and commercialisation of our products, R&D, Human Resources or the environment, evidence how Grifols was managed in 2013 and the added value generated by our Company throughout the year.

2013 KEY FIGURES:

NET REVENUES: Euros 2, 741.7 million +4,6% growth +7,4% constant currency (cc)
- Bioscience leads the growth +5.3% (+8.2% cc).
- Volume growth in all proteins and stable prices.

Adjusted [1] EBITDA grows +9.7% to Euros 917.4 million
- Stabilization of SG&A expenses.

Adjusted[1] EBITDA margin increases 160 basis points (bps) reaching 33.5% of revenues
- Management focus on efficiency and competitiveness.
- Process' flexibilization and plasma optimization.

NET PROFIT: Euros 345.6 million, +34.6% growth and 12.6% over sales
- Operating margin improvements.
- 12.3% decrease in financial result.

NET FINANCIAL DEBT: Euros 2,087.2 million de euros
- Leverage ratio 2.28 times over adjusted[1] EBITDA below the 2.87 times as of December 2012.
- Euros 308.9 million Net Debt reduction and credit rating upgrade.

CASH of Euros 708.8 million with Euros 592.0 million from operational activities
- Strong operating cash flow generation to undertake strategic investments.
- Euros 236.0 million of cash dedicated to acquisitions and CAPEX.

DIVIDEND: The company returns to cash dividend payments
- Committed to a 40% dividend pay-out over net profits.

EMPLOYEES: 11,779
- 6% increase in the average accumulated headcount.
- More training provided in the Grifols Academies.

[1] Excluding costs relating to the Talecris acquisition and other non-recurrent costs

[2] Excluding costs associated with the purchase of Talecris as well as the amortization of intangibles and of deferred financial costs related to the acquisition.

[3] Source: Market Research Bureau (MRB) - *The Worldwide Plasma Proteins Market 2012.*

1. COMPANY'S POSITION IN 2013

In 2013 Grifols maintained its position as the third largest producer of plasma derivatives in the world, with a global market share of approximately 20%[3]. The Group's main products are worldwide sales[3] leaders:

PLASMA DERIVATIVE	MARKET SHARE	GLOBAL RANKING
Polyvalent IVIG (intravenous immunoglobulin)	27%	1
Alpha-1 Antitrypsin	66%	1
Coagulation Factor VIII	18%	2
Albumin	14%	3

The company has achieved an excellent and competitive position in its three diagnostics specialities: transfusions, immunology and haemostasis. In addition, the recent acquisition of Novartis' diagnostics unit for transfusions and immunology, completed in January 2014, will allow the Group to grow further in the diagnostics segment, improving its range of equipment and reagents in the United States and other key markets and increasing the contribution from the Diagnostic division, which could generate close to 20% of total revenue.

The Hospital division retains its leading position in Spain as a provider of intravenous solutions and continues with its internationalization as a key priority

Grifols' main lines of business (Bioscience, Diagnostic and Hospital) are sound and consolidated.

Grifols' management has focused on two main areas: consolidating areas of recurring business and unlocking new opportunities for future growth by acquiring interests in research companies to guarantee and finance the viability of their R&D projects.

The confidence of shareholders and investors has enabled Grifols to continue its investment activity in 2013 to maintain its leading position in innovation: developing technology and improving production processes by investing Capex, but also looking for differentiating factors that generate added value. The company has an ambitious R&D plan and has made several strategic acquisitions over the course of the year. Some of the transactions will produce immediate results (Novartis' diagnostics unit) and others are part of the strategy towards a sustainable and future projection (Progenika, Aradigm and TiGenix).

2. 2013 RESULTS - BUSINESS PERFORMANCE

PROFIT AND LOSS ACCOUNT: KEY INDICATORS

Sales performance: Euros 2,742 million revenues

Grifols closed 2013 with revenues of Euros 2,741.7 million, an increase of 4.6% on the prior year. The geographical diversification of sales limited the effect of volatility in exchange rates, in particularly the Euro-Dollar, and revenues grew by 7.4% cc.

Boosting sales in regions which have been less affected by austerity measures, with shorter collection periods and better margins continued to be one of the company's core strategies in 2013. As a result, Grifols remained very active on international markets during the period, where it generated 92.4% of its revenues. Sales outside Spain rose by 5.2% (8.2% cc) compared to 2012, to Euros 2,533.8 million.

In the **European Union** sales performance has confirmed the expected recovery. Recurring revenues, excluding Spain, grew by 4.5% to Euros 361.9 million. In Spain declines in sales of Diagnostic and Hospital products and services as a result of the cuts to public health service spending - which have reduced the number of operations and diagnostic tests performed at hospitals - have limited the growth in the region. The decline in Spain has decelerated when compared to 2012, to 2.4%, with a turnover of Euros 207.9 million, representing 7.6% of total revenues.

In the **United States and Canada** the sales performance of the main plasma proteins was good in terms of volumes, with double-digit growth in albumin and factor VIII. In Canada, activity was stable following the renegotiation of the contracts with the Canadian Blood Services (CBS) and Héma-Québec. Grifols remains the country's main supplier of haemoderivatives and plasma fractionator. The mid-year restructuring has also provided the company's business in the country with more operating flexibility. Sales of plasma proteins in the United States have gradually risen on a quarterly basis and the company has achieved record turnover growth in absolute terms of 7.9% (11.2% cc) in the world's largest haemoderivatives market. In addition, Grifols has bolstered its presence in the USA with new products and services in areas such as Hospital Logistics (Hospital division) and the Diagnostic Division, as the FDA has approved a number of reagents and instruments for blood typing which are fundamental for its commercialisation. The Group's total sales in the United States grew by 6.3% (9.6% cc) in 2013.

The most dynamic areas remain those outside the European Union and North America. Overall, **RoW** sales (Rest of the World excluding Raw Materials) grew by 14.7% (19.5% cc). For Grifols, these emerging regions have the greatest growth potential. The company has strengthened its presence in markets such as the Middle East, opening a new branch office in Dubai; or China, where Grifols' sales have grown rapidly over the past three years, and where the company expects to consolidate its position as a key player in immunohaematology and as a supplier of albumin, the only plasma protein which can be exported at present; or Brazil, where construction has started on a plant to manufacture bags for extraction and storage of blood components. Market research in countries such as Turkey, India and Russia has also progressed.

Currently, Grifols has commercial presence in 25 countries through its subsidiaries and sells its products in close to 100 countries. Internationalisation is a core strategy for the company, and in 2013 it continued to implement measures to bolster this expansion. These measures included:

- Opening a branch office in Dubai, to manage the business in the Middle East.

2013 - SALES BY REGION

IN THOUSANDS OF EUROS	2013	%SALES	2012	%SALES	% VAR	% VAR CC*
EU	569,827	20.8%	559,327	21.3%	1.9%	2.2%
US+CANADA	1,707,620	62.3%	1,658,548	63.3%	3.0%	6.1%
R.O.W.	426,257	15.5%	371,619	14.2%	14.7%	19.5%
SUBTOTAL	*2,703,704*	*98.6%*	*2,589,494*	*98.8%*	*4.4%*	*7.2%*
RAW MATERIALS	38,028	1.4%	31,450	1.2%	20.9%	23.5%
TOTAL	2,741,732	100.0%	2,620,944	100.0%	4.6%	7.4%

* Constant currency (CC) excludes the impact of exchange rate movements.

• Centralising and integrating logistical operations in a new centre which will be built in Ireland, allowing the company to optimise its distribution infrastructure, increase the efficiency of its operations and promote cost savings.

• Converting the branch office in China (Shanghai) into a commercial subsidiary of the Group, providing the legal structure needed to develop and expand in this market in the coming years.

Grifols' organic growth will also come from strengthening the products and services offered by its three divisions in its main markets. The company's has followed a commercial strategy of integration to complement its range of plasma protein therapies with Diagnostic (Diagnostic division) and Hospital logistics (Hospital division) products and services.

In November 2013 this strategy led to an agreement to acquire Novartis' transfusion and immunology diagnostics business, which focuses on guaranteeing the safety of the blood donated for transfusions. The transaction, completed in January 2014, has allowed Grifols to complement and expand the range of products and services offered by its Diagnostic division, becoming a vertically integrated company, capable of offering solutions to blood donation centres with broadest range of products for immunohaematology, including gel-based reagents, multicards and the innovative genotyping technology Progenika, company acquired in 2013. The acquisition will also strengthen Grifols' presence in the United States, with a sound and specialised sales network.

The acquisition of Novartis' transfusion and immunology diagnostics unit has not impacted 2013 figures, and the weights of the divisions did not change.

Grifols' main growth driver in 2013 was the Bioscience division. The volume of sales of plasma products in a scenario of stable prices drove revenues, with an upward trend in United States, the European Union and ROW.

The Hospital division's revenues rose slightly as a result of the gradual internationalisation of this line of business. Excluding the Spanish market, the division's sales grew over 45%.

The Diagnostic division's turnover was stable in absolute terms at Euros 130 million as a result of increased reagent sales in emerging markets among other factors, and the sales decline slowed during the fourth quarter of 2013.

Revenues from the Raw Materials & Others division, which represents approximately 2.4% of total revenues, were almost flat. These revenues include royalties, work carried out for third parties by Grifols Engineering and revenues from the manufacturing agreements with Kedrion that have continued to decline as expected.

Sound results: margins and profits continue to improve

In 2013 the company worked hard to increase its efficiency and competitiveness, leading to a notable improvement in operating margins. The EBITDA margin was 140 bps higher, and at the end of the year represented 31.5% of revenues. The adjusted EBITDA margin[1], rose by 160 bps to 33.5% of revenues.

The sales performance of the main plasma proteins sold by the Group and the optimisation of raw material and manufacturing costs through more flexible production processes have together increased the profitability per litre of plasma. This was reflected in gross margins growing by 6.6% to 51.7% of revenues. Operating expenses related to administration and general services were stable. These two factors have driven growth of 9.6% in EBITDA compared to 2012 to Euros 864.6 million. On an adjusted basis EBITDA[1] grew by 9.7% to Euros 917.4 million.

2013 - SALES BY DIVISION

IN THOUSANDS OF EUROS	2013	%SALES	2012	%SALES	% VAR	% VAR CC*
BIOSCIENCE DIVISION	2,448,824	89.3%	2,325,088	88.7%	5.3%	8.2%
HOSPITAL DIVISION	97,131	3.5%	95,870	3.7%	1.3%	2.6%
DIAGNOSTIC DIVISION	130,339	4.8%	134,342	5.1%	-3.0%	-1.0%
RAW MATERIALS AND OTHERS	65,438	2.4%	65,644	2.5%	-0.3%	1.6%
TOTAL	2,741,732	100.0%	2,620,944	100.0%	4.6%	7.4%

* Constant currency (CC) excludes the impact of exchange rate movements.

In terms of more efficient production of plasma derivatives, the company has continued to work towards greater flexibility and scalability in its production processes, to constantly adapt to market conditions. In order to achieve this Grifols has focused on both increasing its protein fractionation and purification capacities and on making the processes more flexible. The aim is to be able to purify and fill the intermediate fractions generated during the first stage of the manufacturing process at any of the three plants of the Group, for which Grifols requires FDA and EMA licenses.

In this regard, in 2013 Grifols obtained FDA approval to use Fraction IV-1 (intermediate product) obtained at the Los Angeles plant (California, USA) in the production (purification and dosage) of Alpha-1 Antitrypsin (Prolastin®-C) using the Clayton plant's method (North Carolina, USA). Authorisation was also obtained to use Fraction II+III obtained in the plant in Parets del Vallès (Barcelona, Spain) to produce IVIG (Gamunex® and Gamunex®-C) at the Clayton plant in the future.

Grifols continues to work towards obtaining an FDA licence to use the cryoprecipitate obtained in Clayton in purification of the factor VIII at the plants in Los Angeles.

The financing conditions negotiated at the start of 2012 have also contributed to a 12.3% reduction in finance results, down to Euros 237.4 million from Euros 270.7 million in 2012. Moreover, the R&D deductions for 2012, received in the first quarter of 2013 and the combined State Corporate Tax return filed by the North Carolina (USA) companies have reduced the effective tax rate.

Overall, the Group's 2013 net profit rose by 34.6% to Euros 345.6 million, 12.6% of the Group's revenues.

2013 KEY FINANCIAL INDICATORS

IN MILLIONS OF EUROS	2013	2012	% VAR.
NET REVENUES (NR)	2,741.7	2,620.9	4.6%
EBITDA	864.6	789.2	9.6%
% NR	*31.5%*	*30.1%*	
ADJUSTED[1] EBITDA	917.4	836.1	9.7%
% NR	*33.5%*	*31.9%*	
NET PROFIT	345.6	256.7	34.6%
% NR	*12.6%*	*9.8%*	
ADJUSTED[2] NET PROFIT	450.0	364.7	23.4%
% NR	*16.4%*	*13.9%*	

[1] Excluding costs relating to the Talecris acquisition and other non- recurrent costs

[2] Excluding costs relating to the Talecris acquisition, as well as the amortisation of intangibles and the amortization of deferred finance costs related to the acquisition

BALANCE SHEET - KEY INDICATORS

At December 2013 total consolidated assets amount to Euros 5,841.0 million, with no significant changes in relation to the Euros 5,627.5 million reported at December 2012. The main investments during 2013 were the stakes acquired in Progenika, Aradigm and TiGenix.

The gradual deleveraging, the sound results obtained and the positive performance of cash flows have strengthened the balance sheet in 2013.

Improvement of inventory turnover and average collection periods

The improvements in efficiency have also been reflected in stock management and safety stock controls, resulting in a gradual reduction in inventories of 5.2%, as forecast. Stock turnover has also decreased from 281 days in December 2012 to 262 days at the end of 2013.

Optimization of working capital management has continued as a consequence of the Group's greater exposure to countries with shorter collection periods. Grifols' average collection period was stable at 52 days, the same level as in December 2012.

Debt leverage reduction and credit rating upgrades

Grifols' net financial debt at December 2013 stood at Euros 2,087.2 million, a ratio of 2.28 times adjusted EBITDA[1] and lower than the ratio of 2.87 recorded at December 2012.

Over the course of the year, the Group's net financial debt has been reduced by Euros 308.9 million.

This priority objective of continuing to decrease debt, together with the high sustainable levels of operating activity and ongoing progress in achieving improvements related to the acquisition of Talecris contributed to Standard & Poor's ratifying its credit rating for Grifols and Moody's upgrading its rating.

Credit ratings at December 2013:

	MOODY'S	STANDARD & POORS
Senior secured debt	Ba1	BB+
Corporate rating	Ba2	BB
Senior unsecured debt	B1	B+
Outlook	Negative	Stable

Equity

Grifols equity increased to Euros 2,107.2 million in 2013, mainly as a result of the profits obtained during the period.

To December 2013, Grifols' share capital amounted to Euros 119.6 million, represented by 213,064,899 ordinary shares (Class A) with a par value of Euros 0.50 per share and 130,712,555 shares without voting rights (Class B) with a par value of Euros 0.10 per share.

During the course of the year share capital was increased twice by issuing non- voting shares (Class B):

1. In January 2013, the agreement adopted by Grifols' shareholders at the extraordinary general meeting of 4 December 2012 was implemented, and share capital was increased by Euros 1.6 million by issuing 16,328,212 new shares. These bonus shares were distributed to shareholders in the proportion of 1 new Class B share for every 20 original shares, irrespective of whether they were Class A or Class B, as an alternative form of remuneration to cash dividends.

2. In April 2013, share capital was increased to acquire Progenika Biopharma by Euros 20.5 million, by issuing 884,997 new Class B shares without voting rights.

Grifols' ordinary shares (Class A) are listed on the Spanish stock exchange and are a component of the IBEX-35 (GRF) index, while shares without voting rights (Class B) are also listed on the Spanish stock exchange (GRF.P) and on the USA NASDAQ stock exchange (GRFS) through ADR's (American Depositary Receipts).

In 2013 Grifols resumed payment of cash dividends as remuneration for all its shareholders (Class A and Class B shares). The payment corresponding to 2013 will be made in two parts: an interim dividend and a complementary dividend. In the second quarter of 2013 the company paid an ordinary dividend for a gross amount of Euros 0.20 for each Class A and Class B share, on account of 2013 results, totalling Euros 68.75 million, as reflected in the Group accounts. The Group plans to pay a final complementary on 2013 earnings.

Grifols' dividend policy has not changed and its pay-out ratio remains 40% of net profit, the level prior to the acquisition of Talecris.

LIQUIDITY AND CAPITAL RESOURCES

The Group's main liquidity and capital requirements relate to operating expenditures, capital investments (CAPEX), both for maintenance and construction of manufacturing facilities, and repayment of debt.

Historically, Grifols has financed its liquidity and capital requirements through internally generated cash flows from its operating activities and external financing. As of December 2013, the Group's cash positions after dividend, debt and interest payments, have risen to Euros 708.8 million, well above the Euros 473.3 million reported in 2012. In addition, the Company has Euros 340,6 million of additional cash available under undrawn credit Facilities.

Strong generation of operating cash flows

In 2013 cash flows from operating activities amounted to Euros 592 million. The main factors affecting working capital were:

- Trade and other receivables increased by Euros 35.7 million, although the average collection period was stable compared to December 2012 at 52 days.

- Inventory levels decreased by Euros 17.3 million, as a result of improved inventory management and a decrease in the need of safety stock. Inventory turnover was 262 days compared to 281 in 2012.

- Trade and other payables rose by Euros 61.4 million.

Additional Cash flows for strategic investments

Growing profits and improvement and control of financing activities have contributed to the reduction in more than Euros 200 million of financing cashflow needs, freeing cash for investment activities in order to guarantee the long term growth of the company.

Net cash flows of Euros 236.0 million were used in investing activities in 2013. The main acquisitions made in 2013 include the acquisition of 21.30% of TiGenix for Euros 12.4 million, 35% of the biotech company Aradigm for Euros 20.6 million (USD 25.7 million), including acquisition costs, and 60% of Progenika for Euros 37 million (Euros 34.6 million net of cash and cash equivalents). Cash flows have also been invested in CAPEX activities used in line with Grifols' CAPEX plan.

Cash flows for financing activities

Cash flows used in financing activities amounted to Euros 105.1 million and include a Euros 79.4 million net payment of debt and a Euros 69 million interim dividend payment on account of 2013 earnings made in June 2013.

3. FOURTH QUARTER OF 2013 - MAIN INDICATORS

Grifols' reported sales from October to December 2013 were Euros 695.2 million rising 5.1% (9,7% cc) compared to Euros 661.4 million obtained during the same period of the preceding year. The Bioscience division totaled Euros 627.4 million, contributing 90.2% to sales revenue and growth of 6.3%. The Diagnostic division generated Euros 32.5 millions, while Hospital accounted for Euros 22.8 million. These figures represent 4.7% and 3.3% of the group's total income, respectively.

By geographical region, the United States and Canada led growth in sales, with recurring sales (excluding Raw Materials) of Euros 440.2 million, equivalent to 63.3% of revenues. Europe with Euros 137.9 million and other regions (ROW) with Euros 112.5 million accounted for 19.9% and 16.2% of total income, respectively.

Revenues were positive in all divisions and in all regions where the company is present, supporting the positive trend expected in the Diagnostic Division in the fourth quarter.

4Q 2013 - SALES BY DIVISION

IN THOUSANDS OF EUROS	4Q 2013	%SALES	4Q 2012	%SALES	% VAR	% VAR CC*
BIOSCIENCE DIVISION	627,435	90.2%	590,288	89.2%	6.3%	11.0%
HOSPITAL DIVISION	22,793	3.3%	21,728	3.4%	4.9%	7.8%
DIAGNOSTIC DIVISION	32,471	4.7%	32,058	4.8%	1.3%	5.2%
RAW MATERIALS AND OTHERS	12,471	1.8%	17,354	2.6%	-28.1%	-25.8%
TOTAL	695,170	100.0%	661,428	100.0%	5.1%	9.7%

4Q 2013 - SALES BY REGION

IN THOUSANDS OF EUROS	4Q 2013	%SALES	4Q 2012	%SALES	% VAR	% VAR CC*
EU	137,973	19.9%	132,158	20.0%	4.4%	4.9%
US+CANADA	440,170	63.3%	419,308	63.4%	5.0%	10.0%
R.O.W.	112,538	16.2%	102,752	15.5%	9.5%	17.5%
SUBTOTAL	690,681	99.4%	654,218	98.9%	5.6%	10.1%
RAW MATERIALS	4,489	0.6%	7,210	1.1%	-37.7%	-34.8%
TOTAL	695,170	100.0%	661,428	100.0%	5.1%	9.7%

* Constant currency (CC) excludes the impact of exchange rate movements.

4. DIVISION ANALYSIS: PERFORMANCE BY BUSINESS AREA

BIOSCIENCE DIVISION: 89.3% OF GRIFOLS' REVENUES

The Bioscience Division has generated 89.3% of Grifols' turnover and sales totalled Euros 2,448.8 million. Over 95% of sales were concentrated in the international markets.

By volume, mention should be made to the approximately 30% growth in albumin sales bolstered by the United States and China, which has the highest demand for this protein in Asia. Also worth noting is the rise in alpha-1 antitrypsin, with double digit volume growth. Grifols is the world's benchmark for this plasma protein and sales in 2013 were particularly significant in countries such as Canada, the United States, Germany and Spain, where sales of Prolastin® have just commenced. In the USA and Canadian market the commercial pulmonology and haematology teams have focused their efforts on promoting the diagnosis and identification of patients with a AAT deficiency (emphysema and chronic bronchitis), asthma, liver cirrhosis or chronic hepatitis, among others.

In 2013 Grifols strengthened its presence in the area of respiratory illness and is seeking to establish a respiratory care franchise to specifically tackle this significant therapeutic area. To this end Grifols has its own line of haemoderivative products; Prolastin® and Prolastin-C® and the world licence for Pulmaquin™ and Lipoquin™, medication for the treatment of severe respiratory conditions, including bronchiectasis not associated with cystic fibrosis (BE), for which the phase 2b clinical trials have already been completed. Grifols has the exclusive right to distribute these compounds following the acquisition of 35% of Aradigm Corporation.

Hospital Plasma Service

Grifols also provides a specific service for the Inactivation of Plasma for Hospital Transfusions (IPTH). In 2013, 36,209 units were inactivated.

In 2013 the Regional Government of Murcia (Spain) awarded the company the contract to manufacture medication derived from plasma using the excess from the Centro Regional de Hemodonación. This contract will enable 55,000 units of plasma a year to be processed and the finished plasma products will be delivered to various hospitals in the region.

Raw Material

In 2013 Grifols' plasma centers in the USA received over 26,000 daily donations and collected 6.4 million liters of plasma which, in line with the company's optimization strategy, represents a 10.3% increase.

An important step in the unification of managements systems is the completion of the integration process for all the logistic, economic and financial activities of all the plasma centres under a single management system.

Grifols has two laboratories, in San Marcos and Austin (Texas –United States) for testing the plasma samples. The plasma samples are subjected to a minimum of 10 serological and PCR/NAT tests. These laboratories are equipped to analyse over 15 million plasma donations a year.

Process security, quality and control systems

The security of processes and products is of paramount importance to Grifols as is the implementation of solid quality and control systems to gain a competitive advantage. The most noteworthy improvements in the year are: the validation of the results of the ELISA analyses through the Architect system both for mini-pools and complete fractioning pools. This system enables 3 results to be obtained from the same piece of equipment, thereby optimising analysis times. It also permits the automatic and combined detection of parvovirus B19V and hepatitis A (HAV) using the TIGRIS technique in mini-pools (16 units).

Grifols Engineering is developing a system to automate the process of obtaining plasma donation samples; the Company is also studying the possibility of implementing an RFID identification system in all its plasma bottles with a view to monitoring them throughout the entire supply chain simplifying the process of handling the units.

2013 - Key operating indicators

	2013
No. of plasmapheresis centres	150
No. of plasma donations/day	+ 26,000
No. of donation analyses (annual capacity)	+ 15 million donations
Litres of plasma obtained	6.4 million litres
Number of fractioning plants	3 plants
Fractionation capacity	Euros 8.5 million litres/year

DIAGNOSTIC DIVISION: 4.8% OF REVENUES

In 2013 the Diagnostic Division recorded sales of Euros 130.3 million, of which almost 80% were made outside of Spain. This business area represents approximately 4.8% of Grifols sales, although three important milestones in 2013 will have an immediate impact on the future of the division:

1. The purchase of the transfusion and immunological diagnostic unit of Novartis, which will enable the expansion of the division's portfolio of equipment and reagents making Grifols the only company capable of offering comprehensive solutions to the blood donation centres in the most efficient and secure manner with full control over the transfusion process: from donation to transfusion.

2. The acquisition of 60% of the biotech company Progenika Biopharma in March 2013, to reinforce the portfolio of products and acquire the most innovative technology. This company is a global pioneer in the development of molecular biology testing for the performance of studies to check for transfusion compatibility and in the development of immunological tests to monitor biological drugs.

3. The approval by the FDA of the reagents for blood typing (gel card) and the instruments required for their use (incubator, centrifuge and the automatic instrument WADiana® and Erytra®).

2013 has been a year of transition. The division has been highly affected by the planned termination of the distribution contract with Ortho Diagnostic in the United States and efforts have focused on achieving the licenses and authorisations required to sell directly the products and technology derived from both the new companies acquired and the solid organic R&D portfolio. Prospects are favourable and the positive trend is already visible in the results obtained in the fourth quarter of 2013, with a growth in sales of 1.3% (5.2% cc).

The diagnostic division will generate approximately 20% of the total business of Grifols from 2014 onwards following the integration of the Novartis Diagnostic unit acquired.

Product and area analysis

The DG Gel® cards for blood typing and pre-transfusion compatibility test have continued to be the growth driver of this division. Significant sales have been achieved in emerging countries. Furthermore, the FDA has approved the DG Gel® 8 system specifically developed for the United States by Grifols for antigen blood typing and pre-transfusion compatibility tests.

With regard to instrumentation, the first automatic analysers of blood type (Erytra®) were installed in Japan and Qatar and sales of the coagulometer Q® commenced in the Italian market. Also worth noting is the completion of the first series of coagulometer Q Smart® which offers new solutions for haemostasis in emerging markets such as Brazil, Chile, Bulgaria or Turkey.

The teams have continued to adapt to the specificities of each market: a version of the Erytra® analyser was designed and developed specifically for the USA market, and received FDA approval in the first quarter of 2014; and a new version and technical packs to automate new reagents were created.

Among the new products launched worth noting is the presentation of the AlphaKit® QuickScreen, a device that screens for deficiencies in alpha-1 antitrypsin, a rare, hereditary disease that is under-diagnosed and tends to be confused with COPD in adults. This system enables doctors to detect, in a matter of minutes using just a few drops of blood, whether the person carries the Z protein, which is responsible for 95% of the severe cases of this disease.

In the area of immunology the first phase of validation of the new generation Triturus® analyser has been completed.

The haemostasis area continued to expand its range of reagents. The main reagents introduced were: DG®-Chrom PC, Grifols' own chromogenic assay kit for protein C and DG®-TT L human, Liquid Human Thrombin for Thrombin Time.

The group initiated the approval process for the new version of IDCore®XT, a Progenika Biopharma product, with the FDA and with the European authorities (EMA) to obtain the EC accreditation. And there is a cooperation agreement in place with Lab Corp, a network of laboratories in the Unites States, for them to use the Progenika reagents.

HOSPITAL DIVISION: 3.5% OF GRIFOLS' REVENUES

The Hospital division increased its turnover by 1.3% (2.6% cc) in 2013 as a result of Grifols' internationalisation strategy, which has led to sales rising in foreign markets by more than 45% and has mitigated the cuts to public health care spending in Spain. The Hospital division's revenues in 2013 represented 3.5% of Grifols' total revenues.

The growth in the Hospital Logistics area in Latin America, new agreements to produce injectable pharmaceuticals for third parties and the launch of new products have all boosted the division's strategy of internationalisation, offsetting the slump in sales in Spain.

The production agreements with third parties include:

• Agreement with Cadence Pharmaceuticals to produce its OFIRMEV® paracetamol in a flexible container for intravenous infusion.

• Agreement with Cumberland Pharmaceuticals to sell the first ibuprofen in a flexible container for intravenous infusion. Grifols has exclusive distribution rights for Spain, Portugal, Argentina, Chile, Brazil, Ecuador, Peru and Uruguay.

In the fluid therapy area, the production for third parties includes:

• Two formulas of a pharmaceutical for treating bone diseases in the European Union and the United States.

• Production of the Hospital division's first FDA-licensed product to be sold in the USA market. The product is the Zoledronic acid intravenous compound, which will be produced by Grifols for a US multinational and sold globally.

• Completion of development of a painkiller in a polypropylene bag for the USA market.

• Commencement of three new development projects: a specific painkiller, also for the USA market, an NSAID for the European and USA markets and a Grifill® for phase III clinical trials in collaboration with Cerus.

In fluid therapy, in terms of in-house products, new ready-to-use potassium solutions have been launched in different formats: Flebolex Luer® bags with needle-free connection and version 3.0 of Grifill®.

In Nutrition, a parenteral lipid solution has been launched and in Blood Bank the European body IMPD (Investigational Medicinal Product Dossiers) has authorised the start of clinical trials in Italy to obtain approval of the erythrocyte inactivation set. This new trial comes on top of those already being carried out in France, Germany and the United States.

In Hospital Logistics, one of the areas with the greatest potential for international expansion, the first automated carousel system has been installed for a hospital pharmacy in the US, specifically in Emory University Hospital (Atlanta). This system allows for control of inventories of medication and hospital products, facilitating procurement processes, optimising space and time.

5. INVESTMENT ACTIVITIES: R&D, CAPEX, ACQUISITIONS

AN EXTENSIVE R&D PROJECT PORTFOLIO

According to Forbes magazine, Grifols is among the 100 most innovative companies in the world and its commitment to research is evident from its 2013 results. This is expressed both through a sound R&D investment policy, with 4.5% or more than Euros 123.3 million of its sales revenues earmarked for this area in 2013, and through the acquisition of shares in R&D companies and projects in fields of medicine other than Grifols' core activity to thus ensure ongoing initiatives.

Grifols total R&D investment during the year including both its portfolio of projects in progress, and those of its investees such as Progenika, Araclon or Nanotherapix is the most extensive and diverse in the entire Group's history.

Main events in 2013

• **Enrolment of the first patients in the AMBAR trials (Alzheimer Management by Albumin Replacement)**. This multicentre clinical trial involves combining plasma replacement and hemapherisis treatment with the administration of plasma proteins, mainly albumin at different intervals and in varying doses, to treat Alzheimer's.

In 2013 the trial protocol was completed and patients are now being included in the trials in Spain and United States. The first results are expected to be available in 2015.

• **Presentation of the SPARK study results** in the annual conference of the *American Thoracic Society* (ATS) in May. The study shows that higher doses of Prolastin®-C regulate alpha-1 antitrypsin levels in patients with a hereditary deficiency of this protein, a rare disorder affecting approximately 200,000 people in Europe and USA. In 2013, the Company also started a second trial: the SPARTA study, which will make it possible to measure the level of lung tissue preservation obtained with the use of Prolastin®-C. The first patient has already signed up for this trial.

• **Commencement of the SPIRIT study** *(Study of Plasma-derived factor VIII/VWF in Immune tolerance Induction Therapy)* Register of haemophilic patients with inhibitors in the United States to gather data on the efficiency and safety of treatments with Grifols' plasma-derived factor VIII/VWF. The results will help to improve the immune tolerance induction therapy (ITI) in patients that develop inhibitors to factor VIII.

• **Authorisation of the Spanish Agency for Medication and Healthcare Products (AEMPS) for phase I of the clinical trials of the Alzheimer vaccination** being developed by Grifols through its company, Araclon Biotech. Safety and tolerability for humans will be assessed in this phase but not its efficiency. This is a first milestone in the project's advancement.

Main lines of research

• **Albumin in hepatology:** A clinical trial is currently underway to evaluate the effect of prolonged administering of Grifols' human albumin 20% on cardiovascular and renal functions in patients with advanced cirrhosis and ascites.

• **Biological fibrin sealant:** Grifols has embarked upon a new area of research with its interdisciplinary R&D project on biosurgery. This research is focused on developing a biological sealant with healing or sealing properties for vascular, parenchymal, and soft tissue surgery. It amounts to the development of new uses for plasma proteins, beyond the traditional replacement therapies. Four clinical trials are currently underway, two in vascular surgery and two in non-vascular surgery (parenchymal and soft tissue surgery), in Europe, Canada and the United States.

The last patient in the European clinical trial, focusing on vascular surgery, was treated in 2013; therefore, the trial is expected to be completed in the second half of 2014. In 2013 three additional trials required by the FDA were started to obtain approval in USA.

• **Other research:** The trials on the use of plasmin in cases of acute peripheral arterial occlusion are ongoing and the clinical trials to evaluate the safety and tolerance of treating cystic fibrosis with preparations such as an inhaled formulation of alpha 1-antitrypsin are at phase II, among others.

In 2013 the necessary documentation to commence clinical trials of new products such as topical Thrombin and intravenous fibrinogen was presented as well as the trials to test the efficiency of IVIG Flebogamma® DIF in new areas such as the treatment of post-polio syndrome.

Finally, the plans to use Alpha-1 antitrypsin to treat type-1 diabetes (juvenile diabetes) are also of major importance.

For another consecutive year, Grifols' R&D activity has been rated "Excellent" by the Spanish Profarma Plan. The Spanish Profarma Plan is a joint programme set up by the Ministry of Industry, the Ministry of Health and the Ministry of Economy aimed at promoting scientific research, development and technological innovation in the pharmaceutical industry.

Grifols' scientists' commitment to excellence and innovation is essential to develop safe and efficient haemoderivative products in our therapeutic field. This daily effort is complemented by an international collaboration network with private and public research institutions, leaders in their field.

Collaboration with third parties

In 2013 Grifols increased its collaboration with the European Consortium for the Study of Chronic Liver Failure, with a contribution of three million Euros over the next four years, further to the two million Euros already contributed since 2009.

It has also signed an agreement with the Vall d'Hebron Research Institute (VHIR) to create a centre of excellence for research and training in the diagnosis, treatment and monitoring of patients with alpha 1-antitrypsin deficiency (DAAT).

As part of Grifols' global strategy to investigate Alzheimer's, the Company has entered a long-term collaboration agreement with the ACE Foundation to finance the development of the "Barcelona Alzheimer Treatment & Research Centre". The centre designed by this foundation is conceived as an independent space to promote and facilitate the diagnosis, treatment and biomedical research of Alzheimer's and the first project it will host is Grifols' AMBAR study.

Promoting research through awards and grants

• **Sponsorship of the European Alpha-1 Antitrypsin Laurell** (eALTA) **research programme**, which supports work that contributes to a better understanding and treatment of Alpha 1-antitrypsin (DAAT) deficiency. The research projects that received the award were announced at the annual congress of the *European Respiratory Society* held in Barcelona in September.

• **VI edition of the Martín Villar Research Awards**, whereby Grifols supports research in the haemostasis field.

• **Sponsorship of two Fulbright Program grants** considered to be one of the most prestigious in the world. The program provides funds to extend postgraduate studies in USA. Grifols' collaboration will finance two Grifols/Fulbright grants for two years. Priority will be given to the candidates who have passed the admission tests for the grants and present projects in study areas which are related to Grifols' activities.

CAPITAL INVESTMENTS (CAPEX)

In 2013 Grifols had met most of its CAPEX plan up to 2015. Therefore, the Company continued with its planned investments and earmarked a total of Euros 151.7 million to expand and improve its production facilities in both Spain and the United States. From 2014 until 2016 the Group will invest around Euros 450 million.

Bioscience Division: increased plasma proteins' fractionation and purification capacity

The Bioscience Division has absorbed a substantial proportion of the investment plan, which involves improving the structure of plasma procurement centres in the United States and gradually expanding production facilities.

In 2013 the construction and validation of the new plasma fractionation plant in Parets del Vallès (Barcelona, Spain) with a fractionation capacity of 2.2 million litres/year has been completed. The Company expects to obtain final approval for its start up during the first half of 2014. Throughout 2013, Grifols also worked intensely on the validation processes of intermediate product batches obtained in the new plasma fractionation plant (NFF-*North Fractionation Facility*) in Clayton (North Carolina, USA). This is a major milestone as Grifols will be able to expand its plasma fractionation capacity and supply of intermediate products from the equivalent of 2.5 million litres of plasma in 2013 up to a maximum of 6 million litres. When both plants are on line Grifols will have a total installed plasma fractionation capacity of 12.5 million litres/year.

Investment in plasma protein purification has also continued. In the first quarter of 2013 the EMA authorised the expansion

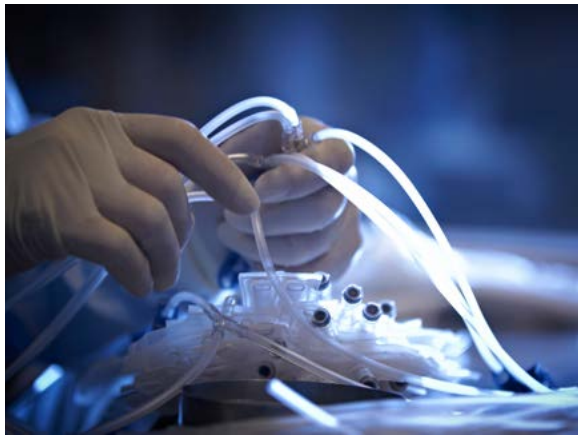
of the albumin purification plant in Parets del Vallès, thus its albumin purification capacity can be increased by 2.2 million litres. Construction of the new alpha-1 antitrypsin (Prolastin®) purification area in the same industrial complex continues.

In USA the construction of the new IVIG purification plant in Los Angeles has been completed and the validation process is underway. This plant has an initial purification capacity of 2 million litres, which could be expanded to 4 million in a second phase, and it will be operational in 2015. The investments to increase the production capacity of the albumin purification facilities in Los Angeles to 4.5 million litres are ongoing and in Clayton the new albumin purification plant will have an initial capacity of 2.8 million litres, which could be expanded in the future.

The validation processes of the new facilities and equipment in the freeze-drying and dosage areas in Parets del Vallès plant continues and the FDA approval is expected to be obtained during the second half of 2014.

Part of the investments have been earmarked to expanding and relocating plasma donation centres in order to provide more comfort to donors and improve infrastructures related to the classification, preparation and storage of raw materials.

Finally, in 2013 management of the plasma fractionation plant in Melville (New York - USA) was transferred to Kedrion. Grifols has, therefore, complied with the conditions imposed by the USA anti-trust agency, the Federal Trade Commission (FTC), for the acquisition of Talecris.



Hospital Division: Investments focus on Barcelona and Murcia (Spain)

Civil work has commenced in the new industrial complex (phase IV) of Las Torres de Cotillas (Murcia-Spain) to manufacture bags for the extraction and conservation of blood components. Taking production capacity to 9 million units will require an investment of Euros 6.9 million approximately. Three new fully automated production lines of intravenous saline solution in flexible polypropylene were brought into operation during 2013 in this plant. The extension works to the fully automated warehouse have also been completed. It is expected to come on line in the first quarter of 2014. The Murcia plant will become one of Grifols' three major logistics platforms in Spain.

Work has begun at the Parets del Vallès site (Barcelona, Spain) to boost the third-party manufacturing area, with the aim of achieving greater flexibility and production capacity in the manufacturing of injectable vials.

Diagnostic: financing and providing support to its acquired companies

A new production line for DG Gel® cards was incorporated in the Grifols' plant in Düdingen (Switzerland).

The construction work is also ongoing at the new plant in Brazil which will manufacture bags for the extraction and conservation of blood components. Approximately Euros 5 million will be invested in the plant, that is being managed by a new company called Gri-Cei, 60% owned by Grifols and 40% owned by the Brazilian company Comércio Exportação e Importação de Materiais Médicos Ltda (CEI). Construction is expected to take two years. Once operative, it will enable Grifols to increase production capacity and strengthen its direct commercial presence in Latin America.

Several investments have been made in Grifols' investees; among them the reallocation of all Araclon Biotech's activity and laboratories in a single site in Zaragoza (Spain).

ACQUISITIONS IN 2013

Acquisition of 21.43% of the biotechnology company TiGenix, specialised in cell therapy

In the last quarter of 2013 Grifols acquired a 21.43% stake in the biotechnology company TiGenex through its subsidiary Gri-Cel for Euros 12.4 million. The acquisition was entirely funded with Group capital and follows the strategy of holding an interest in research projects and companies to ensure the continuity of the initiatives being developed. This falls within the framework of Grifols' commitment to the field of advanced therapy and personalised medicine, where it already holds an interest in VCN Bioscience (cancer/oncolytic adenovirus therapies) and Nanotherapix (genetic therapies based on autologous cells).

TiGenix specialises in cell therapy. It uses a validated eASCs (expanded Adipose derived stem cells) platform to treat autoimmune and inflammatory diseases. At the present time it has one product used to regenerate knee cartilage and it is developing three others.

A 35% stake in Aradigm Corporation as part of a global strategic agreement

In the second quarter Grifols acquired 35% of the capital of the US pharmaceutical company, Aradigm Corporation (OTC BB:ARDM.OB) which specialises in the development and marketing of inhaled pharmaceutical products to treat and prevent chronic respiratory diseases, such as non-cystic fibrosis bronchiectasis and cystic fibrosis, among others. The transaction was carried out through the subscription of USD 25.7 million (Euros 20.6 milllion) of share capital of a total capital increase of USD 40.7 million.

The acquisition is part of a wider strategic agreement that also grants Grifols the exclusive worldwide future licence to sell the inhaled ciprofloxacin compound (Pulmaquín™ and Lipoquin™) to treat chronic respiratory diseases, including non-cystic fibrosis bronchiectasis, for which the phase 2b clinical trials have been completed.

A 60% stake in Progenika Biopharma, specialised in the development of technology for personalised medicine

In the first quarter of 2013 Grifols bought 60% of the capital of the Spanish biotechnology company, Progenika Biopharma, for Euros 37 million (Euros 34.6 million net of cash and cash equivalents). The transaction was carried out with a cash payment of 50% of the purchase price and the other 50% was settled in Grifols non-voting shares (Class B).

Progenika specialises in developing technology for personalised medicine and focuses on the design and production of genomic and proteomic tests mainly for in vitro diagnosis. It has also developed its own technology to produce molecular diagnosis and prognosis tests and is one of the most advanced companies in this field internationally. Progenika is in fact a worldwide pioneer in the development of molecular biology tests to verify transfusion compatibility.

With this acquisition Grifols has strengthened its commitment to research and development in its Diagnostic Division and has added the most advanced technology to its product portfolio in the immunohaematology area. Since 2010 Grifols has held the worldwide distribution rights (except Mexico) for the Progenika BLOODchip® blood genotyping test, which makes the provision of compatible blood units between donor and recipient easier while making transfusions safer.

6. OTHER RELEVANT INFORMATION

HUMAN RESOURCES

Grifols' average accumulated headcount in 2013 stood at 11,779 employees, up 6% on 2012. The headcount at the various Group companies has increased in all regions; however the 6.6% rise in the workforce in Spain, taking the total number of employees to 2,637 employees, is particularly significant.

Job security and employee professional development have been the two strategic priorities of human resources.

The number of courses, participants and total hours spent on training have all increased compared to 2012, while more emphasis has been placed on technical and scientific training, and the development of personal and business skills, quality and GMPs, safety and environmental matters, among others. The SAP Talent module has been implemented during 2013 as a tool to standardise performance evaluations worldwide and the number of e-learning courses available through Campus Grifols, the company's online training platform has increased.

ENVIRONMENTAL MANAGEMENT

In 2013 the environmental programme implemented by the Company for 2011-2013 was completed, achieving more than 80% of the objectives set. Results demonstrate the importance and effectiveness of the energy efficiency, emissions reduction, and waste management measures adopted in all areas of activity, above all in the production units.

Among the most relevant measures adopted in 2013 are

• At the Parets del Vallès plant (Barcelona, Spain), the use of CO_2 to purify waste water and innovative eco-efficient solutions in the new installations, which have led to an annual saving of 4,600 MWh in electricity and 7,800 MWh in natural gas. The implementation of an improved segregation process for bio-sanitary waste in the laboratories has led to a 70% reduction in the waste generated. The installation of a new ethanol rectification tower which will double the present distillation capacity has also been completed and is currently at the validation stage.

• At the Los Angeles plant (California, USA) the ethanol distillation tower is now finalised, meaning that 1.4 million litres of this compound can be recycled each year instead of being treated as waste.

• At the Clayton plant (North Carolina, USA) the cold storage units that use R22 refrigerant gas have been replaced by others that use gases that are not harmful to the ozone layer. Also in an external plant an alternative waste recovery treatment of aqueous solution of polyethylene glycol has been started, using anaerobic digestion to produce biogas.

Grifols has once again taken part in the Carbon Disclosure Project (CDP), the aim of which is to recognise the steps taken by the various participating companies to cut gas emissions and mitigate the risks of climate change. This programme represents 722 institutional investors with assets valued at USD 87 billion. In 2013 Grifols obtained 90 points out of a possible 100, two more than in 2012, placing it 15th in the ranking of the best valued companies among 125 major companies from Spain and Portugal, and the top company in the health sector.

7. STOCK PERFORMANCE

2013 was an exceptional year for the equity markets and the IBEX 35 was not an exception increasing its value by 21.42%. Grifols Class A shares revaluation beat the Spanish reference index by increasing its value 32% in 2013. Shares started the year at Euros 26.36 per share and closed on the 31 of December at Euros 34.77 per share.

Grifols has two types of shares publicly listed. Class A shares are listed in the Spanish Stock Exchange and a component of the main index, IBEX-35. Class B or non-voting shares are also listed in the Spanish Stock exchange and in NASDAQ in the United States via ADR's (American Depository Receipts).

Class B shares also beat the IBEX with a revaluation close to 36%, from Euros 19.10 per share to Euros 25.89 per share.

The ADR listed in NASDAQ experienced a 39.90% revaluation reaching US dollars 36.12 per share on the last trading day of December 2013.

8. EVENTS AFTER THE REPORTING PERIOD

SIGNING OF BRIDGE LOAN TO ACQUIRE THE DIAGNOSTIC DIVISION FROM NOVARTIS

On 3 January 2014 Grifols signed a bridge loan of USD 1,500 million funded in equal amounts by Nomura, BBVA and Morgan Stanley. The loan is to finance the acquisition of Novartis' transfusion medicine and immunology diagnostic division. The loan imposes no financial restrictions on Grifols in respect of dividends or investments.

This bridge loan is a temporary, short-term finance. Grifols plans to optimise its finance costs by restructuring its debt in 2014, including this bridge loan.

COMPLETION OF THE PURCHASE OF THE NOVARTIS DIAGNOSTIC DIVISION

On 9 January 2014 the group completed the acquisition of the blood transfusion medicine and immunology Diagnostic unit of the Swiss company Novartis International AG for USD 1,675 million (Euros 1,222 million). The transaction was completed with the same terms and conditions announced on 11 November 2013, after receiving the necessary legal and regulatory authorisations.

The transaction has been carried out through the newly created, wholly owned Grifols' subsidiary, G-C Diagnostics Corp (USA).

The Company expects the Diagnostic division to generate closed to 20% of total Group revenues subsequent to the transaction, compared to the 4% it currently represents. With this transaction Grifols is speeding up its new growth strategy based on promoting complementary business areas. Approximately 550 employees will join Grifols' workforce from Novartis.

PROFIT AND LOSS ACCOUNT

IN THOUSANDS OF EUROS	2013	2012	% VAR.
NET REVENUE	2,741,732	2,620,944	4.6%
COST OF SALES	(1,323,880)	(1,291,345)	2.5%
GROSS PROFIT	1,417,852	1,329,599	6.6%
% ON SALES	*51.7%*	*50.7%*	
R&D	(123,271)	(124,443)	-0.9%
SGA	(558,461)	(545,072)	2.5%
OPERATING EXPENSES	*(681,732)*	*(669,515)*	*1.8%*
OPERATING RESULT	736,120	660,084	11.5%
% ON SALES	*26.8%*	*25.2%*	
FINANCIAL RESULT	(237,419)	(270,729)	-12.3%
SHARE OF RESULT OF EQUITY ACCOUNTED INVESTEES	(1,165)	(1,407)	-17.2%
PROFIT BEFORE TAX	497,536	387,948	28.2%
% ON SALES	*18.1%*	*14.8%*	
INCOME TAX EXPENSE	(155,482)	(132,571)	17.3%
% OF PRE-TAX INCOME	*31.3%*	*34.2%*	
CONSOLIDATED PROFIT FOR THE YEAR	342,054	255,377	33.9%
RESULTS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(3,497)	(1,309)	167.2%
GROUP NET PROFIT	345,551	256,686	34.6%
% ON SALES	*12.6%*	*9.8%*	
EBITDA	864,588	789,209	9.6%
% ON SALES	*31.5%*	*30.1%*	
ADJUSTED EBITDA [1]	917,366	836,117	9.7%
% ON SALES	*33.5%*	*31.9%*	

BALANCE SHEET

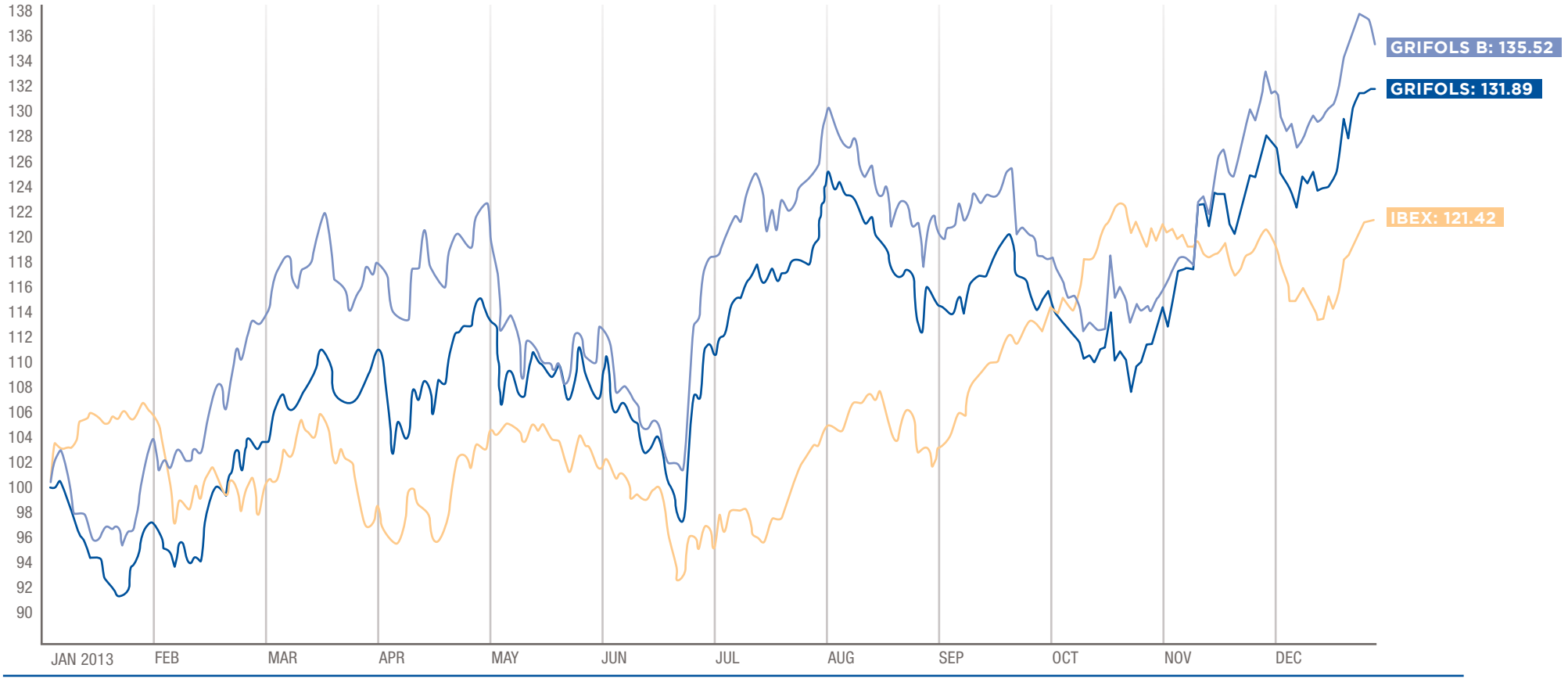
IN THOUSANDS OF EUROS	DECEMBER 2013	DECEMBER 2012
ASSETS		
NON-CURRENT ASSETS	3,701,376	3,692,910
GOODWILL AND OTHER INTANGIBLE	2,775,576	2,838,994
PROPERTY PLANT & EQUIPMENT	840,238	810,107
INVESTMENTS IN EQUITY ACCOUNTED INVESTEES	35,765	2,566
OTHER NON-CURRENT ASSETS	49,797	41,243
CURRENT ASSETS	2,139,660	1,934,564
INVENTORIES	946,913	998,644
TRADE AND OTHER RECEIVABLES	465,581	447,173
OTHER CURRENT FINANCIAL ASSETS	1,200	460
OTHER CURRENT ASSETS	17,189	14,960
CASH AND CASH EQUIVALENTS	708,777	473,327
TOTAL ASSETS	5,841,036	5,627,474
EQUITY & LIABILITIES		
EQUITY	2,107,204	1,880,741
CAPITAL	119,604	117,882
SHARE PREMIUM RESERVE	910,728	890,355
RESERVES	883,415	620,144
TREASURY STOCK	0	(3,060)
INTERIM DIVIDENDS	(68,755)	-
CURRENT YEAR EARNINGS	345,551	256,686
NON-CONTROLLING INTEREST	5,942	3,973
OTHER COMPREHENSIVE INCOME	(89,281)	(5,239)
NON-CURRENT LIABILITIES	3,018,536	3,153,868
FINANCIAL LIABILITIES	2,553,211	2,690,819
OTHER NON-CURRENT LIABILITIES	465,325	463,049
CURRENT LIABILITIES	715,296	592,865
FINANCIAL LIABILITIES	258,144	195,578
OTHER CURRENT LIABILITIES	457,152	397,287
TOTAL EQUITY AND LIABILITIES	5,841,036	5,627,474

CASH FLOW

IN THOUSANDS OF EUROS	DECEMBER 2013	DECEMBER 2012
NET PROFIT	345,551	256,686
DEPRECIATION AND AMORTITZATION	128,469	129,126
NET PROVISIONS	4,611	8,104
OTHER ADJUSTMENTS AND OTHER CHANGES IN WORKING CAPITAL	73,782	119,006
CHANGES IN INVENTORIES	17,277	14,509
CHANGES IN TRADE RECEIVABLES	(40,095)	34,421
CHANGES IN TRADE PAYABLES	62,416	(54,734)
CHANGE IN OPERATING WORKING CAPITAL	*39,598*	*(5,804)*
NET CASH FLOW FROM OPERATING ACTIVITIES	592,011	507,118
BUSINESS COMBINATIONS AND INVESTMENTS IN GROUP COMPANIES	(69,172)	(11,067)
CAPEX	(151,687)	(156,061)
R&D/OTHER INTANGIBLE ASSETS	(21,162)	(10,067)
OTHER CASH INFLOW /(OUTFLOW)	5,987	112,760
NET CASH FLOW FROM INVESTING ACTIVITIES	(236,034)	(64,435)
FREE CASH FLOW	*355,977*	*442,683*
ISSUE (PURCHASE) OF EQUITY	14,760	(9)
PROCEEDS FROM ISSUE OF SHARE CAPITAL	20,461	-
ISSUE (REPAYMENT) OF DEBT	(79,413)	(255,569)
DIVIDENDS	(69,138)	0
OTHER CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	8,184	(49,752)
NET CASH FLOW FROM FINANCING ACTIVITIES	(105,146)	(305,330)
TOTAL CASH FLOW	250,831	137,353
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	473,327	340,586
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(15,381)	(4,612)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	708,777	473,327

GRIFOLS' DAILY SHARE PRICE, CLASS A & CLASS B VS IBEX 35

(BASE 100, FROM JANUARY 1 TO DECEMBER 31 2013)



[1] Excluding costs relating to the Talecris acquisition and other non- recurrent costs

[2] Excluding costs associated with the purchase of Talecris as well as the amortization of intangibles and of deferred financial costs related to the acquisition.

[3] Source: Market Research Bureau (MRB) - *The Worldwide Plasma Proteins Market 2012.*