



ANNUAL
2015
REPORT



DEAR SHAREHOLDERS,

Before reviewing our results for 2015, I would like to take a moment to recall that this year also saw us celebrate our 75th anniversary: three quarters of a century during the course of which we have built a business that is both robust and profitable, transforming the company that was founded in Barcelona back in 1940 into the world's third-largest producer of plasma-derived medicines, and one of the leaders in transfusion medicine.

This successful company has benefited from the contributions of a number of individuals. Among them were my grandfather, my uncle, and my father. But they also include all of our partners, investors, shareholders, donors, patients, health professionals and, of course, employees.

Praising our past has led me to plan for the future. The succession plan approved unanimously by the Board of Directors provides for generational succession and reflects the commitment of our founders. From 2017, my brother, Raimon Grifols Roura, and my son, Víctor Grifols Deu, will be appointed joint CEOs, while I will remain as non-executive Chairman of the Board of Directors. They represent a modern and current leadership, well prepared and in tune with the challenges of today's world, and they will be the fourth Grifols generation to lead the company. They have a clear route map, based on the policies that have delivered growth.

The performance for 2015 has been very positive: we have generated employment, with the workforce rising by 5.4% globally to a total of 14,700 employees, and by 9.2% in Spain, with over 3,250 employees; we have allocated more than 236 million euros to R&D to accelerate projects to improve the treatment of Alzheimer's disease and liver cirrhosis; we have met our environmental targets to minimize and control the potential impact of our activities on the environment; and we have maintained shareholder rewards with a dividend payout of 40% of consolidated net profit.

Many of these achievements would not have been possible without a strong financial performance. Revenue grew by 17.3% to 3,934.6 million euros. The Bioscience Division generated over 3,000 million euros of revenue for the first time, while the Diagnostic Division generated 690 million euros, and the Hospital Division generated more than 96 million euros.

As a result of commercial reorganization, we now have more specialized commercial teams with better knowledge of the local markets in which we operate. This has delivered strong sales performances in the main regions, in particular in regions other than Europe and the United States.

The combination of a local commercial presence with manufacturing planned at the global level has led to improvements in efficiency and productivity, with EBITDA rising by 11% to 1,162 million euros. These are very solid results, with net profit increasing by 13.2% to exceed 532 million euros.

In 2015 we achieved the strategic objectives that provide a pathway to growth, focusing on consolidating the organic growth of the Bioscience Division; fully integrating the Diagnostic Division; continuing innovation to differentiate products and adapt them to meet the needs of patients and health professionals; geographical expansion; accelerating investments related to plasma supply and manufacturing capacity; evaluation of R&D projects and redefining strategic action lines, as well as strengthening the group's financial position.

I would like to end by thanking everyone, once again, for the trust they have placed in our management of the company.

Sincerely,

Víctor Grifols Roura
Chairman and CEO of Grifols

REVENUE

€ 3,934.6 M
+17.3% GROWTH
SUPPORTED BY THE
APPRECIATION OF THE
DOLLAR

- Revenue of Bioscience Division exceeds € 3,000 million for the first time
- Significant increases in revenue in US and Canada (+22.7%) and ROW (+24.5%)
- Diversified revenue: direct commercial presence in 30 countries and sales in more than 100
- 95% of revenue generated in international markets

EBITDA & EBIT

EBITDA: € 1,162.6 M
+11.0% GROWTH
EBIT: € 970.4 M
+13.1% GROWTH

- Maximizing the use of each liter of plasma and achieving leadership in capacity to meet the growing demand for plasma proteins remain strategic objectives
- Net investment in R&D increases by 21.2% to reach € 236.1 million
- The company now has 160 plasma collection centers

EBITDA & EBIT MARGIN

EBITDA MARGIN: 29.5%
OF REVENUE
EBIT MARGIN: 24.7%
OF REVENUE

- Improved manufacturing and operating efficiencies at the group's plants
- Impact of the competitive immunoglobulin market (IVIG) in the US and of the new plasma fractionation plant in Clayton

NET PROFIT

€ 532.1 M
+13.2% GROWTH

- Stable financial result despite the US dollar appreciation. Down by -9.7% at constant currency

LEVERAGE RATIO

3.19x EBITDA
(2.92x AT cc*)

- Gradual reduction of leverage
- Stable credit ratings and improved outlook from Moody's

CASH

€ 1,142.5 M
LIQUIDITY POSITION
EXCEEDS € 1,600 M

- Strong operating cash flow provides a basis for funding strategic investments
- Operating activities generate € 742.8 million
- € 266.4 million allocated to capital expenditures (CAPEX). 25% invested in Spain

DIVIDEND

€ 221.8 M
PAID

- Dividend policy of 40% of consolidated net profit
- Commitment to this payout ratio

BALANCE SHEET

TOTAL CONSOLIDATED
ASSETS RISE TO
€ 9,601.7 M

- Solid results and improved cash flow strengthen the balance sheet
- Optimization of working capital management

SHARE PRICE PERFORMANCE**

Class A: Euros 42.63 · Class B: Euros 29.92 · ADR B: USD 32.40
Share split***: 426,129,798 Class A (€ 0.25/Share) · 261,425,110 Class B (€ 0.05/Share)

SOUND FUNDAMENTALS FOR GROWTH

BIOSCIENCE DIVISION



- Revenue over € 3,000 million
- Global leadership in the main proteins
- Driven by increased sales volume in all markets
- Group's global expansion: growing contribution of countries such as China, Brazil, Chile and Turkey
- Expansion of the donor center network: 160 centers received 26,000 donations per day
- Opportunities for growth and commercial expansion focused on:
 - Improved diagnosis of diseases linked to plasma proteins: alpha-1 antitrypsin deficiency (AAT) in the US and Europe; immunodeficiencies in Latin America; and chronic inflammatory demyelinating polyneuropathy (CIDP) in the US
 - Consolidation of the commercial presence in the Asia-Pacific region and other emerging countries
 - New indications and more presentations of plasma-derived products

DIAGNOSTIC DIVISION



- The only company to offer integrated solutions for virological screening of blood donations and plasma
- The division with a presence in more countries
- Leaders in transfusion medicine: NAT technology and blood typing solutions have been the main drivers of growth
- New USD700 million contract with Abbott to 2026
- Growth potential in blood typing in the United States
- Positive performance in markets such as China, Japan, Mexico and Turkey
- High levels of productive efficiency and construction of a new plant to modernize the production of antigens for immunoassays
- Progenika obtains CE marking for its first genetic diagnostic test

HOSPITAL DIVISION



- Progressive internationalization, with presence in the US and Portugal, and entry into the Asia-Pacific region
- Approximately 30% of turnover generated outside of Spain
- Pharmatech and the Intravenous Therapies line were the two main drivers of growth
- Contract Manufacturing is one of the pillars of future growth
- Key achievements include FDA license for the KiroOncology system and the installation of the first system in a hospital in the US

SALES PERFORMANCE BY DIVISION

IN THOUSANDS OF EUROS

	2015	% NET REVENUE	2014	% NET REVENUE	%VAR	%VAR cc*	2013	% NET REVENUE
BIOSCIENCE	3,032,111	77.1%	2,513,510	74.9%	20.6%	4.8%	2,448,824	89.3%
DIAGNOSTIC	691,452	17.6%	620,022	18.5%	11.5%	(0.9%)	130,339	4.8%
HOSPITAL	96,245	2.4%	94,800	2.8%	1.5%	(0.2%)	97,131	3.5%
SUBTOTAL	3,819,808	97.1%	3,228,332	96.2%	18.3%	3.5%	2,676,294	97.6%
RAW MATERIALS AND OTHERS	114,755	2.9%	127,052	3.8%	(9.7%)	(22.2%)	65,438	2.4%
TOTAL	3,934,563	100.0%	3,355,384	100.0%	17.3%	2.5%	2,741,732	100.0%

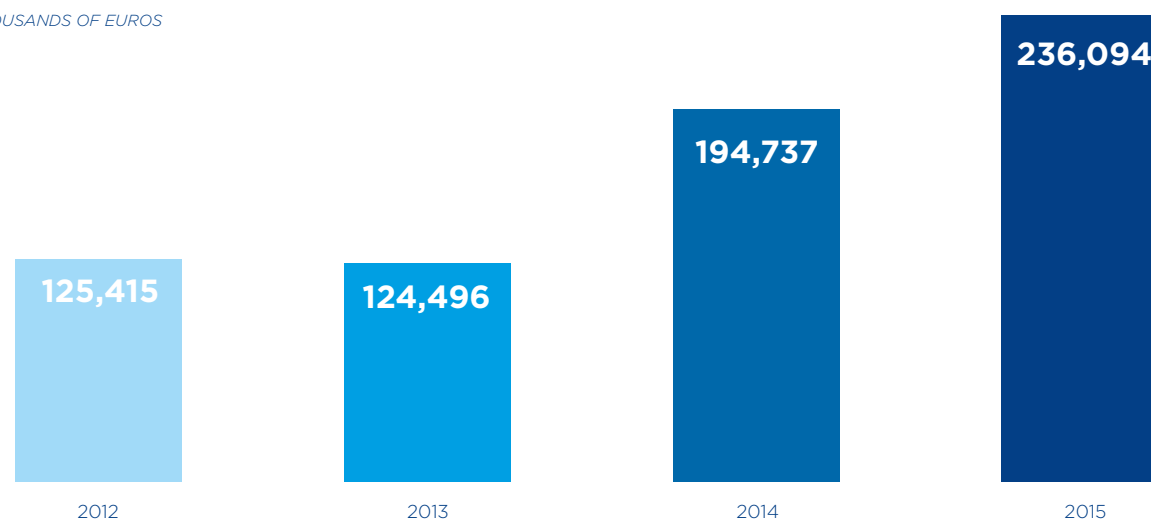
SALES PERFORMANCE BY REGION

IN THOUSANDS OF EUROS

	2015	% NET REVENUE	2014	% NET REVENUE	%VAR	%VAR cc*	2013	% NET REVENUE
US+CANADA	2,505,791	63.7%	2,042,700	60.9%	22.7%	2.8%	1,694,361	61.8%
EU	662,917	16.8%	662,802	19.8%	0.0%	(1.7%)	556,325	20.3%
R.O.W.	651,100	16.6%	522,830	15.5%	24.5%	12.8%	425,608	15.5%
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NET INVESTMENT IN R&D

IN THOUSANDS OF EUROS

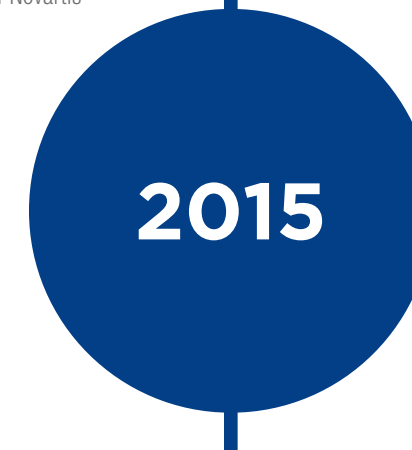
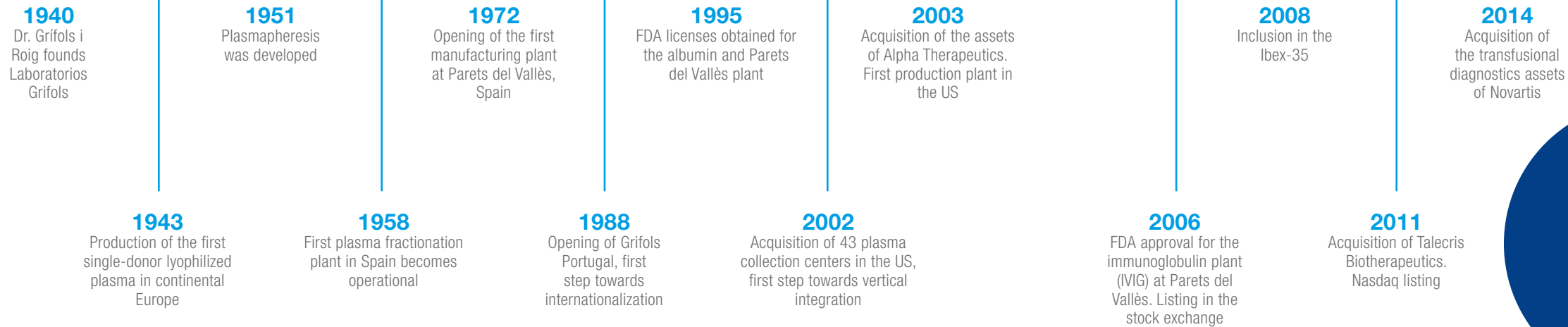


* Constant Currency (cc) excludes the impact of exchange rate movements

GRIFOLS 75TH ANNIVERSARY

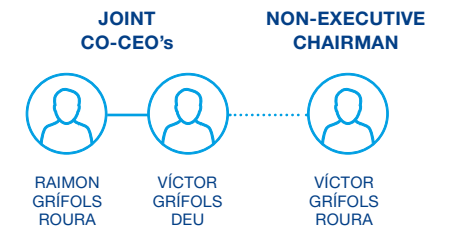
A HISTORY DEFINED BY INNOVATION AND GROWTH

WITH PROSPECTS
FOR THE FUTURE



SUCCESSION PLAN

COMMITMENT OF FOUNDING PARTNERS TO THE COMPANY



BUSINESS OPTIMIZATION

Greater manufacturing efficiency:

- Operations start at the immunoglobulin (IVIG) plant in Los Angeles (US) and the albumin plant at Clayton (North Carolina, US)
- Sale of the first batches of IVIG produced with plasma fractionated at the new Clayton plant
- New USD 700 million contract of the Diagnostic Division with Abbott to 2026

Improved diagnosis of diseases linked to plasma proteins:

- Support for chronic inflammatory demyelinating polyneuropathy (CIDP)
- Gradual penetration of AlphaKit® Quick Screen for screening of alpha-1 antitrypsin deficiency

New products and licenses:

- License in Canada to market IVIG and alpha-1 produced at the new Clayton plant
- Launch of blood typing solutions in the United States



ACCELERATING INNOVATION

- Net investment in R&D of € 236.1 million (+21.2%)
- Acquisition of stakes in other companies: 47.58% of Alkahest to support its research
- One of the world's 100 most innovative companies according to Forbes Magazine
- R&D activity rated "excellent" by the Plan Profarma of the Government of Spain
- FDA approval of KiroOncology system in the United States
- Progenika obtains CE marking for its first genetic diagnostic test of familial hypercholesterolemia (FH)

AMBAR*

Safety and tolerability intermediate results support the continuation of the study. Ambar explores the combination of plasma extraction and its replacement with Grifols' albumin to treat the symptoms of Alzheimer

SIPPET**

The conclusions could have implications for the choice of treatment of severe hemophilia A patients. Plasma derived factor VIII with VonWillebrand factor (pdFVIII/VWF) is associated with a lower incidence (-87%) of inhibitor development when compared to treatments with recombinant FVIII



LEADERSHIP CAPACITY

- Opening of a new fractionation plant in Clayton (North Carolina, US), with a capacity of 6 million liters/year.
- Grifols current capacity: 12.5 million liters of plasma/year
- Planned investments to increase fractionation capacity to 18.5 million liters by 2022
- Plan to open 75 new plasma centers by 2021. The company currently has 160 centers in operation
- New Bioscience Division global operations center in Dublin
- Progress in the construction of the new antigens plant for immunoassay in Emeryville (California, US) and the blood bags plant in Brazil
- Hospital Division strengthened with investments in its plant at Murcia (Spain)



BUSINESS DIVERSIFICATION

- The Bioscience Division generates the majority of revenue (77.1%), followed by Diagnostic (17.6%) and Hospital (2.4%)
- Strengthening the third-party activities of Grifols Engineering
- Expanding the product portfolio in those countries where we are already present



GLOBAL EXPANSION

- 95% of sales generated outside Spain
- Consolidation of presence in China and other emerging markets
- Significant growth of revenue from ROW (Rest of the World)
- Direct commercial presence in 30 countries. Latest openings: Taiwan, India and Indonesia

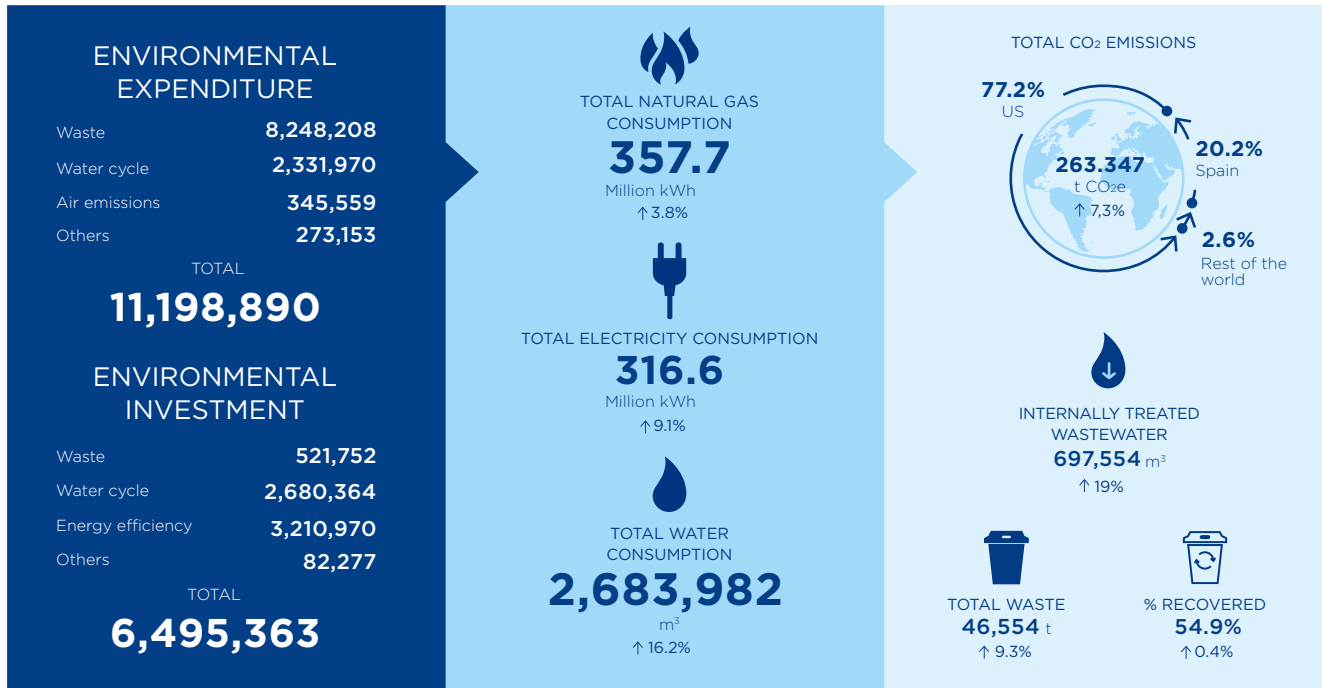
* Alzheimer Management by Albumin Replacement
** Survey of Inhibitors in Plasma Product Exposed Toddlers

THE ENVIRONMENT

MAKING PROGRESS TOWARDS THE OBJECTIVES

In 2015, Grifols continued to make progress towards achieving its Environmental Program 2014–2016, which sets out the company's environmental targets and the actions required to achieve them.

These will deliver an annual reduction of 4.1 million kWh in electricity consumption, 10.2 million kWh of natural gas consumption, 180,000 m³ of water consumption, and an increase over 9,000 tons annually of waste recycling.

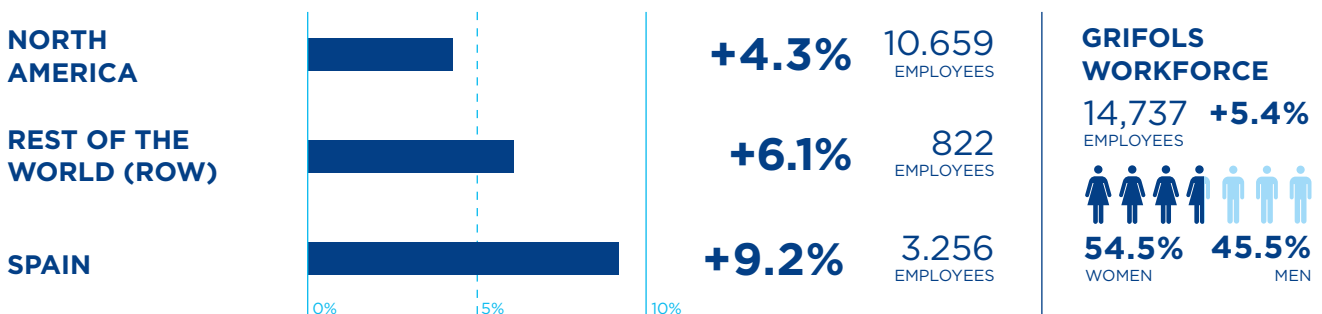


HUMAN RESOURCES

COMMITTED TO TRAINING AND DEVELOPMENT

The key concerns of the Human Resources area have been to safeguard jobs, and to promote professional and personal development. During the course of 2015, there was a strong focus on safety and training.

All employees now have access to a shared model of leadership and corporate competencies, and the performance evaluation model has been updated.



MORE INFORMATION ON WWW.GRIFOLS.COM

- Group Annual Consolidated Accounts, Auditor's Report and Director's Report for the Financial Year 2015
- Grifols S.A. Annual Accounts, Auditor's Report and Director's Report for the Financial Year 2015
- 2015 Annual Corporate Governance Report
- 2015 Environmental Report
- 2015 Grifols Academies Annual Report
- 2015 Víctor Grifols Foundation Report
- 2015 Probitas Foundation Report

PROFIT AND LOSS ACCOUNT SUMMARY

(IN MILLIONS OF EUROS EXCEPT %)

	2015	2014	% VAR.
NET REVENUE	3,934.6	3,355.4	17.3%
COST OF SALES	(2,003.6)	(1,656.2)	21.0%
GROSS MARGIN	1,931.0	1,699.2	13.6%
% NET REVENUE	49.1%	50.6%	
R&D	(224.2)	(180.8)	24.0%
SG&A	(736.4)	(660.8)	11.5%
OPERATING RESULT (EBIT)	970.4	857.7	13.1%
% NET REVENUE	24.7%	25.6%	
FINANCIAL RESULT	(271.8)	(261.4)	4.0%
GROUP PROFIT	532.1	470.3	13.2%
% NET REVENUE	13.5%	14.0%	

KEY FINANCIAL FIGURES

(IN MILLIONS OF EUROS EXCEPT %, EPS AND LEVERAGE RATIO)

	2015	2014	% VAR.
EBITDA	1,162.6	1,047.2	11.0%
% NET REVENUE	29.5%	31.2%	
ADJUSTED GROUP PROFIT*	614.2	597.9	2.7%
% NET REVENUE	15.6%	17.8%	
CASH & CASH EQUIVALENTS	1,142.5	1,079.2	5.9%
LEVERAGE RATIO	3.19x	3.01x	
EARNINGS PER SHARE (EPS)**	0.78	0.69	13.0%
DIVIDEND PAID DURING THE YEAR	221.8	156.0	42.2%

* Excludes non-recurring costs and associated with recent acquisitions, amortization of deferred expenses associated to the refinancing and amortization of intangible assets related to acquisitions

** EPS taking into consideration the 2:1 split effective 4 January 2016