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## **DEAR SHAREHOLDERS,**

Grifols ushered in a new era in 2012, one that has seen the company become the world's third-largest producer of plasma-derived medicines following the acquisition and integration of Talecris in 2011.

This new dimension has contributed even more to the ongoing internationalization of Grifols, making it a truly global company, one which generates almost 92% of its income outside of Spain. Our increased international presence also means that a greater number of patients than ever before will have access to treatment with safe, effective plasma proteins.

This commitment to internationalization has been the key to the company's historic development, and particularly to the 2012 results, as can be seen from the excellent consolidated results of the group. A group that now employs over 11,000 people, each of whom in their own way contributes to maintaining the pioneering spirit that has guided our company since its creation back in 1940 all the way through to the present day.

A handwritten signature in blue ink, appearing to read 'V. Grifols', with a stylized flourish at the end.

**Victor Grifols**  
President and CEO of Grifols

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#### SALES REVENUE

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**2,620.9 MILLION EUROS**  
**+46% GROWTH**

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#### GROWTH ACROSS ALL DIVISIONS

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**BIOSCIENCE +51.8%**  
**DIAGNOSTIC +14.5%**  
**HOSPITAL +0.5%**

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#### SIGNIFICANT PRESENCE IN NORTH AMERICA

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**1,658.5 MILLION EUROS SALES**  
**+74.8% GROWTH**

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#### GLOBAL PRESENCE

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**SALES IN OVER 100 COUNTRIES**  
**DIRECT SUBSIDIARIES IN 24 COUNTRIES**

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#### INVESTMENT IN R&D

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**124.4 MILLION EUROS IN 2012**  
**5% OF SALES**

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#### CAPITAL INVESTMENT PLAN (CAPEX)

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**156.1 MILLION EUROS TO EXPAND AND**  
**IMPROVE MANUFACTURING FACILITIES**

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#### SHARE PRICE PERFORMANCE

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**CLASS A: 26.36 EUROS (+100% SHARE PRICE APPRECIATION)**  
**CLASS B: 19.10 EUROS (+127% SHARE PRICE APPRECIATION)**

# 2012 FINANCIAL ANALYSIS

NET PROFIT<sup>1</sup> GROWS OVER  
5 TIMES TO 256.7 MILLION EUROS

ADJUSTED<sup>2</sup> EBITDA OF 836.1 MILLION EUROS.  
AN INCREASE OF 76.8%<sup>2</sup>, REPRESENTING  
A MARGIN OF 31.9% OF SALES

SALES GROWTH BY 46.0%<sup>1</sup>  
TO EXCEED 2,620 MILLION EUROS

IMPROVED FUNDING CONDITIONS  
AND REDUCTION OF CORPORATE DEBT

NET FINANCIAL DEBT TO ADJUSTED<sup>2</sup>  
EBITDA RATIO OF 2.87 TIMES

INCREASED SALES VOLUMES OF THE MAIN PLASMA  
PROTEINS HAVE BEEN THE KEY DRIVER OF THE BIOSCIENCE  
DIVISION, A BUSINESS AREA THAT GENERATES 88.7%  
OF GRIFOLS' SALES REVENUE

BLOOD GROUP TYPING CARDS HAVE DRIVEN  
THE SALES OF THE DIAGNOSTIC DIVISION

THE HOSPITAL DIVISION CONTINUES TO EXPAND  
ITS INTERNATIONAL PRESENCE THROUGH  
A SERIES OF DISTRIBUTION AND THIRD-PARTY  
MANUFACTURING AGREEMENTS

During 2012 Grifols has consolidated its purchase of Talecris, becoming the world's third largest producer of plasma-derived medicines.

The increase in sales volumes has contributed to positive performance across all three divisions. The company's commercial strategy has focused on regions less affected by austerity measures, with shorter payment terms and higher margins.

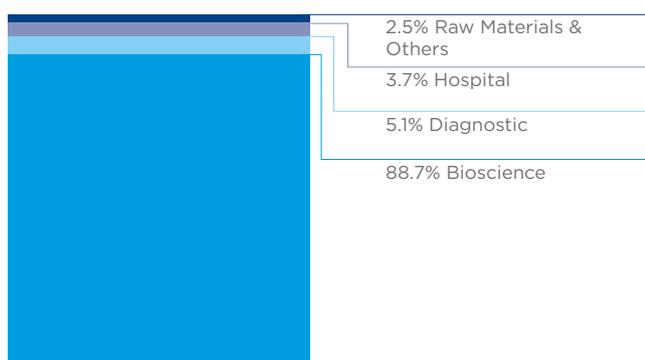
Significant synergies have been generated by optimizing plasma and manufacturing costs, resulting in improvements in the price per liter of plasma and gross margin. The company has worked intensively towards making its manufacturing processes more flexible, obtaining a number of FDA and EMA licenses for using intermediate products in our several manufacturing facilities. This has contributed to the ongoing improvement in margins and profits. In particular, EBITDA has risen by 950 base points to 31.6% of sales, while net profit reached 256.7 million euros, a figure that represents 9.8% of income.

The improved funding conditions contributed to the results, and this impact will continue during 2013. To December 2012, Grifols' net financial debt decreased by 255.6 million euros to 2,396.1 million euros, in line with the company's plans to return to the debt levels prior to the acquisition of Talecris once all the synergies resulting from the merger have been realized.

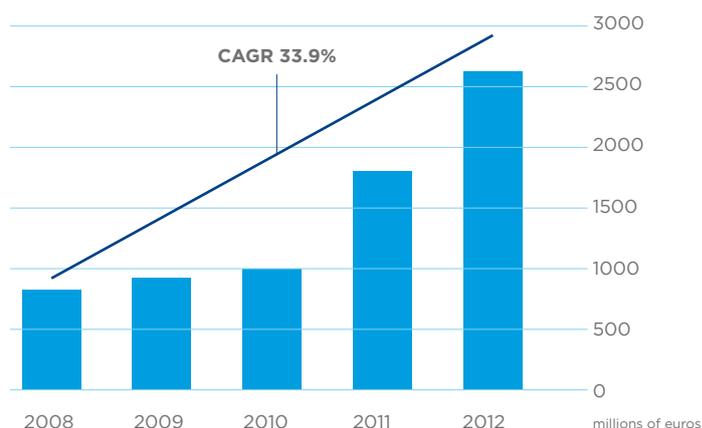
The ongoing reduction in debt levels, strong results, and improved cash flow generation have all helped strengthen the balance sheet. These variables have also contributed to the Company's credit ratings upgrade issued by Standard & Poor's and Moody's in 2012.

The company has continued to grow organically and through its acquisitions strategy, by taking a share in biotechnology companies with future potential. The income of the Bioscience division, which specializes in plasma-derived products for therapeutic use, totaled 2,325.1 million euros. This 51.8% increase was achieved thanks to results in the United States, the release of new products and additional therapeutic applications for existing plasma proteins. The growth of the Diagnostic division was driven by sales of blood group typing cards, as it prepares to optimize gel technology. Key developments for the Hospital division include commercial and distribution agreements to boost its international presence, as well as an increase in the manufacture of drugs for third-parties.

## 2012 SALES BY DIVISION



## 2008 - 2012 SALES PERFORMANCE



# PROFIT AND LOSS ACCOUNT<sup>1</sup>

IN THOUSAND OF EUROS	2012	2011	% VAR.
TOTAL NET INCOME	2,620,944	1,795,613	46.0%
COST OF SALES	(1,291,345)	(968,133)	33.4%
<b>GROSS MARGIN</b>	<b>1,329,599</b>	<b>827,480</b>	<b>60.7%</b>
% OF SALES	50.7%	46.1%	
RESEARCH AND DEVELOPMENT	(124,443)	(89,360)	39.3%
GENERAL EXPENSES AND ADMIN.	(545,072)	(459,259)	18.7%
OPERATING COSTS	(669,515)	(548,619)	22.0%
<b>OPERATING PROFIT</b>	<b>660,084</b>	<b>278,861</b>	<b>136.7%</b>
% OF SALES	25.2%	15.5%	
FINANCIAL RESULT	(270,729)	(197,774)	36.9%
INVESTMENT INCOME, EQUITY METHOD	(1,407)	(1,064)	32.2%
<b>PRE-TAX PROFIT</b>	<b>387,948</b>	<b>80,023</b>	<b>384.8%</b>
% OF SALES	14.8%	4.5%	
CORPORATE TAX	(132,571)	(29,795)	344.9%
ANNUAL NET PROFIT	255,377	50,228	408.4%
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,309	79	1557.0%
<b>GROUP NET PROFIT</b>	<b>256,686</b>	<b>50,307</b>	<b>410.2%</b>
% OF SALES	9.8%	2.8%	
<b>EBITDA</b>	<b>789,209</b>	<b>369,501</b>	<b>113.6%</b>
% OF SALES	30.1%	20.6%	
<b>ADJUSTED EBITDA<sup>2</sup></b>	<b>836,117</b>	<b>472,810</b>	<b>76.8%</b>
% OF SALES	31.9%	26.3%	

## A GLOBAL COMPANY WITH A MAJOR INTERNATIONAL FOOTPRINT

SALES IN OVER 100 COUNTRIES; DIRECT PRESENCE IN 24 COUNTRIES THROUGH COMMERCIAL SUBSIDIARIES

THE ONGOING GEOGRAPHIC DIVERSIFICATION OF GRIFOLS' ACTIVITY MEANS 92% OF ITS SALES ARE GENERATED IN INTERNATIONAL MARKETS

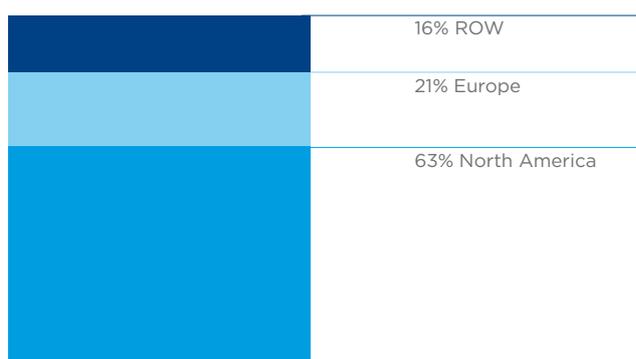
During 2012, Grifols continued to pursue a strategy of internationalization, growing sales in regions with a more promising economic outlook.

In the United States and Canada sales grew by 74.8% to 1,658.5 million euros, representing over 63.3% of the group's total sales revenue.

Europe accounted for 21.3% of sales revenue, increasing 6.2% to 559.3 million euros.

ROW generated 14.2% of income, with growth of 28.3% to 371.6 million euros.

### 2012 SALES BY REGION



# COMMITTED TO INVESTMENT

CAPEX: 156.1 MILLION EUROS ALLOCATED TO EXPANDING AND IMPROVING MANUFACTURING FACILITIES IN SPAIN AND THE USA

OVER 400 MILLION EUROS PLANNED CAPITAL EXPENDITURE DURING 2012-2015

R&D: 124.4 MILLION EUROS INVESTED IN 2012

OVER 500 EMPLOYEES DEDICATED TO RESEARCH

In 2012, Grifols implemented most of its investment plan, allocating 156.1 million euros to capital expenditure (CAPEX). Key achievements during 2012 include completion of the new Barcelona fractionation plant and the ongoing expansion of the North Carolina plant. These projects will increase Grifols' installed plasma fractionation capacity from the current figure of 8.5 million liters of plasma per year to 12.5 million liters in 2016.

Another major achievement has been completion of phase III of the expansion of the plant at Las Torres de Cotillas (Murcia, Spain), dedicated to the manufacture of intravenous solutions in flexible containers, and bags for the extraction and conservation of blood components.

Grifols allocates around 5% of its sales to R&D. The company is strongly committed to the research and development of alternative therapies that promote scientific and social progress. Grifols currently has 12 clinical trials under way for new products and new indications in research areas such as Alzheimer's, the use of albumin in hepatology and of anti-thrombin in heart surgery, and the development of a new biological fibrin glue for the biosurgery field.

Grifols' commitment to R&D is also expressed through its investment in companies working in fields outside the plasma products sector, such as advanced therapies. During 2012 the company acquired 51% of the capital of Araclon Biotech and 40% of VCN Biosciences.



## INTEGRATED ALZHEIMER'S RESEARCH

Grifols has an integrated Alzheimer's research strategy that includes treatment with plasma derivatives, early diagnosis and prevention, and protection in the form of vaccination.

In the therapeutic field, 2012 saw the launch by Grifols of the AMBAR study (*Alzheimer Management by Albumin Replacement*). This is a two-year, multi-center clinical trial, and will include around 400 patients at the mild to moderate stage of the disease. This trial involves combined treatment with apheresis: extraction of a limited amount of plasma from the patient and replacement with albumin in different doses.

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# THE ENVIRONMENT

GRIFOLS' MANUFACTURING MANAGEMENT  
COMMITTED TO ENVIRONMENTAL SUSTAINABILITY

ENERGY EFFICIENCY AND REDUCING EMISSIONS  
ARE THE MAIN PILLARS OF THE COMPANY'S  
ENVIRONMENTAL POLICY

In the environmental area, the results obtained in 2012 confirm the effectiveness of the measures adopted with regard to energy efficiency and the reduction of emissions, identified as the main priorities in the Corporate Plan for strategic actions on energy 2010–2012.

The key objectives at all Grifols' manufacturing facilities focus on recovering compounds, as in the case of ethanol, increasing the recycling of waste (both general and plastic) through more efficient separation, and reducing atmospheric emissions.

Grifols also runs a number of awareness-raising programs, including the *Go Green Campaign*, which aims to promoting recycling at the 150 plasma donor centers in the United States.

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# HUMAN RESOURCES

OVER 11,000 EMPLOYEES ACROSS THE WORLD

TWO TRAINING ACADEMIES IN THE U.S. AND SPAIN

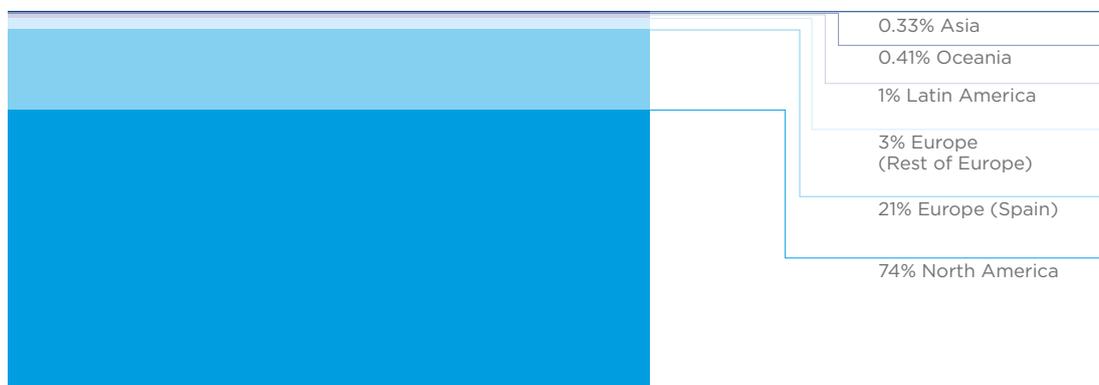
The two key commitments of Human Resources have been to safeguard jobs and to promote employees' professional development in order to support Grifols' growth.

The yearly average number of employees was 11,108 members of staff, remaining at levels broadly similar to the previous year.

During 2012 an extensive program of activities was offered by the group's two academies: the Grifols Academy of Plasmapheresis in the United States; and the Grifols Academy in Spain, which in its first full year of operation organized 254 courses, delivered over 40,000 hours of training, and supported over 2,000 participants.

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## 2012 GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES



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### NOTES

<sup>1</sup> Reported figures: does not include sales by Talecris from January to May 2011, as the purchase of Talecris took place in June 2011. Includes 7 months of consolidation in 2011, for comparative purposes.

<sup>2</sup> Excludes costs associated with the purchase of Talecris and other non-recurring costs.

For more information:

Grifols S.A. Individual Annual Accounts and Audit report 2012  
Group Consolidated Financial Statements and Audit report 2012

Activity report of the Grifols' Academies 2012

Activity report of the Víctor Grifols i Lucas Foundation 2012

Activity report of the Probitas Foundation 2012

**GRIFOLS**  
pioneering spirit