GRIFOLS

Grifols achieves its highest quarterly sales revenue in absolute terms reaching 683.7 million euros and 2,6% growth

Grifols' Net Profit Rises by 34.8% to 91 million Euros in the First Quarter of 2013

- **Significant improvements in operating margins due to greater efficiency of manufacturing processes and sales mix: EBITDA rises by 150 bps to 31.9% of sales**
- **Adjusted[1] EBITDA grows by 7.9% to 230.1 millions euros**
- **Net financial debt ratio remaines stable at 2.9 times EBITDA[1] and financial expenses decrease as a result of the improved funding conditions negotiated at the start of 2012**
- **16.8% of sales generated in Latin America, Asia-Pacific and R.O.W., the USA and Canada account for 60.0% of sales and Europe represents 21.8%. 8% of sales generated in Spain.**

Barcelona, May 2, 2013.- Grifols (MCE:GRF, MCE:GRF.P y NASDAQ:GRFS), one of the world's leading producer of plasma derivatives, achieved its highest quarterly sales revenue in absolute terms in the first quarter of 2013. Income totaled 683.7 million euros, growing by 2.6%. The impact of currency fluctuations, particularly the euro: dollar rate had a limited impact on sales, which grew by 3.5% in comparable terms at constant currency exchange rate (cc).

Grifols' activity on international markets has driven the company's sales, and the Spanish market represents 8.0% of total sales revenue. Sales in foreign markets rose by 4.0%, exceeding 628.9 million euros. This trend already seen in 2012 has continued during the first quarter of 2013, with particularly impressive performances in regions such as Latin America and Asia, recording growth of 50.6% cc and 40.7% cc, respectively. In Europe, excluding Spain, sales revenue has grown by 6% to 94.5 million euros, while in North America, where demand for plasma proteins continues to rise, sales stand around 410 million euros. This represents a fall of 1.6% (0.5% at cc) as a result of the new conditions attached to contracts in Canada, which had only a limited impact on the period and due to a very difficult comparative with sales reported in the first quarter of 2012, which were exceptionally high.

Overall, 92% of Grifols' income was generated outside of Spain, and the company's commercial strategy continues to focus on regions with better economic prospects, shorter payment periods, and higher margins.

The group's strong internationalization is confirmed by its commercial presence in over 100 countries, with subsidiaries in 24 of these. In addition, with the purchase of Talecris,

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geographic diversification continues to be fundamental to the group's growth strategy. Grifols has developed a new integrated global strategy for its logistics and operations systems, designed to optimize distribution infrastructure, improve the efficiency of its operations, and deliver a reduction in costs. Grifols is undertaking a range of initiatives, including the restructuring of its logistic operations.

Albumin and Alpha-1 antitrypsin sales volumes are the main growth drivers for the Bioscience Division, revenues grow 3%

By business area, **the Bioscience division** generated 88.5% of income, and continued to be the principal driver of growth. This division's sales rose by 3.0% (4.0% cc) to 604.8 million euros as a result of the significant increases in sales volumes, led by albumin and alpha-1-antitrypsin in an environment characterized by price moderation.

The **Hospital division** achieved its highest ever quarterly sales revenue. Its internationalization strategy enables growth in an environment of lower demand for intravenous solutions as a result of the rationalization of healthcare expenditure in Spain. The geographical diversification of sales in this division through its hospital logistics area and third-party agreements for the manufacture of injectable medicines helped to achieve a moderate sales growth of 0.4% to 27.2 million euros. For the first time, sales of Hospital Logistics in Latin America outperformed those in Spain.

Positive performance of two of the key areas of **the Diagnostic division,** Molecular biology and Immunohematology instrumentation, whose DG Gel® blood group typing reagents have established a new standard. During the first quarter of 2013, some third-party distribution contracts were terminated by the company, impacting the division's total sales that fell by 6.3% to 32.6 million euros. These contracts will be replaced by direct sales once the necessary licenses have been obtained. The recent acquisition of 60% of Progenika Biopharma will enable the rapid incorporation of new technologies to this division's product portfolio, including molecular diagnostics tools for immunohematology, cardiovascular, autoimmunity, oncology and diseases of the central nervous system. As a result of these events, 1Q 2013 sales cannot be extrapolated to the rest of the year.

The **Raw Materials & Others division** achieved sales of 19.2 million euros during the quarter. This division includes, among other items, royalties, income derived from manufacturing agreements with Kedrion, and third-party engineering projects performed by Grifols Engineering.

Solid results: margins and profits continue to improve

The policy of operating costs control continues in place, and gross margin improved by 150 base points (bp) as a result of the optimization of raw material and manufacturing costs. Both factors combined with the sales mix contributed to the EBITDA to sales margin rising to 31.9%, compared to 30.4% for the same quarter of 2012. EBITDA for the quarter stood at 218.4 million euros, with growth of 7.8%, evidencing the improved efficiency of the company's manufacturing processes as a result of forecast synergies in the fractionation and purification of proteins.

Adjusted[1] EBITDA, excluding costs associated with the purchase of Talecris and other non-recurring costs, was 230.1 million euros to March 2013, 7.9% higher than in the first quarter of the prior year and representing a ratio to sales of 33.7%.

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During the first quarter of 2013 lower financial costs contributed to the group's net profit. This is a result of the improved funding conditions negotiated at the start of 2012, carrying lower interest rates and a modification of the tranches of the credit agreement with the various institutions involved in funding the purchase of Talecris.

Net profit rose by 34.8% for the quarter, to 91.0 million euros. This represents 13.3% of sales, compared to the figure of 10.1% for the same period of 2012, while net adjusted[2] profit rose by 19.0% to 115.7 million euros.

In contrast with the previous year, this result does not include the amortization of the deferred financial costs related to the acquisition of Talecris.

The effective tax rate for this quarter was lower mainly due to North Caroline (US) companies filing a combined state corporate tax return and reducing their effective tax rate. It has also benefitted from the availability of deductions for R&D in the United States corresponding to financial year 2012 that were not previously available due to the budgetary situation of the US government.

Grifols' Results for the First Quarter of 2013

(In millions of euros)	1Q - 2013	1Q - 2012	% VAR.	% VAR. CC
SALES	**683.7**	**666.7**	**2.6%**	**3.5%**
Bioscience Division	604.8	587.2	3.0%	4.0%
% of sales	*88.5%*	*88.1%*		
Hospital Division	27.2	27.1	0.4%	0.3%
% of sales	*4.0%*	*4.0%*		
Diagnostic Division	32.6	34.7	-6.3%	-5.7%
% of sales	*4.8%*	*5.2%*		
Raw Materials & Others	19.2	17.7	8.6%	10.0%
% of sales	*2.7%*	*2.7%*		
EBITDA	**218.4**	**202.6**	**7.8%**	
% of sales	*31.9%*	*30.4%*		
ADJUSTED[1] EBITDA	**230.1**	**213.1**	**7.9%**	
% of sales	*33.7%*	*32.0%*		
NET PROFIT	**91.0**	**67.5**	**34.8%**	
% of sales	*13.3%*	*10.1%*		
ADJUSTED[2] NET PROFIT	**115.7**	**97.2**	**19.0%**	
% of sales	*16.9%*	*14.6%*		

Balance Sheet: main indicators

Inventory levels remain stable, in line with manufacturing requirements.

Total consolidated assets at March 2013 amounted to 5,784.3 million euros, with no significant changes with respect to the figure of 5,627.5 million euros reported in December 2012. The differences are primarily due to the exchange rate effect on existing assets and liabilities.

Inventory levels have remained stable and at levels adequate to meet overall plasma requirements to produce plasma proteins. This reflects the effectiveness of Grifols' recent initiatives to rationalize and optimize stocks, supported by achieving operating synergies

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related to raw materials and the sale of more products per liter of plasma processed. Stock turnover was 284 days at the end of the period, in line with the December 2012 level.

Grifols' net financial debt stable at a ratio of 2.9 times adjusted[1] EBITDA.

Cash flows continued to improve during the first quarter of 2013 due to Grifols' greater exposure to countries with shorter payment terms. This has enabled the company to pay off over 30 million euros worth of debt and to purchase non-voting shares (Class B), reducing the group's net cash positions.

Grifols has purchased 4,402,986 American Depositary Shares (ADSs) from various funds and accounts managed by Cerberus Capital Management, each ADS equivalent to one non-voting share (Class B). These shares have a total value of 118.9 million dollars, or 27 dollars per ADS. The company's intention is to hold them as treasury stock to be used in potential corporate operations in the future.

The net financial debt to March 2013 was 2,511.8 million euros, slightly up from the figure of 2,396.1 million euros for December 2012. The group's debt ratio (NFD/adjusted EBITDA) is 2.94 times EBITDA[1], broadly in line with the figure of 2.87 times EBITDA for December 2012, and significantly lower than the ratio of 3.79 times recorded in the first quarter of the previous year.

Investments

CAPEX: Groundbreaking for the new plant in Brazil to manufacture blood extraction and conservation bags and completion of the conversion project to produce Gamunex® (IVIG) in Los Angeles.

During the first quarter of 2013 Grifols continued with its investment plan (CAPEX) for the 2012–2015 period. The main objective of this plan is the gradual expansion of its manufacturing facilities in Spain and the United States. During the first quarter of 2013, the company invested over 30.5 million euros.

The project to convert and adapt the Los Angeles plant to produce intravenous immunoglobulin (IVIG) Gamunex® has been completed, and the plant will come on stream in the second quarter. The plant is currently under process validation. Construction work for the new plasma fractionation plants at Parets del Vallés (Barcelona, Spain) and Clayton (North Carolina, United States) has been completed as well, and the remaining validation processes are adequately progressing.

Grifols has also started construction of a new plant in Brazil for the manufacture of bags for the extraction and conservation of blood components. With a total built area of over 5,400 m^2 on a plot of land of 26,000 m^2, the plant will have an initial manufacturing capacity of 2 million units, with the possibility of expanding this by a further 2 million. The project has been implemented by Gri-Cei S.A., in which Grifols has a 60% share, with the remaining 40% share held by Brazilian company, CEI (Comércio Exportação e Importação de Materiais Médicos Ltda.). It represents an investment of 5 million euros and is scheduled for completion in 2014.

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R&D: Enrollment of patients with Alzheimer's for the AMBAR study, which involves a combined therapy of apheresis (plasma extraction) and the administration of albumin continues.

Grifols' commitment to research is clearly reflected in the results, with R&D spending 3.4% higher than for the same quarter of 2012, at 29.3 million euros, representing 4.3% of sales.

As a pioneer in the research and development of treatments designed to contribute both to scientific progress and to society, in 2013 Grifols commemorates the 25th Anniversary of the United States launch of Prolastin®, the first therapy approved by the Food and Drug Administration (FDA) for the treatment of alpha-1-antitrypsin deficiency by increasing patients' levels of alpha-1-antitrypsin.

Grifols continues to enroll Alzheimer's patients in the AMBAR study (Alzheimer Management by Albumin Replacement) in both Spain and the United States. This multi-center trial, with an innovative approach that builds on two previous studies, involves combining hemopheresis treatment with the administration of albumin in varying doses and at different intervals.

Analysis by business area and quarter highlights

Bioscience division: 88.5% of income

- **Consolidation in Latin America and the Asia-Pacific region**
  Having consolidated its leadership position in the North American and European markets, Grifols has also increased its sales in the Latin America and Asia-Pacific regions, where there is increasing demand for products such as albumin from countries like China.

- **Integration of the logistics and financial processes of all the plasma donor centers into a unified management system completed**
  The inclusion of TPR (Talecris Plasma Resources) into the global corporate management platform has been the final step to complete the integration of the logistics (purchasing function) and financial activities of plasma donor centers into a unified management system for the entire Grifols Company in the United States. This is another milestone in the system unification process within the organization.

- **Capacity expansion: New approvals to transfer intermediate pastes**
  Grifols continues with its strategy to optimize manufacturing processes by achieving maximum flexibility of its production capacity. During the first quarter It has obtained approval to purify Fraction IV-1 (intermediate paste) obtained at Los Angeles in order to produce Alpha-1 antitrypsin (Prolastin® -C) in its Clayton facility. Grifols is the market leader for this plasma derived protein. The albumin purification plant in Barcelona has also been recently approved by the European Medicines Agency (EMA). The expansion increases albumin purification capacity by 1.1 million litres and it will enable the company to meet the growing market demand for this protein.

Hospital division: 4.0% of sales revenue

- **Manufacturing and distribution agreement between Cadence Pharmaceuticals and Grifols**
  Cadence Pharmaceuticals has contracted Grifols to manufacture its OFIRMEV® acetaminophen (paracetamol) in flexible container for intravenous perfusion, boosting

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Grifols third-party manufacturing activities as a strategy for promoting the geographical diversification of the division.

- **Hospital Logistic sales' momentum in Latin America**
  Grifols is the Spanish leader in logistic systems to optimize the operations of hospital pharmacies, improve its efficiency and reduce costs. For the first time, income from Latin American countries, such as Argentina, Chile or Brazil, jointly exceed revenues in Spain, where despite reductions in public expenditure, has also increased its revenues.

- **First product manufactured for the U.S. market as part of a third party manufacturing agreement**
  Grifols starts production of the first hospital division product with FDA license for the United States. Grifols will produce as part of a third party manufacturing agreement, zoledronic acid for its worldwide distribution by a U.S company.

Diagnostic division: 4.8% of sales

- **Sales of gel reagent cards for blood typing continue to increase**
  The sales volumes of DG Gel® blood group typing cards have continued to rise in every market in which Grifols has a presence, becoming one of the key drivers of the division.

- **The purchase of 60% of Progenika Biopharma has consolidated the division's portfolio of products and R&D projects**
  This acquisition helps Grifols to strengthen the division's product portfolio by giving the Immunohematology area access to the very latest technology. Progenika specializes in the design and manufacture of genomic and proteomic tests for the *in vitro* diagnosis and prognosis of diseases, and to predict and monitor the response to pharmacological treatment. It is also a leader in the development of molecular diagnostic technologies.

- **Groundbreaking ceremony for the new plant in Brazil to manufacture bags for the extraction and conservation of blood components**
  The plant is scheduled to become operational in the fourth quarter of 2014, with a planned investment of 5 million euros. The construction will enable Grifols to strengthen its direct presence in Latin America and to take forward its plans for internationalizing the division

About Grifols

Grifols is a global healthcare company with a 70-year legacy of improving people's health and well being through the development of life-saving plasma medicines, hospital pharmacy products and diagnostic technology for clinical use.
As a leading producer of plasma medicines, Grifols has a presence in more than 100 countries and is the world leader in plasma collection, with 150 plasma donation centers across the U.S. Grifols is committed to increasing patient access to its life-saving plasma medicines through significant manufacturing expansions and the development of new therapeutic applications of plasma proteins. The company is headquartered in Barcelona, Spain and employs more than 11,000 people worldwide.
In 2012, Grifols' sales exceeded 2,620 million euros. 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

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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",

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