

## **Grifols will invest USD 360M to expand its manufacturing capacities for plasma-derived therapies**

- *Grifols' Board of Directors approves a plan for new industrial investments for the Bioscience Division to ensure the company's long-term sustained growth*
- *With these new investments, Grifols increases its production capacity to continue covering the expected growing demand in the plasma-derived products until 2028-2030*
- *The plan includes the construction of four plants: a plasma fractionation plant and a purification plant for intravenous immunoglobulin in the United States: an albumin purification plant in Ireland; and another plant for alpha 1-antitrypsin in Spain*
- *The investment plan expects to allocate USD 210M in the United States, USD 85M in Ireland and USD 65M in Spain*

**Barcelona (Spain), March 8<sup>th</sup>, 2016.-** The Board of Directors of Grifols (MCE: GRF, MCE: GRF.P and NASDAQ: GRFS), which met on February 26, has approved a plan for new industrial investments for the Bioscience division for the period 2016-2021, with the goal of expanding the manufacturing capacity to cover the expected growing demand of plasma-derived products for the upcoming years.

Nowadays, Grifols is one of the global leading companies in the manufacture of plasma-based medicines with direct commercial presence in 30 countries and sales in over 100.

The total amount approved is US Dollars 360 million. The investments will increase the plasma fractionation capacity and purification of the several proteins.

The breakdown of the different projects is as follows:

1. Construction of a new plasma fractionation plant at the industrial complex at Clayton (North Carolina, U.S.A.), with a fractionation capacity of 6 million liters per year. The construction will begin the first quarter of 2017 and is scheduled to start production in early 2022.

Plasma fractionation is the process of extracting the different fractions that contain the proteins with therapeutic uses. Afterwards, these fractions are purified and sterilized in specific plants for each of the proteins obtained.

To process the fractions that will be produced in the new plasma fractionation plant, and then obtain the proteins, three new purification and sterile filling plants will need to be constructed for three of the main proteins commercialized by Grifols:

2. New purification plant for intravenous immunoglobulin (IVIg) at Clayton to process the fraction II+III from the new fractionation plant to obtain between 25 and 30 million grams/year of IVIg, under the Gamunex® brand.

It is scheduled to come into operation in late 2021.

3. Purification plant for albumin at the Grifols facilities in Dublin (Ireland) with capacity to produce between 130 and 150 million grams/year of albumin (Albutein®), from fraction V.

The company schedules to bring forward the construction of this plant to cover the particularly growing market demand of this protein. The construction is scheduled to commence at the end of 2016, so it will begin production in early 2020.

4. Purification plant for alpha 1-antitrypsin (Prolastin®) at the Grifols site at Parets del Vallés (Barcelona, Spain). The company projected to reach full capacity to purify this protein by 2018. Therefore, in 2014, a decision was taken to start the construction of this plant. It is expected that Food and Drug Administration (FDA) and European Medicines Agency (EMA) licenses will be granted in late 2017 or early 2018.

The current purification plants to obtain other plasma proteins such as factor VIII or factor IX have sufficient capacity to absorb the increase that may be generated by this new fractionation plant.

The amount per project is as follows:

	<b>Project</b>	<b>Product</b>	<b>Campus</b>	<b>Amount (USD M)</b>
1.	Plasma fractionation plant		Clayton, NC (US)	90
2.	Purification plant for fraction II+III	IVIG	Clayton, NC (US)	120
3.	Purification plant for fraction V	Albumin	Dublin (IRL)	85
4.	Purification plant for fraction IV-1	Alpha 1	Parets del Vallès, BCN (ESP)	65
			<b>TOTAL AMOUNT</b>	<b>360</b>

This investment plan considers that the start of new production facilities require an average of approximately five years once the investment is approved until the regulatory authorizations are granted to start the commercialization of products.

Grifols estimates that the production capacities will be sufficient to ensure Grifols' ability to cover the expected growing demand in its markets until 2028-2030.

All the projects will be designed and executed by Grifols Engineering, as usual within these types of investments. Grifols Engineering is the in-house company specialized in the construction of this type of facilities. Its wealth of experience gives Grifols a clear competitive advantage, not only in terms of time and obtaining approvals for the new plants but also in relation to the final cost.

## **In 2015 Grifols launched a new plan to open plasma donor centers in the United States**

The new fractionation plant will increase Grifols' plasma requirements. To ensure the equivalent plasma supply, in 2015, the company approved a new program to open new plasma donor centers in the United States, as well as to expand, renovate and relocate existing centers. It is scheduled to open progressively 75 new centers with the aim of bringing the total number of centers up to 225 by 2021. The company has 160 operating centers equipped with the latest technology to increase the efficiency of the donation process and to strengthen safety.

In addition, Grifols has planned to construct a third testing laboratory to handle the increased number of samples, mainly, from these 75 new plasma centers. It is expected to come into operation by 2019.

In preparation for increased raw materials, two logistics and plasma warehousing centers have been already constructed, one at the Clayton complex, with a capacity to store 3.7 million liters, and the other in Dublin with a capacity for 800 thousand liters. Both facilities are scheduled to be fully operational by the end of 2016

# GRIFOLS

## About Grifols

Grifols is a global healthcare company with more than 75-year legacy of improving people's health and well-being through the development of protein therapies, hospital pharmacy products and diagnostic technology for clinical use.

The company is present in more than 100 countries worldwide and its headquarters are located in Barcelona, Spain. Grifols is a leader in plasma collection with a network of 160 plasma donation centers in the U.S., and is a leading producer of plasma-derived medicines. As a recognized leader in transfusion medicine, Grifols offers a comprehensive range of transfusion medicine, hemostasis, and immunoassay solutions for clinical laboratories, blood banks, and transfusion centers.

In 2015, sales exceeded 3,934 million euros with a headcount close to 14,700 employees. Grifols demonstrates its commitment to advancing healthcare by allocating a significant portion of its annual income to R&D.

The company's class A shares are listed on the Spanish Stock Exchange, where they are part of the Ibex-35 (MCE: GRF). Its non-voting class B shares are listed on the Mercado Continuo (MCE: GRF.P) and on the U.S. NASDAQ via ADRs (NASDAQ: GRFS). For more information visit [www.grifols.com](http://www.grifols.com)

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