Grifols, S.A.

Annual Accounts
31 December 2015

Directors' Report
2015

(With Independent Auditors' Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41
08908 L'Hospitalet de Llobregat
Barcelona

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of
Grifols, S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Grifols, S.A. (the "Company"), which comprise the balance sheet at 31 December 2015, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

Directors' responsibility for the annual accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they present fairly the equity, financial position and financial performance of Grifols, S.A., in accordance with the financial reporting framework applicable to the entity in Spain, specified in note 2 to the accompanying annual accounts, and for such internal control that they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of Grifols, S.A. at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria set forth therein.

Report on other legal and regulatory requirements

The accompanying directors' report for 2015 contains such explanations as the Directors consider relevant to the situation of the Company, its business performance and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2015. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on the original in Spanish)

Bernardo Rücker-Embden

26 February 2016

GRIFOLS, S.A.

Annual Accounts
and Directors' Report for the year

31 December 2015

(With Independent Auditor's Report Thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

GRIFOLS, S.A.

Balance Sheets

31 December 2015 and 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Assets	*Note*	*2015*	*2014*
Intangible assets	**Note 6**	**11,085,376**	**8,905,919**
Computer software		10,945,721	6,163,117
Greenhouse gas emission allowances		139,655	122,856
Advances		-	2,619,946
Property, plant and equipment	**Note 7**	**18,682,526**	**12,640,817**
Technical installations, machinery, equipment, furniture and other items		12,815,787	11,528,431
Under construction and advances		5,866,739	1,112,386
Investment property	**Note 8**	**45,194,836**	**45,334,746**
Land		5,296,480	12,509,791
Buildings		31,796,935	29,099,084
Investments in adaptation and advances		8,101,421	3,725,871
Non-current investments in Group companies and associates	**Note 13**	**2,147,778,184**	**1,658,242,265**
Equity instruments	**Note 13**	1,686,413,422	1,641,831,810
Loans to companies	**Note 15**	461,364,762	16,410,455
Non-current investments	**Note 15**	**1,595,148**	**4,133,928**
Other financial assets	**Note 15**	1,595,148	4,133,928
Deferred tax assets	**Note 24**	**8,063,912**	**11,427,335**
Total non-current assets		**2,232,399,982**	**1,740,685,010**
Inventories	**Note 17**	**4,194,548**	**3,724,293**
Raw materials and other supplies		4,194,548	3,454,261
Work in progress – short cycle		-	270,032
Trade and other receivables	**Note 15**	**73,838,290**	**85,504,235**
Trade receivables – current		437,192	365,051
Trade receivables from Group companies and associates – current	**Note 26**	45,577,423	32,517,642
Other receivables		204,944	68,284
Personnel		12,197	11,410
Current tax assets	**Note 24**	18,032,195	47,190,583
Public entities, other	**Note 24**	9,574,339	5,351,265
Current investments in Group companies and associates	**Note 15**	**44,677,797**	**222,110,583**
Loans to companies		44,677,797	222,110,583
Current investments	**Note 15**	**87,648**	**8,802**
Other financial assets		87,648	8,802
Prepayments for current assets	**Note 18**	**5,130,992**	**4,891,351**
Cash and cash equivalents		**3,098,731**	**23,505,652**
Cash		3,098,731	23,505,652
Total current assets		**131,028,006**	**339,744,916**
Total assets		**2,363,427,988**	**2,080,429,926**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Balance Sheets

31 December 2015 and 2014

(Expressed in Euros)

Equity and Liabilities	*Note*	*2015*	*2014*
Capital and reserves	**Note 19**	**1,320,654,309**	**1,284,378,496**
Capital			
Registered capital		119,603,705	119,603,705
Share premium		910,727,619	910,727,619
Reserves			
Legal and statutory reserves		23,920,741	23,920,741
Other reserves		199,437,899	180,125,869
(Treasury stock and equity holdings)		(58,575,170)	(69,252,443)
Profit for the year		241,755,884	205,197,369
(Interim dividend)		(119,615,359)	(85,944,364)
Other equity instruments		3,398,990	-
Grants, donations and bequests received		138,910	79,542
Total equity		**1,320,793,219**	**1,284,458,038**
Non-current payables	**Note 22**	**24,392,954**	**46,649,450**
Loans and borrowings		16,379,638	14,211,247
Finance lease payables	**Note 9**	1,897,590	2,174,537
Other financial liabilities		6,115,726	30,263,666
Group companies and associates, non-current	**Note 22**	**887,717,317**	**409,536,410**
Deferred tax liabilities	**Note 24**	**3,759,018**	**3,334,193**
Total non-current liabilities		**915,869,289**	**459,520,053**
Current provisions	**Note 20**	**500,000**	**685,517**
Other provisions		500,000	685,517
Current payables	**Note 22**	**31,568,459**	**6,761,698**
Loans and borrowings		4,713,502	4,810,340
Finance lease payables	**Note 9**	825,319	949,505
Other financial liabilities		26,029,638	1,001,853
Group companies and associates, current	**Note 22**	**17,533,680**	**230,380,846**
Trade and other payables	**Note 22**	**77,163,341**	**98,623,774**
Current payables to suppliers		37,575,646	33,751,144
Suppliers, Group companies and associates, current	**Note 26**	9,573,066	8,928,909
Personnel (salaries payable)		9,875,621	10,156,817
Current tax liabilities	**Note 24**	-	30,004,299
Public entities, other	**Note 24**	20,139,008	15,782,605
Total current liabilities		**126,765,480**	**336,451,835**
Total equity and liabilities		**2,363,427,988**	**2,080,429,926**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Income Statements
for the years ended
31 December 2015 and 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Note	2015	2014
Revenues	**Note 27**	**432,579,828**	**375,610,748**
Services rendered		102,940,350	90,615,939
Finance income	**Note 14**	16,548,205	13,309,791
Dividends		313,091,273	271,685,018
Changes in inventories of finished goods and work in progress.		**(270,032)**	**169,761**
Self-constructed assets		**853,494**	**1,347,339**
Supplies	**Note 27**	**(1,832,018)**	**(1,881,527)**
Raw materials and consumables used		(1,853,410)	(1,017,671)
Subcontracted work		268,878	(857,352)
Impairment of merchandise, raw materials and other supplies		(247,486)	(6,504)
Other operating income		**5,775,757**	**4,303,434**
Non-trading and other operating income		5,711,656	4,193,826
Operating grants taken to income		64,101	109,608
Personnel expenses	**Note 27**	**(44,188,492)**	**(41,298,739)**
Salaries and wages		(36,084,510)	(34,639,951)
Employee benefits expense		(8,090,772)	(6,645,276)
Provisions		(13,210)	(13,512)
Other operating expenses		**(101,514,739)**	**(90,088,840)**
External services		(104,595,815)	(89,727,759)
Taxes		(391,909)	(221,337)
Losses, impairment and changes in trade provisions	**Note 15**	4,645,690	695,360
Other operating expenses		(1,172,705)	(835,104)
Amortisation and depreciation	**Notes 6, 7 and 8**	**(9,856,709)**	**(6,565,102)**
Non-financial and other capital grants		**14,289**	**-**
Impairment and gains/(losses) on disposal of fixed assets		**(4,914,132)**	**2,532,400**
Impairment and losses	**Note 13**	(4,575,931)	2,860,145
Gains/(losses) on disposal and other	**Note 8**	(338,201)	(327,745)
Results from operating activities		**276,647,246**	**244,129,474**
Finance income		**259,454**	**23,906**
Marketable securities and other financial instruments			
Other	**Note 14**	10,818	45,870
Capitalised borrowing costs	**Note 7**	248,636	(21,964)
Finance costs	**Note 21**	**(44,738,840)**	**(54,129,441)**
Group companies and associates	**Note 26**	(42,054,591)	(27,445,636)
Other		(2,684,249)	(26,683,805)
Change in fair value of financial instruments	**Notes 14 and 21**	**-**	**2,249,126**
Trading portfolio and other		-	2,249,126
Exchange losses	**Notes 15 and 22**	**(18,401,855)**	**(16,980,897)**
Net finance cost		**(62,881,241)**	**(68,837,306)**
Profit before income tax		**213,766,005**	**175,292,168**
Income tax	**Note 24**	**27,989,879**	**29,905,201**
Profit for the year		**241,755,884**	**205,197,369**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Statements of Changes in Equity
for the years ended
31 December 2015 and 2014

A) Statements of Recognised Income and Expense
for the years ended
31 December 2015 and 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Note	2015	2014
Profit for the year		**241,755,884**	**205,197,369**
Income and expense recognised directly in equity			
Cash flow hedges	**Note 16**	-	(333,033)
Grants, donations and bequests		101,164	-
Tax effect		(31,507)	99,910
Total income and expense recognised directly in equity		**69,657**	**(233,123)**
Amounts transferred to the income statement			
Cash flow hedges	**Note 16**	-	1,289,879
Grants, donations and bequests		(14,289)	-
Tax effect		4,001	(381,661)
Total amounts transferred to the income statement		**(10,288)**	**908,218**
Total recognised income and expense		**241,815,253**	**205,872,464**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Statements of Changes in Equity
for the years ended
31 December 2015 and 2014

B) Statement of Total Changes in Equity for the year ended
31 December 2015

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Registered capital	Share premium	Reserves	Treasury stock	Profit for the year	Interim dividend	Other equity instruments	Grants, donations and bequests received	Total
Balance at 31 December 2014	**119,603,705**	**910,727,619**	**204,046,610**	**(69,252,443)**	**205,197,369**	**(85,944,364)**	**-**	**79,542**	**1,284,458,038**
Recognised income and expense	-	-	-	-	241,755,884	-	-	59,368	**241,815,252**
Transactions with shareholders or owners									
Net movement in treasury stock	-	-	2,017,637	10,677,273	-	-	-	-	**12,694,910**
Interim dividend	-	-	-	-	-	(119,615,359)	-	-	**(119,615,359)**
Business combinations	-	-	198,185	-	-	-	-	-	**198,185**
Restricted share plan (note 19)	-	-	-	-	-	-	3,398,990	-	**3,398,990**
Distribution of profit/(Application of loss) for the period									
Reserves	-	-	17,096,208	-	(17,096,208)	-	-	-	**-**
Dividends	-	-	-	-	(188,101,161)	85,944,364	-	-	**(102,156,797)**
Balance at 31 December 2015	**119,603,705**	**910,727,619**	**223,358,640**	**(58,575,170)**	**241,755,884**	**(119,615,359)**	**3,398,990**	**138,910**	**1,320,793,219**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Statements of Changes in Equity
for the years ended
31 December 2015 and 2014

B) Statement of Total Changes in Equity for the year ended
31 December 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Registered capital	Share premium	Reserves	Treasury stock	Profit for the year	Interim dividend	Valuation adjustments	Grants, donations and bequests received	Total
Balance at 31 December 2013	**119,603,705**	**910,727,619**	**174,513,835**	**-**	**168,350,884**	**(68,755,491)**	**(669,792)**	**74,239**	**1,303,844,999**
Recognised income and expense	-	-	-	-	205,197,369	-	669,792	5,303	**205,872,464**
Transactions with shareholders or owners									
Net movement in treasury stock	-	-	-	(69,252,443)	-	-	-	-	**(69,252,443)**
Interim dividend	-	-	-	-	-	(85,944,364)	-	-	**(85,944,364)**
Distribution of profit/(Application of loss) for the period									
Reserves	-	-	29,532,775	-	(29,532,775)	-	-	-	**-**
Dividends	-	-	-	-	(138,818,109)	68,755,491	-	-	**(70,062,618)**
Balance at 31 December 2014	**119,603,705**	**910,727,619**	**204,046,610**	**(69,252,443)**	**205,197,369**	**(85,944,364)**	**-**	**79,542**	**1,284,458,038**

The accompanying notes form an integral part of the annual accounts.

GRIFOLS, S.A.

Statements of Cash Flows for the years ended 31 December 2015 and 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	2015	2014
Cash flows from operating activities		
Profit for the year before tax	**213,766,005**	**175,292,168**
Adjustments for:		
Amortisation and depreciation	9,856,709	6,565,102
Dividend income	(313,091,273)	(271,685,018)
Proceeds from disposals and sale of fixed assets	355,000	368,471
Impairment	(86,558)	(8,232,061)
Finance income	(16,807,659)	(12,883,697)
Finance costs	42,809,370	52,132,561
Change in fair value of financial instruments	3,355,210	(1,148,983)
Other income and expenses	(14,289)	-
Changes in operating assets and liabilities		
Inventories	(470,255)	(2,668,360)
Trade and other receivables	(12,624,139)	(19,571,630)
Other current assets	(124,881)	(2,043,549)
Trade and other payables	2,880,194	(5,874,984)
Other current assets and liabilities	3,306,448	13,789,297
Other cash flows from operating activities		
Interest paid	(45,207,711)	(36,145,984)
Dividends received	313,091,273	271,685,018
Interest received	17,481,519	12,066,627
Income tax paid (received)	9,696,005	(3,224,532)
Cash flows from operating activities	**228,170,968**	**168,420,446**
Cash flows from investing activities		
Payments for investments		
Group companies and associates	(55,537,271)	(329,015,066)
Intangible assets	(5,370,584)	(5,479,590)
Property, plant and equipment	(14,750,618)	(17,929,817)
Other financial assets	(834,688)	(414,922)
Proceeds from sale of investments		
Group companies and associates	105,297	2,860,085
Intangible assets	87,918	-
Property, plant and equipment	11,912,082	347,820
Other financial assets	3,842,035	(372,017)
Cash flows used in investing activities	(60,545,829)	(350,003,507)
Cash flows from financing activities		
Proceeds from and payments for equity instruments		
Acquisition of own equity instruments	(58,457,490)	(69,252,443)
Sale of own equity instruments	71,152,400	-
Proceeds from and payments for financial liability instruments		
Disposal		
Loans and borrowings	1,299,895	(363,879,400)
Group companies and associates	14,745,292	683,691,323
Dividends and interest on other equity instruments paid		
Dividends	(216,772,157)	(156,006,982)
Cash flows from/(used in) financing activities	(188,032,060)	94,552,498
Net decrease in cash and cash equivalents	(20,406,921)	(87,030,563)
Cash and cash equivalents at beginning of year	23,505,652	110,536,215
Cash and cash equivalents at year end	3,098,731	23,505,652

The accompanying notes form an integral part of the annual accounts.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

(1) Nature and Activities of the Company and Composition of the Group

Grifols, S.A. (hereinafter the Company) was incorporated with limited liability under Spanish law on 22 June 1987. Its registered office is in Barcelona. The Company's statutory activity consists of providing corporate and business administrative, management and control services, as well as investing in assets and property. Its principal activity involves rendering administrative, management and control services to its subsidiaries.

Its main facilities are located in Sant Cugat del Vallés (Barcelona) and Parets del Vallés (Barcelona).

Grifols, S.A.'s shares are listed on the Barcelona, Madrid, Valencia and Bilbao stock exchanges and on the electronic stock market. As of 2 June 2011 the class B non-voting shares were listed on the NASDAQ (USA) and the Automated Quotation System (SIBE/Continuous Market).

In accordance with prevailing legislation, the Company is the Parent of a Group comprising the Company and the subsidiaries listed in note 13. In accordance with generally accepted accounting principles in Spain, consolidated annual accounts must be prepared to give a true and fair view of the financial position of the Group, the results of operations and changes in its equity and cash flows. Details of investments in Group companies are provided in Appendix XVI.

On 26 February 2016 the Company's board of directors authorised for issue the consolidated annual accounts of Grifols, S.A. and subsidiaries for 2015 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), which show consolidated profit attributable to the Parent of Euros 532,145 thousand, total assets of 9,601,715 thousand and consolidated equity of Euros 3,301,390 thousand (Euros 470,253 thousand, Euros 8,449,749 thousand and Euros 2,662,888 thousand, respectively, in 2014).

(2) Basis of Presentation

(a) True and fair view

The accompanying annual accounts have been prepared on the basis of the accounting records of Grifols, S.A. The annual accounts for 2015 have been prepared in accordance with prevailing legislation and the Spanish General Chart of Accounts to give a true and fair view of the equity and financial position of the Company at 31 December 2015 and results of operations, changes in equity, and cash flows for the year then ended.

The directors consider that the annual accounts for 2015, authorised for issue on 26 February 2016, will be approved with no changes by the shareholders at their annual general meeting.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2015 include comparative figures for 2014, which formed part of the annual accounts approved by shareholders at the annual general meeting held on 29 May 2015.

(c) Functional and presentation currency

The figures disclosed in the annual accounts are presented in Euros, the Company's functional and presentation currency, rounded off to the nearest Euro.

(Continued)

(d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, is as follows:

(i) Relevant accounting estimates and assumptions

The Company tests investments in Group companies for impairment on an annual basis when the net value of the investment exceeds the carrying amount of the subsidiary and where indications of impairment exist. Fair value of the investment is measured based on estimates made by management. The Company generally uses cash flow discounting methods to calculate this value. Cash flow discounting calculations are based on the 5-year projections of the budgets approved by management. The cash flows take into consideration past experience and represent management's best estimate of future market performance. From the fifth year cash flows are extrapolated using individual growth rates. The key assumptions employed to calculate the fair value include growth rates and the discount rate. The estimates, including the methodology used, could have a significant impact on values and impairment.

The calculation of provisions for litigation is subject to a high degree of uncertainty. The Company recognises provisions for liabilities when an unfavourable outcome is highly probable and can be reasonably quantified. These estimates are subject to change based on new information available and on the progress of each litigation or lawsuit.

(ii) Relevant judgements when applying accounting principles

The Company has lease contracts for its activity (see notes 8, 9 and 10). These leases are classified as operating or finance leases and require that the Company determine, based on the evaluation of the terms and conditions of these contracts, who substantially retains all the risks and rewards incidental to ownership of the assets and consequently, based on this evaluation, the contracts shall be classified as operating or finance leases

(iii) Changes in accounting estimates

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2015, future events may require changes to these estimates in subsequent years. Any effect on the annual accounts of adjustments to be made in subsequent years would be recognised prospectively. Grifols management does not consider that there are any assumptions or sources of uncertainty that would have a significant risk of resulting in a material adjustment within the next financial year.

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

(3) Distribution of Profit

The distribution of profit and reserves of the Company for the year ended 31 December 2014, approved by the shareholders at their annual general meeting held on 29 May 2015, is as follows:

	Euros
Basis of allocation	
Profit for the year	205,197,369
Distribution	
Voluntary reserve	17,096,208
Mandatory preferred dividend on Class B shares	1,307,126
Dividends	186,794,035
	205,197,369

At the general meeting held on 29 May 2015, the shareholders of Grifols, S.A. approved the distribution of a mandatory preferred dividend of Euros 0.01 for every Class B share, for a total amount of Euros 1,307 thousand.

On 23 October 2015 the Company's board of directors approved the distribution of an interim dividend of Euros 0.35 for every class A and B share with a charge to the 2015 income statement, totalling Euros 119,615 thousand, payable on 10 December 2015. The amount distributed did not exceed the profits reported by the Company since the end of the previous reporting period, after deducting the estimated income tax payable on these profits, as required by article 277 of the revised Spanish Companies Act. The provisional accounting statement prepared in accordance with statutory requirements demonstrating that sufficient cash was available for distribution of the aforementioned dividend is provided in Appendix XIV.

The proposed distribution of profit for the year ended 31 December 2015 to be submitted to the shareholders for approval at their annual general meeting is as follows:

	Euros
Basis of allocation	
Profit for the year	241,755,884
Distribution	
Voluntary reserve	28,897,926
Mandatory preferred dividend on Class B shares	1,307,126
Dividends	211,550,832
	241,755,884

(Continued)

At 31 December non-distributable reserves are as follows:

	Euros	
	2015	2014
Non-distributable reserves		
Legal reserve	23,920,741	23,920,741
Other	3,020	3,020
	23,923,761	23,923,761

Profit recognised directly in equity cannot be distributed, either directly or indirectly.

(4) Significant Accounting Policies

(a) Business combinations

As the Company applied the third transitional provision of Royal Decree 1514/2007, only those business combinations that occurred on or after 1 January 2015, the date of transition to the Spanish General Chart of Accounts, have been recognised using the acquisition method. Business combinations that occurred prior to that date were recognised in accordance with accounting principles prevailing at that time, taking into account the necessary corrections and adjustments at the transition date.

Business combinations carried out since 1 January 2010 are recognised by applying the acquisition method established in Recognition and Measurement Standard 19 of the Spanish General Chart of Accounts amended by article 4 of Royal Decree 1159/2010, which approves the standards for the preparation of consolidated annual accounts and amends the Spanish General Chart of Accounts.

The Company applies the acquisition method for business combinations, except for mergers, spin-offs and non-monetary contributions of a business between group entities.

The acquisition date is the date on which the Company obtains control of the acquiree.

The cost of the business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The cost of a business combination excludes any payments that do not form part of the consideration given in exchange for the acquiree. Acquisition costs are recognised as an expense when incurred.

The costs of issuing equity and liability instruments are recognised using the measurement criteria applicable to these transactions.

The Company recognises the assets acquired and liabilities assumed at their acquisition-date fair value. Liabilities assumed include any contingent liabilities that represent present obligations arising from past events for which the fair value can be reliably measured. The Company also recognises indemnification assets transferred by the seller at the same time and following the same measurement criteria as the item that is subject to indemnification from the acquiree, taking into consideration, where applicable, the insolvency risk and any contractual limitations on the indemnified amount.

(Continued)

(b) Foreign currency transactions, balances and cash flows

(i) Foreign currency transactions, balances and cash flows

Foreign currency transactions have been translated into Euros using average exchange rates for the prior month for all foreign currency transactions during the current month. This method does not differ significantly from applying the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

In the statement of cash flows, cash flows from foreign currency transactions have been translated into Euros using the average exchange rates for the prior month for all flows that occur during the following month. This method does not differ significantly from applying the exchange rate at the date of the transaction.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Capitalised borrowing costs

In accordance with the second transitional provision of Royal Decree 1514/2007 enacting the Spanish General Chart of Accounts, the Company has opted to apply this accounting policy to work in progress at 1 January 2008 which will not be available for use, capable of operating or available for sale for more than one year. Until that date, the Company opted to recognise borrowing costs as an expense as they were incurred.

Borrowing costs related to specific and general financing that are directly attributable to the acquisition, construction or production of intangible assets, property, plant and equipment and investment property that will not be available for use, capable of operating or available for sale for more than one year are included in the cost of the asset.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined as the actual borrowing costs incurred. Non-commercial general borrowing costs eligible for capitalisation are calculated as the weighted average of the borrowing costs applicable to the Company's outstanding borrowings during the period, other than those specifically for the purpose of obtaining a qualifying asset and the portion financed using equity. The borrowing costs capitalised cannot exceed the borrowing costs incurred during that period.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset when it incurs expenditures for the asset, interest is accrued, and it undertakes activities that are necessary to prepare the asset for its intended use, operation or sale, and ceases capitalising borrowing costs when all or substantially all the activities necessary to prepare the qualifying asset for its intended use, operation or sale are complete, even though the necessary administrative permits may not have been obtained. Interruptions in the active development of a qualifying asset are not considered. Nonetheless, restated advances on account are not qualifying assets for the purpose of capitalising borrowing costs.

Capitalised borrowing costs are recognised in the income statement under capitalised borrowing costs.

(d) Intangible assets

Intangible assets are measured at cost or cost of production. Capitalised production costs are recognised under self-constructed assets in the income statement. Intangible assets are carried at cost, less any accumulated amortisation and impairment.

(Continued)

Advances on account of fixed assets are initially measured at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

Cost of production of intangible assets comprises the purchase price and any costs directly related to production.

Expenditure on activities that contribute to increasing the value of the Company's business as a whole, such as goodwill, trademarks and other similar items generated internally, as well as establishment costs, are recognised as expenses when incurred.

(i) Computer software

Computer software acquired and developed by the Company is recognised to the extent that costs can be clearly allocated, expensed and distributed over time to each project, and when there is evidence of technical success and economic viability. Computer software maintenance costs are charged as expenses when incurred.

(ii) Emission allowances

Emission allowances, which are recognised when the Company becomes entitled to such allowances, are measured at cost of acquisition. Allowances acquired free of charge, or, at a price substantially lower than fair value, are carried at fair value. Any difference between fair value and the consideration given is recognised as a non-refundable grant associated with the emission allowances and credited to equity. These grants are recognised as income and matched with the associated costs which the grants are intended to compensate, using the same criteria as for capital grants.

Emission allowances are not amortised.

Provision is systematically made under current provisions for liabilities and charges for expenses related to the emission of greenhouse gases. This provision is maintained until the obligation is cancelled, through the conveyance of the corresponding allowances. Provisions released or surplus provisions reversed are recognised as operating income. The provision is determined on the basis that it will be cancelled, as follows:

- Firstly, through allocated emission allowances, which are then used to cancel actual emissions in proportion to total forecast emissions for the entire period to which they have been allocated. The expense corresponding to this part of the obligation is determined based on the carrying amount of the transferred emission allowances;

- Secondly, through the remaining emission allowances recorded. Expenditure on this part of the obligation is measured as the weighted average cost of the emission allowances.

If the emission of gases necessitates the acquisition or production of emission allowances because actual emissions exceed those which can be cancelled through the allocated emission allowances, or through surplus emission allowances, whether acquired or produced, provision is made for the shortfall in allowances. The expense is determined using the best estimate of the amount necessary to cover the shortfall in emission allowances.

Emission allowances acquired for the purpose of being sold are classified and measured based on the standards applicable to inventories.

(iii) Subsequent costs

Subsequent costs incurred on intangible assets are recognised in profit and loss, unless they increase the expected future economic benefits attributable to the intangible asset.

(Continued)

(iv) Useful life and amortisation rates

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis over its useful life, by applying the following criteria:

	Amortisation method	Rates %
Computer software	Straight-line	16-33

The depreciable amount is the acquisition or production cost of an asset.

The Company considers that the residual value of the assets is zero unless:

- There is a commitment by a third party to purchase the asset at the end of its useful life.
- There is an active market for the intangible asset and:
- Residual value can be determined by reference to that market; and
- It is probable that such a market will exist at the end of the asset's useful life.

- The Company reviews the useful life and amortisation method for intangible assets at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

(v) Impairment losses

The Company measures and determines impairment to be recognised or reversed based on the criteria in section (g) Impairment of non-financial assets subject to amortisation or depreciation.

(e) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment are measured at cost of acquisition or production, using the same criteria as for determining the cost of production of intangible assets. Capitalised production costs are recognised under “Self-constructed assets” in the income statement. Property, plant and equipment are carried at cost less any accumulated depreciation and impairment.

The cost of an item of property, plant and equipment includes the estimated costs of its dismantling or removal and restoration of the site on which it is located, provided that the obligation is incurred as a consequence of having used the item.

(ii) Depreciation

Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset. The Company determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

Property, plant and equipment are depreciated using the following criteria:

(Continued)

	Depreciation method	Rates %
Buildings	Straight-line	1-3
Technical installations and machinery	Straight-line	10
Other installations, equipment and furniture	Straight-line	4-10
Other property, plant and equipment	Straight-line	7-33

The Company reviews useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

(iii) Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

Replacements of property, plant and equipment that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated independently and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

(iv) Impairment

The Company measures and determines impairment to be recognised or reversed based on the criteria in section (g) Impairment of non-financial assets subject to amortisation or depreciation.

(f) Investment property

The Company classifies property leased to its subsidiaries under this caption. All property is earmarked exclusively for own use or the use of Group companies.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment under development until construction or development is complete. Nevertheless, redevelopment work to extend or improve property is classified as investment property.

The Company measures and recognises investment property following the policy for property, plant and equipment.

The Company reclassifies property, plant and equipment to investment property when it ceases to use the building in the production or supply of goods or services, for administrative purposes or when it is held to earn rentals or for capital appreciation or both.

Investment property is depreciated applying the following policies:

	Depreciation method	Rates %
Buildings and other installations	Straight-line	1-10

(g) Impairment of non-financial assets subject to amortisation or depreciation

The Company evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Impairment losses are recognised in the income statement.

At the end of each reporting period the Company assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised in the income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

However, if the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the income statement.

(h) Leases

(i) Lessor accounting

Leases which, on inception, transfer to third parties substantially all the risks and rewards incidental to ownership of the assets are classified as finance leases, otherwise they are classified as operating leases.

(ii) Lessee accounting

Leases in which, upon inception, the Company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

- *Finance leases*

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Initial direct costs are added to the asset's carrying amount. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Interest is expensed using the effective interest method.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

The accounting policies applied to the assets used by the Company by virtue of finance lease contracts are the same as those set out in sections (e) and (f) (Property, plant and equipment or Investment Property).

- *Operating leases*

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term.

Contingent rents are recognised as an expense when it is probable that they will be incurred.

(Continued)

(iii) Sale and leaseback transactions

Asset sale and leaseback transactions that meet the conditions for classification as a finance lease are considered as financing operations and, therefore, the type of asset is not changed and no profit or loss is recognised.

(i) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments into different categories based on the nature of the instruments and the Company's intentions on initial recognition.

(ii) Offsetting principles

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Financial assets and financial liabilities held for trading

Financial assets or financial liabilities held for trading are those which are classified as held for trading from initial recognition.

A financial asset or financial liability is classified as held for trading if it:

- Originates or is acquired or incurred principally for the purpose of selling or repurchasing it in the near term

- Forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or

- Is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial assets and financial liabilities held for trading are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition, they are recognised at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal. Accrual interest and dividends are recognised separately.

The Company does not reclassify any financial asset or financial liability into or out of this category while it is recognised in the balance sheet, except when there is a change in the classification of hedging financial instruments.

(iv) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss, which comprise derivatives, are initially recognised at fair value and after initial recognition are recognised at fair value through profit or loss.

(Continued)

(v) Loans and receivables

Loans and receivables comprise trade and non-trade receivables with fixed or determinable payments that are not quoted in an active market other than those classified in other financial asset categories. These assets are initially recognised at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(vi) Available-for-sale financial assets

The Company classifies in this category debt securities and equity instruments which do not qualify for inclusion in the aforementioned categories.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition.

After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is accounted for in income and expenses recognised in equity (b) Foreign currency transactions, balances and cash flows. On disposal of the financial assets, amounts recognised in equity or the impairment loss are reclassified to profit or loss.

(vii) Investments in Group companies and associates

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Associates are entities over which the Company, either directly, or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Company or other entities, are considered when assessing whether an entity has significant influence.

Investments in Group companies and associates are initially recognised at cost, which is equivalent to the fair value of the consideration given, including transaction costs in the case of investments in associates, and are subsequently measured at cost net of any accumulated impairment. The cost of investments in Group companies acquired before 1 January 2010 includes any transaction costs incurred.

If an investment no longer qualifies for classification under this category, it is reclassified as available-for-sale and is measured as such from the reclassification date.

(Continued)

(viii) Non-monetary contributions in exchange for investments in the equity of other companies

However, in non-monetary contributions of businesses (including investments in Group companies) to other Group companies, equity investments received are measured at the transaction date at the higher of the carrying amount of the assets and liabilities transferred in the individual annual accounts of the contributing company and the amount representative of the percentage of interest in the equity of the business contributed. Gains or losses deferred in recognised income and expense associated with the assets and liabilities conveyed continue to be recognised in equity but are linked to the investment received.

(ix) Interest and dividends

Interest is recognised using the effective interest method.

Dividends from investments in equity instruments are recognised when the Company is entitled to receive them. If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

Interest and dividend income are classified as revenue when they form part of the Company's ordinary activity.

(x) Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises impairment of loans and receivables and debt instruments when estimated future cash flows are reduced or delayed due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value.

Nevertheless, in cases in which the fair value of these instruments declines and subsequently recovers to above their quoted price, the one and a half-year period is counted from the date on which, after this recovery, the quoted price starts to drop progressively again, except when the recovery of the fair value would have been an isolated and barely significant event, in which case, the one and a half-year period is counted from the date the value first starts to decrease. This same criterion is applicable to determine whether there has been a 40% decrease in the quoted price. For this purpose, the quoted price is understood to be the initial measurement of the asset, or the weighted average price of homogeneous groups, if there have been various acquisitions.

Investments in Group companies

Impairment is calculated by comparing the carrying amount of the net investment in the associate with its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell.

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset. Unless better evidence is available, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date.

In subsequent years, reversals of impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

(Continued)

The recognition or reversal of an impairment loss is disclosed in the income statement unless it should be recognised in equity (i) Financial instruments (viii) Investments in Group companies and associates

Impairment of an investment is limited to the amount of the investment, except when contractual, legal or constructive obligations have been assumed by the Company or payments have been made on behalf of the companies. In the latter case, provision is made.

Impairment of available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been accounted for directly in recognised income and expense, the cumulative loss is reclassified to profit and loss when there is objective evidence that the asset is impaired. The amount of the impairment loss reclassified from equity to profit or loss is calculated as the difference between the cost or amortised cost, less any impairment loss previously recognised in profit or loss, and the fair value.

Impairment losses for investments in equity instruments are not reversed through profit or loss. Increases in the fair value after the impairment loss was recognised are classified in equity.

If the fair value of debt instruments increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the increase is recognised in profit and loss up to the amount of the previously recognised impairment loss and any excess is accounted for in recognised income and expense.

(xi) Financial liabilities

Financial liabilities, including trade and other payables, that are not classified as held for trading or as financial liabilities at fair value through profit or loss are initially recognised at fair value less any transaction costs directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

The Company measures financial liabilities at amortised cost provided that reliable estimates of cash flows can be made based on the contractual terms.

(xii) Derecognition and modifications of financial liabilities

The Company derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor. The exchange of debt instruments between the Company and the counterparty or substantial modifications of initially recognised liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different terms.

The Company considers the terms to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the financial liability, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The difference between the carrying amount of a financial liability, or part of a financial liability, extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

(xiii) Reverse factoring

The Company has contracted reverse factoring facilities with various financial institutions to manage payments to suppliers. Trade payables settled under the management of financial institutions are recognised under trade and other payables in the balance sheet until they are settled, repaid or have expired.

(j) Own equity instruments held by the Company.

Equity instruments acquired by the Company are shown separately at cost of acquisition as a reduction in capital and reserves in the balance sheet. Any gains or losses on transactions with own equity instruments are not recognised in profit or loss.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a deduction from reserves, net of any tax effect.

(k) Inventories

Inventories are measured using the FIFO (first in, first out) method. When the cost of inventories exceeds replacement value, materials are written down to net realisable value.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

(m) Grants

Grants are recorded in recognised income and expense when, where applicable, they have been officially awarded and the conditions attached to them have been met or there is reasonable assurance that they will be received.

The accounting treatment of grants related to emission allowances is described in section d (ii).

(n) Defined contribution plans

The Company recognises the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered service to the Company. The contributions payable are recognised as an expense for employee remuneration, and as a liability after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the period, the Company only recognises that excess as an asset (prepaid expense) to the extent that the prepayments will lead to, for example, a reduction in future payments or a cash refund.

(o) Provisions

(i) General criteria

Provisions are recognised when the Company has a present obligation (legal, contractual, constructive or tacit) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(Continued)

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed.

(ii) Provisions for taxes

Provisions for taxes are measured at the estimated amount of tax debt calculated in accordance with the aforementioned criteria. Provision is made with a charge to income tax for the tax expense for the year, to finance costs for the late payment interest, and to other income for the penalty. The effects of changes in estimates of prior years' provisions are recognised according to their nature, unless they involve the correction of an error.

(p) Revenue from the rendering of services

Revenue from the rendering of services is measured at the fair value of the consideration received or receivable.

Practically all services are rendered to Group companies.

(q) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

Government assistance provided in the form of deductions and other tax relief applicable to income tax payable is recognised as a reduction in the income tax expense in the year in which it is accrued (m) Grants.

The Company files consolidated tax returns with its Spanish subsidiaries: Laboratorios Grifols, S.A., Instituto Grifols, S.A., Diagnostic Grifols, S.A., Grifols Movaco, S.A., Biomat, S.A., Grifols Worldwide Operations Spain S.A. (formerly Logister, S.A.), Grifols International, S.A., Grifols Engineering, S.A., Grifols Viajes, and Gri-Cel, S.A.

In addition to the factors to be considered for individual taxation, set out previously, the following factors are taken into account when determining the accrued income tax expense for the companies forming the consolidated tax group:

- Temporary and permanent differences arising from the elimination of profits and losses on transactions between Group companies, derived from the process of determining consolidated taxable income.

- Deductions and credits corresponding to each company forming the consolidated tax group. For these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

(Continued)

Temporary differences arising from the elimination of profits and losses on transactions between tax group companies are allocated to the company which recognised the profit/loss and are valued using the tax rate of that company.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, these tax credits for loss carryforwards are recognised as deferred tax assets using the applicable recognition criteria, considering the tax group as a taxable entity.

The Parent of the Group records the total consolidated income tax payable with a debit to receivables from Group companies.

The amount of the debt relating to the subsidiaries is recognised with a credit to payables to Group companies.

(i) Taxable temporary differences

Deferred tax liabilities derived from taxable temporary differences are recognised in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

(ii) Deductible temporary differences

Deferred tax assets derived from deductible temporary differences are recognised provided that it is probable that sufficient taxable income will be available against which they can be utilised. Nonetheless, assets arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income, are not recognised.

(iii) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

(iv) Offset and classification

The Company only offsets tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are recognised in the balance sheet under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

(r) Share-based payment transactions

The Group headed by the Company extends share-based payments to certain employees currently rendering services. The fair value of the services received is calculated by estimating the fair value of the shares extended at the grant date. As the equity instruments granted do not vest until the employees complete a specified period of service, those services are accounted for in the income statement as an expense for the year during the vesting period, with a corresponding increase in other equity instruments. The amount recognised reflects the amount that will be settled once the agreed conditions are met, and will not be revised or remeasured during the vesting period, as the commitment was settled through shares.

(Continued)

The total amount recognised is calculated based on the incentive payable in shares plus a percentage defined by the Company. If an employee leaves his job before the vesting period is completed, only the agreed share-based incentive is received, and the Company can decide whether to pay the incentive in cash or in shares.

The Company has a share option plan over its own equity instruments for employees of several Group companies, the cost of which is assumed by the Company. The Company recognises the transaction as a contribution to the subsidiary in the form of remuneration for services received settled through equity instruments. In accordance with the aforementioned criteria, the Company therefore recognises the accrued cost of the plan as an increase in the value of the investment in the subsidiary with a credit to other equity instruments.

The Company is paid by the subsidiary for the intrinsic value of the cost assumed. The payment arrangement is recognised separately from the option plan as a return of the investment and with a charge to a loan to Group companies, when the subsidiary's commitment effectively arises.

(s) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities in the balance sheet as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company’s normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months after the reporting date or are cash or a cash equivalent.

- Liabilities are classified as current when they are expected to be settled in the Company’s normal operating cycle, they are held primarily for the purpose of trading, or they are due to be settled within twelve months after the reporting date.

(t) Environmental issues

The Company takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

Property, plant and equipment acquired by the Company to minimise the environmental impact of its activity and protect and improve the environment, including the reduction and elimination of future pollution from the Company’s activities, are recognised as assets applying the measurement, presentation and disclosure criteria described in section (e) Property, plant and equipment.

(u) Transactions between Group companies

Transactions between Group companies are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

5) Business combinations

During 2015 the Company merged with Arrahona Optimus S.L. The registered office of Arrahona Optimus S.L. is located in Barcelona and its principal activity comprises the acquisition and disposal of all types of real estate, the administration, operation and urban or other development thereof, whether through leases or any other legally permitted instrument, as well as real estate development of any kind.

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

The merger project was prepared and signed by the directors of the two companies on 29 May 2015. The merger agreement was approved by the shareholders at their annual general meetings held on 29 May 2015 and duly filed at the Barcelona Mercantile Registry on 3 December 2015. The effective accounting date and acquisition date for the purposes of the merger project is 1 January 2015.

Prior to the merger, the Company held a Euros 9,926 thousand investment in the absorbed company, equivalent to 19,521 shares, representing a 100% interest.

The transaction has generated a loss of Euros (398) thousand and revenues of Euros 1,057 thousand for the Company between the acquisition date and year end.

At 1 January 2015 the Company's investment in Arrahona Optimus S.L amounted to Euros 9,926 thousand and was impaired in an amount of Euros (6,375) thousand.

Details of the cost of the business combination, the fair value of the net assets acquired and goodwill (or the excess of net assets acquired over the cost of the business combination) are as follows:

	Euros
Cost of the business combination	
Cash paid	3,551,251
Fair value of previously held investment in the business	3,551,251
Fair value of net assets acquired	3,749,536
Reserves of the acquirer	**198,285**

Details of assets, liabilities and contingent liabilities recognised at their acquisition date fair value are as follows:

	Euros	
	Fair value	**Assigned value**
Tangible assets and Investment Property	9,906,329	9,906,329
Non-current investments	547,413	547,413
Deferred tax assets	110,917	110,917
Current investments in Group companies and associates	46,305	46,305
Trade and other receivables	645,229	645,229
Prepayments for current assets	114,760	114,760
Cash and cash equivalents	7,513	7,513
Total assets	11,378,466	11,378,466
Grants	75,443	75,443
Loans and borrowings	36,161	36,161
Other financial liabilities	1,333	1,333
Group companies and associates, current	5,820,571	5,820,571
Trade and other payables	1,121,751	1,121,751
Deferred tax liabilities	573,671	573,671
Total liabilities and contingent liabilities	7,628,930	7,628,930
Total net assets	3,749,536	3,749,536
Total net assets acquired		3,749,536

(Continued)

(6) Intangible Assets

(a) Details of intangible assets and movement are shown in Appendix I.

(b) Emission allowances

At 31 December 2015, greenhouse gas emission allowances allocated during the National Allocation Plan period, movements therein and their annual distribution are as follows:

	2015			
	Number of allowances		Euros	
	Free of charge	Purchased	Free of charge	Purchased
2010	31,394	11,000	398,700	135,080
2011	(3,415)	(2,000)	(15,579)	(17,580)
2012	3,938	(2,000)	(64,524)	(91,400)
2013	(14,948)	(7,000)	(212,360)	(26,100)
Total	**16,969**	**-**	**106,237**	**-**

At 31 December 2015 and 2014 the Company holds 16,969 free-of-charge emission allowances.

(c) Fully amortised assets

The cost of fully amortised intangible assets in use at 31 December is as follows:

	Euros	
	2015	2014
Computer software	21,257,683	19,739,459

Fully amortised computer software in use at 31 December 2015 and 2014 mainly reflects computer licences.

(7) Property, Plant and Equipment

(a) General

Details of property, plant and equipment and movement are shown in Appendix II.

At 31 December 2015 assets for a net value of Euros 2.6 million have been incorporated into the Company's property, plant and equipment, from the merger with the Group company Arrahona Optimus, S.L. (see note 5).

(b) Capitalised borrowing costs

During 2015 the Company has capitalised borrowing costs in investments in progress amounting to Euros 157 thousand (no borrowing costs in investments in progress were capitalised in 2014) (see note 4(c)).

(c) Fully depreciated assets

Details of the cost of fully depreciated property, plant and equipment in use at 31 December are as follows:

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Euros	
	2015	2014
Technical installations and machinery	1,930,511	1,036,590
Other installations, equipment and furniture	4,026,101	4,588,138
Other property, plant and equipment	5,115,935	4,184,529
	11,072,547	**9,809,257**

(d) Insurance

The Company has taken out insurance policies to cover the risk of damage to its property, plant and equipment. These policies amply cover the net carrying amount of the Company's assets.

(8) Investment Property

(a) General

Details of and movement in investment property are shown in Appendix III.

At 31 December 2015 and 2014 additions comprise the investments incurred to expand the Company's facilities.

On 10 May 2011 Grifols S.A. sold three properties located in Spain to Gripdan Invest, S.L., a wholly-owned subsidiary of Scranton Enterprises, B.V., in turn a related party of Grifols, S.A., for Euros 37.6 million. These properties related to non-core assets such as offices, warehouses and factory premises.
One of the properties was sold in conjunction with its related mortgage loans, which amounted to Euros 11.5 million.

The prices paid for the properties were established based on independent appraisals.

At the same time, operating lease agreements for the aforementioned properties were entered into with Gripdan Invest, S.L., the key terms of which were as follows:

-Compulsory initial term of five years
-Initial rent established at market prices, adjusted annually for inflation (Spanish Consumer Price Index).
-Automatic five-year extensions, unless six months prior notice is given by either party.
-Upon vacating the premises, Grifols will be compensated by the lessor for any on-site assets in which it has invested, insofar as these have a residual value and are not recoverable by Grifols.
Grifols also signed a call option on the shares of Gripdan Invest, S.L., exercisable on 10 May 2016 and 10 May 2017 and for which no consideration was required. The strike price would be calculated by independent appraisers as the exercise date market value.

On 9 February 2015 the Company repurchased the aforementioned industrial assets through the acquisition of Gripdan Invest S.L. for Euros 47 million. The Company exercised the options to purchase the assets at fair market value that were included in the respective sale contracts and subsequent lease (see note 13).

At 31 December 2015 assets with a net value of Euros 7.3 million have been incorporated into the Company's investment property, derived from the merger with the Group company Arrahona Optimus, S.L. (see note 5).

During 2015 the Company sold a building acquired in 2014 to a related party for a total of Euros 12 million, which is the same amount it was acquired for (see note 26).

(b) Fully depreciated assets

The cost of fully depreciated investment property in use at 31 December is as follows:

	Euros	
	2015	**2014**
Buildings	1,031,792	1,031,792
Other installations	12,917,098	12,569,889
	13,948,890	**13,601,681**

(c) Income and expenses from investment property

Details of income and expenses from investment property are as follows:

	Euros	
	2015	**2014**
Rental income (note 26)	15,055,151	13,284,373
Operating expenses		
From income-generating investments	(14,728,700)	(12,974,685)
Net	**326,451**	**309,688**

The Company passes on costs of owned buildings and reinvoices the cost of leased buildings at market price.

(d) Insurance

The Company has taken out insurance policies to cover the risk of damage to its investment property. The coverage of these policies is considered sufficient.

(9) Finance Leases - Lessee

The Company has leased the following types of property, plant and equipment under finance leases:

	Euros			
	Land	**Technical installations and machinery**	**Other property, plant and equipment**	**Total**
Initially recognised at:				
Fair value	435,000	-	3,851,528	**4,286,528**
Accumulated depreciation	(27,307)	-	(1,483,249)	**(1,510,556)**
Carrying amount at 31 December 2015	407,693	-	2,368,279	**2,775,972**
Initially recognised at:				
Fair value	435,000	1,815,000	4,001,505	**6,251,505**
Accumulated depreciation	(18,451)	(1,416,076)	(1,082,885)	**(2,517,412)**
Carrying amount at 31 December 2014	416,549	398,924	2,918,620	**3,734,093**

(Continued)

Future minimum lease payments are reconciled with their present value as follows:

	Euros	
	2015	2014
Future minimum payments	3,217,429	3,639,816
Unaccrued finance costs	(494,521)	(515,774)
Present value	**2,722,908**	**3,124,042**

Details of minimum payments and the present value of finance lease liabilities, by maturity date, are as follows:

	Euros			
	2015		2014	
	Minimum payments	Present value	Minimum payments	Present value
Less than one year	947,102	825,319	1,031,745	949,505
One to five years	2,270,327	1,897,590	2,608,071	2,174,537
	3,217,429	2,722,909	3,639,816	3,124,042
Less current portion	(947,102)	(825,319)	(1,031,745)	(949,505)
Total non-current	**2,270,327**	**1,897,590**	**2,608,071**	**2,174,537**

(10) Operating Leases - Lessee

At 31 December 2015, the Company has contracted various office premises and a plot of land under operating leases from third parties. At 31 December 2014, the Company had contracted offices and one plot of land under operating leases from third parties, related parties and Group companies.

The most significant lease contracts are as follows:

Offices located in Sant Cugat del Vallès (Barcelona) and Barcelona, leased from a related party

This contract is valid for a mandatory period of 10 years from 2015 and is automatically renewable for five-year periods from year 10 onwards until 2035.

Land located in Parets del Vallés (Barcelona), leased from a third party

This contract is valid for 30 years from 1996 and is automatically renewable for five-year periods. One year’s notice must be given if either party wishes to cancel the contract.

Offices located in Parets del Vallés (Barcelona), leased from a third party.

This contract is valid for 10 years from 2005 and can be renewed for between one and twenty years at the lessee’s discretion, which the lessor is obliged to accept, and can be cancelled at any moment in time with four months' notice.

Operating lease payments have been recognised as an expense for the year as follows:

(Continued)

	Euros	
	2015	2014
Minimum lease payments	9,293,079	8,813,088

Future minimum payments under non-cancellable operating leases are as follows:

	Euros	
	2015	2014
Less than one year	5,277,343	4,153,297
One to five years	20,058,384	1,668,750
Over five years	25,580,248	327,155
	50,915,975	**6,149,202**

The Company uses part of these premises for its own use and sub-leases the rest to its Spanish subsidiaries (see note 8 (c)).

(11) Operating Leases - Lessor

As described in note 8 (a) and note 26, the Company leases and sub-leases premises and installations that it owns and leases from third parties to its Spanish subsidiaries.

Contracts signed with its subsidiaries are renewed automatically on an annual basis and can be cancelled at any time with three months' prior notice. The minimum non-cancellable amount receivable totals Euros 3,657 thousand at 31 December 2015 (Euros 3,321 thousand in 2014).

(12) Risk Management Policy

(a) Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Company's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's profits. The Company used derivatives to mitigate certain risks.

The Company's risk management policies are established in order to identify and analyse the risks to which the Company is exposed, establish suitable risk limits and controls, and control risks and compliance with limits. Risk management procedures and policies are regularly reviewed to ensure they take into account changes in market conditions and in the Company's activities. The Company's management procedures and rules are designed to create a strict and constructive control environment in which all employees understand their duties and obligations.

The Group's Audit Committee supervises how management controls compliance with the Group's risk management procedures and policies and reviews whether the risk management policy is suitable considering the risks to which the Group is exposed. This committee is assisted by Internal Audit which acts as supervisor. Internal Audit performs regular and ad hoc reviews of the risk management controls and procedures and reports its findings to the Audit Committee.

(Continued)

(i) Market risk

The Company is not exposed to market risks associated with non-financial assets.

(ii) Currency risk

The Company operates internationally and is therefore exposed to currency risk when operating with foreign currencies, especially with regard to the US Dollar. Currency risk is associated with recognised assets and liabilities, and net investments in foreign operations.

The Company holds several investments in foreign operations, the net assets of which are exposed to currency risk. Currency risk affecting net assets of the Company's foreign operations in US Dollars is mitigated primarily through borrowings in the corresponding foreign currency.

Details of financial monetary assets and liabilities in foreign currencies and transactions in foreign currencies are provided in notes (15) and (22).

At 31 December 2015 had the US Dollar weakened by 10% against the Euro, with the other variables remaining constant, post-tax profit would have been Euros 380 thousand higher, mainly as a result of translating payables to Group companies (Euros 1,125 thousand at 31 December 2014).

(iii) Credit risk

The Company's financial assets mainly comprise the trade receivables from and loans to Group companies.

Derivative and cash transactions are only carried out using financial instruments with a high credit rating.

The Company considers that its financial assets are not significantly exposed to credit risk.

(iv) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash, as well as sufficient financing through credit facilities, to settle market positions.

Details of financial liabilities by contractual maturity date are provided in note 22.

(v) Cash flow and fair value interest rate risks

Interest rate risk arises on loans extended to Group companies and current and non-current borrowings. Borrowings and loans extended at variable interest rates expose the Company to cash flow interest rate risks. The Company's policy involves contracting borrowings and extending loans to Group companies at variable interest rates.

The Company manages cash flow interest rate risks through interest rate swaps. The variable to fixed interest rate swaps convert variable interest rates on borrowings to fixed interest rates. The Company generally obtains non-current borrowings with variable interest rates (see note 22) and on occasions swaps these for fixed interest rates that are normally lower than if the financing had been obtained directly with fixed interest rates. Through variable to fixed interest rate swaps the Company undertakes to exchange the difference between fixed interest and variable interest with other parties on a monthly basis. The difference is calculated based on the contracted notional principal amount. At 31 December 2013 the Company had two interest-rate swaps for loans, one of which was from variable to fixed, for which the Company applied hedge accounting (see note 16) and the other swap had a variable interest rate. The notional amount of these swaps was Euros 100,000 thousand each (see note 16). These swaps were cancelled at 31 December 2014.

(Continued)

At 31 December 2015, had interest rates been 10 basis points higher/lower, with the other variables remaining constant, post-tax profit would have been Euros 381 thousand lower/higher, mainly because of higher borrowing costs on variable interest debt (Euros 300 thousand at 31 December 2014).

(13) Investments in Equity Instruments of Group Companies and Associates

Details of investments in equity instruments of Group companies are as follows:

	Euros	
	2015	2014
	Non-current	Non-current
Group companies		
Equity investments	1,658,345,692	1,610,563,463
Impairment	(9,721,192)	(11,520,575)
	1,648,624,500	1,599,042,888
Associates		
Equity investments	37,788,922	42,788,922
	37,788,922	42,788,922
Total	**1,686,413,422**	**1,641,831,810**

During 2015 the following changes to Company investments in equity instruments took place:

-For the 2014 bonus payable in 2015, the Group established a Restricted Share Unit Retention Plan (RSU Plan) for eligible employees (see note 19). The outstanding bonus payable through the RSU Plan has been recognised as an investment of the Company's in subsidiaries with employees that avail of this plan, totalling Euros 2,276 thousand.

-The Company acquired a 100% interest in Gripdan Invest, S.L. for Euros 46,677,094 (see notes 8 and 26).

-The Company acquired shares in Grifols International, S.A. from another Group company for Euros 2,860 thousand. In 2014 the Company sold the shares in Grifols International, S.A. to another Group company for Euros 2,860 thousand. The investment in the transferred company had been fully impaired and, therefore, the sale generated income of Euros 2,860 thousand.

-The Company transferred 99.98% of Grifols Worldwide Operations Spain S.A. (formerly Logister S.A.) to another Group company for Euros 105 thousand.

-In 2014 the Company acquired 50% of Kiro Robotics, S.L. for Euros 22,153 thousand. In 2015, Kiro Robotics S.L. paid out an extraordinary dividend of Euros 10 million in accordance with the Joint Venture & Shareholder's agreement entered into in 2014. The dividend received by the Company amounting to Euros 5 million has been recognised as a write-down of the investment in Kiro Robotics S.L.

(Continued)

-The Company subscribed to the Euros 6,000 thousand share capital increase carried out by Laboratorios Grifols S.A. (in 2014 the Company subscribed to the Euros 7,000 thousand share capital increase carried out by Laboratorios Grifols S.A.).

-During 2015 the Company recognised impairment of Euros 3,895 thousand on the investment in Grifols Brasil, Ltda based on an analysis of its recoverability.

-During 2015 the Company recognised impairment of Euros 680 thousand on the investment in Grifols Colombia, Ltda based on an analysis of its recoverability.

-Arrahona Optimus, S.L. (former wholly-owned investee of the Company) was liquidated with effect as of 1 January 2015. The assets and liabilities of the company liquidated have been included in the Company's balance sheet and led to a Euros 198 thousand decline in the reserves of Grifols, S.A. (see note 5).

During 2014 the following changes to Company investments in equity instruments took place:

-The Company subscribed to the share capital increase issued by Grifols Movaco S.A. for an amount of Euros 1,500 thousand.

-The Company subscribed to the share capital increase issued by Grifols Brasil Ltda. for an amount of Euros 3,944 thousand.

-The Company subscribed to the share capital increase issued by Grifols Colombia Ltda for an amount of Euros 814 thousand.

-The Company subscribed to the share capital increase issued by Grifols Pharmaceutical Consulting (Shanghai) Co., Ltd. for an amount of Euros 600 thousand (incorporated in 2013 with an investment of Euros 400 thousand).

-In 2013 the Company incorporated Grifols Diagnostics Solutions Inc (formerly G-C Diagnostics Corp.). On 9 January 2014 the Grifols Group acquired the transfusional medicine and immunology diagnostic unit of the Swiss company Novartis International AG for approximately USD 1,653 million (Euros 1,215 million). The transaction was carried out through the newly-incorporated subsidiary, Grifols Diagnostics Solutions (formerly G-C Diagnostics Corp.) (USA), which is wholly-owned by the Company. At 31 December 2014 the amount of the investment was Euros 293,794 thousand.

-The Company incorporated Grifols Japan KK. Its investment in this company amounted to Euros 709 thousand.

-The Company incorporated Grifols India Healthcare Private. Its investment in this company amounted to Euros 1,300 thousand.

-The Company acquired 50% of Kiro Robotics, S.L. for Euros 22,153 thousand.

(Continued)

(a) Investments in Group companies

Details of investments in Group companies are provided in Appendix XVI.

Subsidiaries' activities comprise the following:

-Industrial activity: consisting of the manufacture, preparation and sale of therapeutic products and other pharmaceutical specialities, particularly hemoderivatives and parenteral solutions, reagents, chemical products for use in laboratories and healthcare centres, and medical-surgical materials, equipment and instruments; the collection and analysis of products of biological origin, and the procurement of human plasma.

-Commercial activity: consisting primarily of the marketing of products manufactured by the industrial Group companies.

-Service activity: comprising the management of business trips for Group companies, the preparation and implementation of engineering projects for both the Group and third parties, and the rendering of centralised services such as accounting, human resources, marketing, etc. This activity also includes the reinsurance of the Group's insurance policies.

The percentage ownerships included in Appendix XVI reconcile with the voting rights the Company has in its subsidiaries, except for: Grifols Thailand, Ltd. (48% ownership) and Grifols Malaysia Sdn Bhd (30% ownership), in which the Company has majority voting rights through the type of shares it holds in Grifols Thailand, Ltd and a contract entered into with the other shareholder and the pledging of this shareholder's shares in Grifols Malaysia.

(i) Foreign currency

The functional currencies of foreign operations are the currencies of the countries in which they are domiciled, except for Grifols Worldwide Operations Limited, the functional currency of which is the US Dollar.

(b) Other Information

The subsidiaries have been audited/reviewed by the associates of KPMG International in the countries in which they are domiciled, with the exception of Grifols Argentina, S.A. (audited by Alexia Consulting group, S.R.L.), Grifols France (audited by Laurent Pokoj) and Grifols Pharmaceutical technology (Shanghai) Co.,Ltd (audited by Shanghai Zhonzghen C.P.A Partnership).

Grifols Worldwide Operations Spain S.A. (formerly Logister S.A), Grifols Malaysia SDN BHD, Grifols Viajes, S.A., and Gri-Cel, S.A. have not been audited.

(14) Financial Assets by Category

(a) Classification of financial assets by category

The classification of financial assets by category and class and a comparison of the fair value and the carrying amount are provided in Appendix IV.

(i) Net losses and gains by category of financial asset

Net losses and gains by category of financial asset are as follows:

2015	Euros Loans and receivables	Total
Finance income at amortised cost, Group companies	16,548,205	**16,548,205**
Finance income at amortised cost	10,818	**10,818**
Net gains in profit and loss	16,559,023	**16,559,023**
Total	16,559,023	**16,559,023**

2014	Euros Loans and receivables	Total
Finance income at amortised cost, Group companies	13,309,791	**13,309,791**
Finance income at amortised cost	45,870	**45,870**
Net gains in profit and loss	13,355,661	**13,355,661**
Total	13,355,661	**13,355,661**

(15) Investments and Trade Receivables

(a) Investments in Group companies

Details of investments in Group companies and related parties are as follows:

	Euros			
	2015		2014	
	Non-current	Current	Non-current	Current
Group				
Loans	461,364,762	14,157,945	16,410,455	201,659,132
Receivables, tax effect (note 24)	-	29,521,025	-	23,175,818
Interest	-	998,827	-	1,921,323
Impairment	-	-	-	(4,645,690)
Total	**461,364,762**	**44,677,797**	**16,410,455**	**222,110,583**

At 31 December 2015 the Company has a balance of Euros 458,411 thousand corresponding to cash pooling accounts with Group companies. These receivables accrue interest at a rate of 5.19% (interest rate on the Group's senior loan plus a spread of 0.75%) and they fall due in 2025.

The Company has extended a structural loan of Swiss Francs 3,200 thousand to another Group company (Euros 2,953 thousand).

(b) Investments

Details of investments are as follows:

	Euros			
	2015		2014	
	Non-current	Current	Non-current	Current
Deposits and guarantees	1,595,148	87,648	839,307	8,802
Other	-	-	3,294,621	-
Total	**1,595,148**	**87,648**	**4,133,928**	**8,802**

At 31 December 2015, Euros 832 thousand of guarantees and deposits are associated with leases with Scranton Enterprise B.V., a related party of Grifols S.A. (see note 26) and Euros 559 thousand correspond to leases arranged with a Group company.

At 31 December 2014 deposits and guarantees were associated with the lease arranged with Gripdan Invest, S.L. a company wholly owned by Scranton Enterprise B.V, which is a related party to Grifols S.A. (see notes 8 and 26).

At the end of December 2011 the Company contracted a call option on the shares of Scranton Investments, B.V., a shareholder of Scranton Enterprises USA, Inc. This option, which had a cost of USD 4,000 thousand (Euros 3,295 thousand at 31 December 2014), can be exercised on the date the Food and Drug Administration (FDA) grants the licence for a plant located in Clayton, USA which belongs to that company and is leased to the Group company Grifols Therapeutics, Inc.

The option may also be exercised at five and ten years from the licence date, and on the expiry date of the lease contract.

The exercise price of this option will vary depending on the market value determined on the date the option is exercised.

During 2015 the Company transferred the call option on Scranton for US Dollars 4,000 thousand to a US Group company, which has executed this option by acquiring Scranton Enterprise Usa Inc.

(c) Trade and other receivables

Details of trade and other receivables are as follows:

	Euros	
	2015	2014
	Current	Current
Group		
Trade receivables (note 26)	45,508,970	32,506,427
Associates		
Trade receivables (note 26)	68,453	11,215
Unrelated parties		
Trade receivables	437,192	365,051
Other receivables	204,944	68,284
Personnel	12,197	11,410
Taxation authorities, income tax (note 24)	18,032,195	47,190,583
Public entities, other (note 24)	9,574,339	5,351,265
Total	**73,838,290**	**85,504,235**

At 31 December 2015 and 2014 public entities, other predominantly comprise recoverable value added tax and income tax. The Company files consolidated VAT and income tax returns.

(d) Impairment of financial assets

The amount of the losses, impairment and changes in trade provisions corresponds to the reversal of impairment from Grifols Portugal Productos Farmacéuticos e Hospitalares,Lda.

(e) Amounts denominated in foreign currencies

Details of monetary financial assets denominated in foreign currencies are as follows:

	Euros				
2015	**US Dollar**	**Swiss Franc**	**Taiwan Dollar**	**Other**	**Total**
Non-current investments in Group companies and associates					
Loans to companies	3,622,024	2,953,392	-	-	**6,575,416**
Total non-current financial assets	3,622,024	2,953,392	-	-	**6,575,416**
Trade and other receivables					
Trade receivables – current	131	-	-	-	**131**
Trade receivables from Group companies and associates – current	224,771	-	180,310	403	**405,484**
Other receivables	155,805	-	-	1,813	**157,618**
Current investments in Group companies and associates					
Loans to companies	349,013	84,992	-	-	**434,005**
Total current financial assets	729,720	84,992	180,310	2,216	**997,238**
Total financial assets	**4,351,744**	**3,038,384**	**180,310**	**2,216**	**7,572,654**

(Continued)

2014	**Euros** US Dollar	Swiss Franc	Brazilian Real	Total
Non-current investments in Group companies and associates				
Loans to companies	3,247,918	2,661,344	-	**5,909,262**
Non-current investments				
Loans to related companies	3,294,621	-	-	**3,294,621**
Total non-current financial assets	6,542,539	2,661,344	-	**9,203,883**
Trade and other receivables				
Trade receivables – current	441	-	-	**441**
Trade receivables from Group companies and associates – current	607,616	3,682,123	19,461	**4,309,200**
Other receivables	139,260	-	-	**139,260**
Current investments in Group companies and associates				
Loans to companies	686,897	182,856	-	**869,753**
Total current financial assets	1,434,214	3,864,979	19,461	**5,318,654**
Total financial assets	**7,976,753**	**6,526,323**	**19,461**	**14,522,537**

Details of exchange differences recognised in profit or loss on financial instruments, distinguishing between settled and outstanding transactions, are as follows:

	Euros 2015 Settled	2015 Outstanding	2014 Settled	2014 Outstanding
Investments in Group companies				
Loans to Group companies	1,583,302	(95,975)	(2,272,887)	279,382
Total non-current financial assets	**1,583,302**	**(95,975)**	**(2,272,887)**	**279,382**
Trade and other receivables				
Trade receivables – current	35,937	(4,617)	30,458	11,114
Trade receivables from Group companies – current	-	(52,303)	-	(2,578)
Current investments				
Loans to Group companies	263,401	-	(31,877)	-
Total current financial assets	**299,338**	**(56,920)**	**(1,419)**	**8,536**
Total financial assets	**1,882,640**	**(152,895)**	**(2,274,306)**	**287,918**

(Continued)

(16) Derivative Financial Instruments

At 31 December 2015 and 2014 the Company has not recognised any derivative financial instruments.

On 17 March 2014 the Grifols Group refinanced its secured senior debt, which is held by the Group company Grifols Worldwide Operations Limited. Consequently, at 31 December 2015 and 2014 the Company does not have any loans or embedded derivatives on its books. At 31 December 2013 the floor included in the tranche B senior debt constituted an embedded derivative measured at fair value and recognised separately from loans.

(a) Interest rate swaps

The Company has no interest rate swaps at 31 December 2015 and 2014. At 31 December 2013 the Company used interest rate swaps to manage its exposure to interest rate fluctuations for some of its bank loans.

At 31 December 2013 the Company held two swap contracts, each for a notional amount of Euros 100 million and expiring on 31 March 2016. The variable to fixed interest swap hedged the Company against a possible rise in the variable interest rate to which part of the Group's financing is pegged. The swap met all the prerequisites to qualify for hedge accounting: throughout the term of this contract the notional amount will be equal to or less than the balance of the loans; the term of the contract does not exceed the maturity date of the loans; and the settlement dates and terms of the derivative contract are the same as those for repayment of the loans.

(b) Cash flow hedges

The total amount of cash flow hedges recognised in equity at 31 December 2014 is as follows:

	Euros Income/(Expenses)	
	2015	2014
Finance income/(costs)	-	38,984

At 31 December 2014, the total amount of cash flow hedges transferred from recognised income and expense to profit or loss and details of the income statement headings under which these items were recognised are as follows:

	Euros Gains/(Losses)	
	2015	2014
Finance income/(costs)	-	917,862

At 31 December 2014, the total amount of the ineffective portion of cash flow hedges recognised as changes in fair value of financial instruments in the income statement is as follows:

	Euros	
	2015	2014
Interest rate swaps	-	13,676

(Continued)

(17) Inventories

Inventories are mainly spares used to maintain the Company's buildings and facilities. At 31 December 2014 this figure included spares acquired from the Group company Instituto Grifols, S.A.

(18) Prepayments

At 31 December 2015 and 2014 prepayments include advanced payments for insurance premiums and professional service fees.

(19) Equity

Details of equity and movement during the year are shown in the statement of changes in equity.

(a) Capital

At 31 December 2015 the share capital of Grifols S.A. amounts to Euros 119,603,705 and is represented by:

Class A shares: 213,068,899 ordinary shares of Euros 0.50 par value each, subscribed and fully paid and of the same class and series.

- Class B shares: 130,712,555 non-voting preference shares of Euros 0.10 par value each, of the same class and series, and with the preferential rights set forth in the Company's by-laws.

Since 23 July 2012 the ADSs (American Depositary Shares) representing Grifols, S.A.'s Class B non-voting shares have had an exchange ratio of 1:1 in relation to Class B shares; i.e. 1 ADS represents 1 Class B share. The ratio was previously 2 ADSs to each Class B share.

On 4 December 2012, the shareholders of Grifols approved a share capital increase through the issue of 16,328,212 new Class B non-voting shares, with a charge to voluntary reserves. This issue was executed in a public deed on 4 January 2013 and the shares were admitted for trading on the four Spanish stock exchanges and the Spanish Automated Quotation System on 14 January 2013.

On 16 April 2013 Grifols increased its share capital by issuing 884,997 Class B non-voting shares of Euros 0.10 par value each, with a share premium of Euros 23.02 per share. Therefore, the total amount of the share capital increase was Euros 20,461 thousand, of which Euros 88 thousand corresponded to the par value and Euros 20,373 thousand to share premium. The board of directors agreed to suppress the pre-emptive subscription rights in connection with this share capital increase.

The aforementioned capital increase enabled Grifols to return the non-voting shares to the lender in order to meet the commitment with the sellers of Progenika in accordance with the share loan agreement entered into in February 2013.

The main characteristics of the Class B shares are as follows:

- Each Class B share entitles its holder to receive a minimum annual preferred dividend out of the distributable profits at the end of each year equal to Euros 0.01 per Class B share provided that the aggregate preferred dividend does not exceed the distributable profits for that year and a distribution of dividends has been approved by the Company's shareholders. This preferred dividend is not cumulative if sufficient distributable profits are not obtained in the period.

- Each Class B share holder is entitled to receive, in addition to the above-mentioned preferred dividend, the same dividends and other distributions as for one Grifols ordinary share.

(Continued)

- Each Class B share entitles the holder to its redemption under certain circumstances, if a takeover bid for all or part of the shares in the Company has been made, except if holders of Class B shares have been entitled to participate in the bid on the same terms as holders of Class A shares. The redemption terms and conditions reflected in the Company's by-laws limit the amount that may be redeemed, requiring that sufficient distributable reserves be available, and limit the percentage of shares to be redeemed in line with the ordinary shares to which the bid is addressed.

- In the event the Company were to be wound up and liquidated, each Class B share entitles the holder to receive, before any amounts are paid to holders of ordinary shares, an amount equal to the sum of (i) the par value of the Class B share, and (ii) the share premium paid for the Class B share when it was subscribed. In addition to the Class B liquidation preference amount, each holder is entitled to receive the same liquidation amount that is paid for each ordinary share. These shares are freely transferable.

On 4 January 2016 it is planned that the Company's new shares will begin trading as a result of the share split executed on 3 December 2015 by the Company's board of directors (relevant event no. 231793), who were delegated this duty by the shareholders at their general meeting on 29 May 2015. As a result of this share split, the nominal value of the new Class A shares is Euros 0.25 per share (formerly Euros 0.5 per share) and the nominal value of the Class B shares is Euros 0.05 per share (formerly Euros 0.10 per share).

The Company's knowledge of its shareholders is based on information provided voluntarily or in compliance with applicable legislation. According to the information available to the Company, there are no interests higher than 10% with voting rights at 31 December 2015 and 2014.

(b) Share premium

This reserve is freely distributable.

(c) Reserves

Details of reserves and movement during the year are shown in Appendix V.

In May 2015 the Company sold 1,967,265 treasury stocks (Class A shares), giving rise to a gain of Euros 2,018 thousand, which has been recognised in reserves.

(i) Legal reserve

The legal reserve has been appropriated in compliance with article 274 of the Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

(ii) Treasury stock and reserve for Company shares

At the ordinary general meeting held on 29 May 2015 the shareholders of the Company agreed to authorise the acquisition of a maximum of treasury stock equivalent to 10% of the Company's share capital at a minimum price equal to the par value of shares and a maximum equal to the price quoted on the stock exchange on the date of acquisition or, where applicable, the price authorised by the Spanish National Securities Market Commission.

This acquisition has been authorised for a period of five years from the date this decision was taken. Shares acquired may be handed over to the Group's employees or directors either directly or as a result of them exercising share options they may hold.

(Continued)

The Company holds Class B treasury stock equivalent to 0.17% of its capital at 31 December 2015. The Company holds Class A and B treasury stock equivalent to 0.82% of its capital at 31 December 2014.

Details of Class A and B treasury stock at 31 December 2015 and 2014 are provided in Appendix XV.

(iii) Differences on redenomination of capital to Euros

This reserve is not distributable.

(iv) Voluntary reserves

These reserves are freely distributable.

(d) Other own equity instruments

For the 2014 bonus payable in 2015, the Group has established a Restricted Share Unit Retention Plan (RSU Plan), for eligible employees. Under this plan, employees can choose to receive up to 50% of their yearly bonus as non-voting Class B ordinary shares (Grifols Class B Shares) or Grifols American Depositary Shares (Grifols ADS), and the Group will match this with an additional 50% of the employee's choice of RSUs.

These RSUs will have a vesting period of two years and one day and, subsequently, the RSUs will be exchanged for Grifols Class B Shares or Grifols ADS (American Depositary Share representing 1 Class B Share).
If an eligible employee leaves the Company or is terminated with cause before the vesting period, he/she will not be entitled to the additional RSUs.

This commitment is treated as an equity instrument and totals Euros 3,399 thousand net of tax.

(20) Other Provisions, Other Guarantees with Third Parties and Other Contingent Liabilities

Movement in other provisions is as follows:

	Euros	
	Provisions for taxes	**Total**
At 1 January 2015	685,517	685,517
Payments	(185,517)	(185,517)
At 31 December 2015	**500,000**	**500,000**

(a) Contingencies

Contingent liabilities for bank and other guarantees are disclosed in note 22. The Company does not expect any significant liabilities to arise from these guarantees.

In the event of a takeover, the Company has agreements with 26 employees/directors whereby they can unilaterally rescind their employment contracts with the Company and are entitled to termination benefits ranging from two to five years' salary.

The Company also has a contract with a member of senior management who will receive a termination benefit ranging from one to two years' salary, depending on the circumstances.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

(21) Financial Liabilities by Category

(a) Classification of financial liabilities by category

The classification of financial liabilities by category and class and a comparison of the fair value with the carrying amount are provided in Appendix VI.

(i) Net losses and gains by financial liability category

Net losses and gains by financial liability category are as follows:

	Euros	
2015	**Debts and payables**	**Total**
Finance costs at amortised cost, third parties	(2,684,249)	(2,684,249)
Finance costs at amortised cost, Group companies	(42,054,591)	(42,054,591)
Net losses in profit and loss	(44,738,840)	(44,738,840)
Total	**(44,738,840)**	**(44,738,840)**

	Euros			
2014	**Liabilities held for trading**	**Debts and payables**	**Hedging derivatives**	**Total**
Finance costs at amortised cost, third parties	-	(26,683,805)	-	(26,683,805)
Finance costs at amortised cost, Group companies	-	(27,445,636)	-	(27,445,636)
Change in fair value of derivative financial instruments	3,539,005	-	(1,289,879)	2,249,126
Net gains/(losses) in profit and loss	3,539,005	(54,129,441)	(1,289,879)	(51,880,315)
Change in fair value of derivative financial instruments	-	-	956,846	956,846
Net gains/(losses) in equity	-	-	956,846	956,846
Total	**3,539,005**	**(54,129,441)**	**(333,033)**	**(50,923,469)**

(Continued)

(22) Payables and Trade Payables

(a) Group companies and associates

Details of Group companies and associates are as follows:

	Euros			
	2015		2014	
	Non-current	Current	Non-current	Current
Group				
Payables	887,717,317	-	29,610,743	199,622,090
Loans received	-	-	378,136,055	-
Payables, tax effect (note 24)	-	16,947,755	-	26,849,084
Interest	-	142,743	1,789,612	850,269
Associates				
Loans received	-	443,182	-	3,059,403
Total	**887,717,317**	**17,533,680**	**409,536,410**	**230,380,846**

Details of payables to Group companies do not include trade payables to Group companies, details of which are provided in section d) of this note.

(b) Payables

Details of payables are as follows:

	Euros			
	2015		2014	
	Non-current	Current	Non-current	Current
Unrelated parties				
Loans and borrowings	16,379,638	4,666,321	14,211,247	4,759,661
Interest	-	47,181	-	50,679
Finance lease payables (note 9)	1,897,590	825,319	2,174,537	949,505
Payables	6,115,726	26,006,531	30,263,666	996,088
Guarantees and deposits received	-	23,107	-	5,765
Total	**24,392,954**	**31,568,459**	**46,649,450**	**6,761,698**

At 31 December 2014 non-current payables included Euros 28,724 thousand, reflecting a put and call option granted by the Company and the shareholders of Progenika. In 2015 this amount has been reclassified as a current payable.

(c) Other information on payables

(i) Main characteristics of payables

The terms and conditions of loans and payables are provided in Appendix VIII.

On 17 March 2014 the Grifols Group refinanced its secured senior debt, which is now held by the Group company Grifols Worldwide Operations Limited. At 31 December 2015 and 2014 the Company does not have any loans or embedded derivatives on its books.

The total debt refinanced amounted to US Dollars 5,500 million (Euros 4,075 million) and represented Grifols' entire debt, including the US Dollars 1,500 million bridge loan obtained for the acquisition of Novartis' transfusional diagnostic unit. Following the refinancing process, Grifols' debt structure consisted of a US Dollars 4,500 million non-current loan with institutional investors and banks segmented in two tranches (Term Loan A and Term Loan B), and a US Dollars 1,000 million bond issuance (Senior Unsecured Notes).

Non-current and current loans and borrowings are presented net of loan arrangement costs, which at 31 December 2015 amount to Euros 22.5 thousand for current debt (Euros 25 thousand at 31 December 2014).

The Company has extended guarantees to banks on behalf of Group companies for Euros 11,504 thousand at 31 December 2015 (Euros 17,649 thousand at 31 December 2014).

On 5 March 2014, Grifols Worldwide Operations Limited, a 100% subsidiary of Grifols, S.A., issued US Dollars 1,000 million of senior unsecured notes that will mature in 2022 and will bear annual interest at a rate of 5.25%. These notes replaced the senior unsecured notes issued in 2011 amounting to US Dollars 1,100 million, falling due in 2018 and at interest rate of 8.25%. On 29 May 2014 the notes were admitted to listing on the Irish Stock Exchange.

Both the senior term loans and the revolving loans of the Grifols Group are secured by the Company and certain significant Group companies which, in conjunction with Grifols, S.A. represent, in the aggregate, at least 80% of the consolidated assets and consolidated EBITDA of the Group.

The notes have been issued by Grifols Worldwide Operations Limited and are guaranteed on a senior unsecured basis by Grifols, S.A. and the subsidiaries of Grifols, S.A. that are guarantors and co-borrower under the New Credit Facilities. The guarantors are Grifols, S.A., Biomat USA, Inc., Grifols Biologicals Inc., Grifols Shared Services North America, Inc., Grifols Diagnostic Solutions Inc., Grifols Therapeutics, Inc., Instituto Grifols, S.A. and Grifols Worldwide Operations USA, Inc.

(d) Trade and other payables

Details of trade and other payables are as follows:

	Euros	
	2015	**2014**
	Current	**Current**
Group		
Suppliers (note 26)	9,573,066	8,928,909
Related parties		
Suppliers (note 26)	9,121,638	8,767,718
Unrelated parties		
Suppliers	28,454,008	24,983,426
Personnel	9,875,621	10,156,817
Taxation authorities, income tax (note 24)	-	30,004,299
Public entities, other (note 24)	20,139,008	15,782,605
Total	**77,163,341**	**98,623,774**

(e) Classification by maturity.

The classification of financial liabilities by maturity is included in Appendix VII.

(f) Amounts denominated in foreign currencies

The Euro value of monetary financial liabilities denominated in foreign currencies is as follows:

	Euros					
	2015					
	US Dollar	Argentine Peso	Swiss Franc	Other currencies		Total
Trade and other payables						
Suppliers	2,220,396	-	-	-	-	2,220,396
Suppliers, Group companies	238,814	58,073	43,077	7,053	-	347,017
Total current liabilities	2,459,210	58,073	43,077	7,053	-	2,567,413
Total financial liabilities	**2,459,210**	**58,073**	**43,077**	**7,053**	**-**	**2,567,413**

	Euros					
	2014					
	US Dollar	Indian Rupee	Swiss Franc	Canadian Dollar	Argentine Peso	Total
Current payables						
Other financial liabilities	122,778	-	-	-	-	122,778
Group companies – current	792,685	-	-	-	-	792,685
Trade and other payables						
Suppliers	1,155,466	-	5,825	11,481	-	1,172,772
Suppliers, Group companies	21,975	1,303	9,795	-	27,678	60,751
Total current liabilities	2,092,904	1,303	15,620	11,481	27,678	2,148,986
Total financial liabilities	**2,092,904**	**1,303**	**15,620**	**11,481**	**27,678**	**2,148,986**

Details of exchange differences recognised in profit or loss on financial instruments, distinguishing between settled and outstanding transactions, are as follows:

	Euros			
	2015		2014	
	Settled	Outstanding	Settled	Outstanding
Current payables				
Loans and borrowings	(25,252,524)	5,292,924	(13,827,936)	(3,958,494)
Suppliers	(276,210)	78,371	(414,401)	(71,269)
Group companies				
Suppliers, Group companies	3,135	22,705	3,280,011	(2,421)
Total current liabilities	(25,525,599)	5,394,000	(10,962,326)	(4,032,184)
Total financial liabilities	**(25,525,599)**	**5,394,000**	**(10,962,326)**	**(4,032,184)**

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

(23) Late Payments to Suppliers. "Reporting Requirement". Second Additional Provision of Law 31/2014 of 4 December 2014

In accordance with the second final provision of Law 31/2014 that amends Law 15/2010 of 5 July 2010, for fiscal year 2015 information concerning average payments to suppliers is included. However, comparative information for fiscal year 2014 includes the information required in the previous wording of Law 15/2010, which is the reason why the information for 2015 is not comparable with the previous year.
The average payment period to suppliers for fiscal year 2015 is 59 days (50 days for fiscal year 2014). The total average is obtained by dividing the resulting amount of weighting the number of days between the payment date and the issuance date of each invoice with the total amount of each of the invoices, among total amount of invoices.

Details of late payments to suppliers in 2014 are as follows:

	Payments made and outstanding at the reporting date	
	Euros	
	Amount	%
Within maximum legal period	(86,039,331)	70%
Other	(37,180,743)	30%
Total payments for the year	(123,220,074)	100%
Weighted average late payment days	32	-%
Late payments exceeding the maximum legal period at the reporting date	3,992,555	37%

During 2015 the Company has made payments of Euros 116,647 thousand. Outstanding payments at 31 December 2015 total Euros 11,918 thousand. In 2015 the ratio of paid operations stands at 59 days and the ratio of operations payable stands at 61 days.

(24) Taxation

Details of balances with public entities are as follows:

	Euros			
	2015		2014	
	Non-current	Current	Non-current	Current
Assets				
Deferred tax assets	8,063,912	-	11,427,335	-
Current tax assets	-	18,032,195	-	47,190,583
Value added tax and similar taxes	-	9,574,339	-	5,351,265
	8,063,912	27,606,534	11,427,335	52,541,848
Liabilities				
Deferred tax liabilities	3,759,018	-	3,334,193	-
Current tax liabilities	-	-	-	30,004,299
Social Security	-	646,478	-	567,500
Withholdings	-	19,492,530	-	15,215,105
	3,759,018	**20,139,008**	**3,334,193**	**45,786,904**

(Continued)

At 31 December 2015 the Company has recognised deferred tax assets of Euros 2,228,921 in respect of tax credits for loss carryforwards (Euros 6,455,058 at 31 December 2014).

At 31 December 2014, current tax liabilities included the deferred payment on account of Euros 30 million, which was settled in 2015.

Details by company of intercompany receivables and payables resulting from the tax effect of filing consolidated tax returns are as follows:

	Euros	
	2015	**2014**
	Current	**Current**
Receivables (note 15)		
Laboratorios Grifols, S.A	-	240,036
Instituto Grifols, S.A.	18,903,684	18,522,421
Grifols Worldwide Operations Spain S.A.	815,086	864,378
Biomat,S.A.	94,469	207,023
Grifols International,S.A.	4,518,013	83,570
Grifols Movaco,S.A.	1,722,320	429,586
Grifols Viajes,S.A.	192,791	189,963
Grifols Engineering,S.A.	780,369	884,565
Arrahona Optimus, S.L.	-	265,325
Diagnostic Grifols S.A.	2,494,293	1,222,379
Gri-Cel S.A.	-	266,572
	29,521,025	23,175,818
Payables (note 22)		
Biomat, S.A.	96,260	181,429
Grifols Viajes, S.A	424,905	119,580
Instituto Grifols, S.A.	5,479,516	14,258,115
Diagnostic Grifols,S.A.	4,610,126	3,143,241
Laboratorios Grifols,S.A.	4,231,218	2,809,357
Grifols Movaco, S.A	366,539	834,970
Grifols Engineering,S.A.	-	776,582
Grifols Worldwide Operations Spain S.A.	718,240	112,894
Grifols International,S.A.	490,283	4,549,619
Arrahona Optimus, S.L	-	46,305
Gri-cel, S.A	530,668	16,992
	16,947,755	**26,849,084**

Balances receivable and payable at 31 December 2015 and 2014 comprise accrued income tax and value added tax.

(Continued)

The Company has the following main applicable taxes open to inspection by the Spanish taxation authorities:

Tax	Years open to inspection
Income tax	2010--2015
Value added tax	2010--2015
Personal income tax	2010--2015
Capital gains tax	2012--2015
Tax on Economic Activities	2012--2015
Social Security	2012--2015
Non-residents	2010--2015
Customs duties	2012--2015

Tax inspections on income tax, withholdings and VAT for 2010, 2011 and 2012 were opened in Instituto Grifols, S.A and Grifols Movaco, S.A in July 2014.

In October 2015, an inspection of income tax for 2010, 2011 and 2012 was initiated at Biomat, S.A. as part of the income tax inspection of the aforementioned companies.

Due to different possible interpretations of prevailing tax legislation, additional tax liabilities could arise in the event of inspection. In any case, the Company's directors do not consider that any such liabilities that could arise would have a significant effect on the annual accounts.

(a) Income tax

The Company files consolidated tax returns with Instituto Grifols, S.A., Laboratorios Grifols, S.A., Diagnostic Grifols, S.A., Grifols Movaco, S.A., Biomat, S.A., Grifols Worldwide Operations Spain S.A., Grifols International, S.A., Grifols Engineering, S.A., Grifols Viajes, S.A. and Gri-Cel, S.A.

A reconciliation of net income and expenses for the year with the taxable income is provided in Appendix IX.

The relationship between the tax income and accounting profit for the year is shown in Appendix X.

Details of the tax income recognised in the income statement are as follows:

	Euros	
	2015	**2014**
Current tax		
Present year	(29,618,420)	(27,719,904)
	(29,618,420)	(27,719,904)
Deferred tax		
Source and reversal of temporary differences		
Property, plant and equipment	(288,207)	(814,009)
Investments	(472,216)	-
Cost of reducing deferred tax assets recognised in prior years	(100,758)	-
Provisions	-	500,000
Tax rate adjustment	331,275	46,304
Deductions generated	(2,393,074)	(1,748,561)
Deductions applied	1,767,431	4,876
Adjustment of deductions in prior years	(24,897)	(136,778)
Adjustment of deferred tax assets and liabilities	2,808,987	(37,129)
	(27,989,879)	**(29,905,201)**

(Continued)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Euros					
	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
Property, plant and equipment	351,124	755,590	(2,571,999)	(2,873,454)	(2,220,875)	(2,117,864)
Grants	-	-	(54,021)	(26,514)	(54,021)	(26,514)
Restricted share unit retention plan	563,767	-	(1,132,997)	-	(569,230)	-
Investments in Group companies	-	-	-	(434,225)	-	(434,225)
Tax credits for tax loss carryforwards	2,288,921	6,455,058	-	-	2,288,921	6,455,058
Rights to tax deductions and credits	4,860,102	4,216,687	-	-	4,860,102	4,216,687
Total assets/liabilities	8,063,914	11,427,335	(3,759,017)	(3,334,193)	4,304,897	8,093,142

In accordance with prevailing tax legislation in Spain, share-based payments to employees are income tax deductible for the intrinsic amount of the share options when they are exercised, thus giving rise to a deductible temporary difference for the difference between the amount the taxation authorities will admit as a future deduction and the zero carrying amount of the share-based payments. At the close of the reporting period, the Company estimates the future tax deduction based on the price of the shares at that time. The amount of the tax deduction is recognised as current or deferred income tax with a balancing entry in the income statement, and any excess is taken to equity. At 31 December 2015 the Company recognised net deferred tax of Euros (569,230).

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

	Euros	
	2015	2014
Deferred tax assets relating to temporary differences	797,969	671,125
Total assets	797,969	671,125
Deferred tax liabilities	2,306,826	3,104,073
Net	**(1,508,857)**	**(2,432,948)**

(b) Value added tax

Since 1 January 2008 the Company has filed consolidated tax returns with Instituto Grifols, S.A., Laboratorios Grifols, S.A., Diagnostic Grifols, S.A., Grifols Movaco, S.A., Biomat, S.A., Grifols Worldwide Operations Spain S.A., Grifols International, S.A., Grifols Engineering, S.A., Grifols Viajes, S.A. and Gri-Cel, S.A. (the latter since 1 January 2009).

(Continued)

(25) Environmental Information

Details at 31 December of property, plant and equipment used to minimise the Company's impact on the environment are as follows:

	Euros		
	2015		
Description	Cost	Accumulated depreciation	Net
Sewage treatment	141,724	(50,664)	91,060
Water saving	243,427	(243,125)	302
Electricity saving	1,366,973	(517,922)	849,051
Waste management	311,022	(194,540)	116,482
	2,063,146	**(1,006,251)**	**1,056,895**
	2014		
Sewage treatment	126,162	(37,356)	88,806
Water saving	311,021	(167,660)	143,361
Electricity saving	1,237,578	(276,182)	961,396
Waste management	243,427	(230,040)	13,387
	1,918,188	**(711,238)**	**1,206,950**

Environmental expenses amount to Euros 85,145 in 2015 (Euros 99,953 in 2014).

(26) Related Party Balances and Transactions

(a) Related party balances

Details of balances receivable from and payable to Group companies and related parties and the main characteristics are disclosed in notes 15 and 22.

Details of balances by category are provided in Appendix XI.

(b) Related party transactions

Details of the Company's transactions with related parties are provided in Appendix XII.

Services are normally negotiated with Group companies to include a mark-up of between 5% and 10%.

The Company contributes 0.7% of pre-tax consolidated profits for each year to a non-profit organisation.

Transactions with other related parties are conducted at arm's length.

(c) Information on the Company's directors and senior management personnel

In 2015 the independent members of the Company's board of directors accrued Euros 863 thousand in their capacity as such (Euros 650 thousand in 2014). Directors representing shareholders' interests received remuneration of Euros 50 thousand in 2015 (Euros 100 thousand in 2014). The members of the Company's board of directors who have a labour relationship with the Company and senior management personnel received total remuneration of Euros 2,530 thousand and Euros 5,023 thousand, respectively (Euros 3,881 thousand and Euros 5,586 thousand in 2014). Members of the board of directors have not received any loans or advances nor has the Company extended any guarantees on their behalf. The Company has no pension or life insurance obligations with its former or current directors or senior management personnel. In addition, termination benefit commitments are in place for certain Company directors and senior management personnel (see note 19).

(d) Conflicts of interest concerning the directors

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(27) Income and Expenses

(a) Revenues

Details of revenues by category of activity and geographical market are shown in Appendix XIII.

(b) Supplies

Details of other supplies used are as follows:

	Euros	
	2015	**2014**
Other supplies used		
Purchases of spare parts	2,595,060	3,516,271
Impairment of merchandise	247,486	6,504
Change in inventories	(989,136)	(2,505,104)
	1,853,410	**1,017,671**

In 2014 the Company executed projects on behalf of other companies, with a cost of Euros 857 thousand.

(c) Employee benefits expense and provisions

Details of employee benefits expense are as follows:

	Euros	
	2015	**2014**
Employee benefits expense		
Social Security payable by the Company	6,337,270	5,320,496
Defined contribution plan contributions	98,585	88,364
Other employee benefits expenses	1,654,917	1,236,416
Annual contributions	13,210	13,512
	8,103,982	**6,658,788**

(Continued)

(28) Employee Information

The average headcount of the Company, distributed by department, is as follows:

	Number	
	2015	2014
Technical area	64	60
Administration and other	383	323
General management	41	31
Marketing	6	7
	494	**421**

At 31 December 2015 and 2014 the distribution by gender of Company personnel and the members of the board of directors is as follows:

	Number			
	2015		2014	
	Female	Male	Female	Male
Technical area	63	7	58	7
Administration and other	151	253	128	223
General management	27	23	19	15
Marketing	-	2	4	3
Directors	4	8	3	10
	245	**293**	**212**	**258**

(29) Audit Fees

KPMG Auditores, S.L., the auditors of the Company's annual accounts, have invoiced the Company the following fees and expenses for professional services during the years ended 31 December 2015 and 2014:

	Euros	
	2015	2014
Annual audit services	1,811,700	1,554,200
Other assurance services	95,000	285,025
	1,906,700	1,839,225

The amounts in the above table include the total fees for services rendered in 2015 and 2014, irrespective of the date of invoice. "Audit services" in 2014 include the audit under PCAOB of the consolidated financial statements prepared in accordance with IFRS-IASB and limited review services for the interim consolidated financial statements prepared in accordance with IFRS-IASB. They also include audit services subject to Spanish Audit Law, amounting to Euros 265,200 thousand in 2015 (Euros 310,200 in 2014).

(30) Events after the Reporting Period

On 4 January 2016 it is planned that the Company's new shares will begin trading as a result of the share split executed on 3 December 2015 by the Company's board of directors (relevant event no. 231793), who were delegated this duty by the shareholders at their general meeting on 29 May 2015. As a result of this share split, the nominal value of the new Class A shares is Euros 0.25 per share (formerly Euros 0.50 per share) and the nominal value of the Class B shares is Euros 0.05 per share (formerly Euros 0.10 per share).

(Continued)

GRIFOLS, S.A.

Details of intangible assets and movement

for the year ended 31 December 2015

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Computer software	Emission allowances	Advances	**Total**
Cost at 1 January 2015	28.514.552	122.856	2.619.946	31.257.354
Additions	7.990.531	-	-	7.990.531
Disposals	(87.918)	-	(2.619.946)	(2.707.864)
Irreversible impairment losses	-	16.799	-	16.799
Cost at 31 December 2015	36.417.165	139.655	0	36.556.820
Accumulated amortisation at 1 January 2015	(22.351.436)	-	-	(22.351.436)
Additions	(3.120.008)	-	-	(3.120.008)
Disposals	0	-	-	0
Accumulated amortisation at 31 December 2015	(25.471.444)	0	0	(25.471.444)
Carrying amount at 31 December 2015	**10.945.721**	**139.655**	**0**	**11.085.376**

This appendix forms an integral part of note 6 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of intangible assets and movement

for the year ended 31 December 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Computer software	Emission allowances	Advances	**Total**
Cost at 1 January 2014	25.876.997	82.130	-	25.959.127
Additions	2.734.572	-	2.619.946	5.354.518
Disposals	(97.017)	-	-	(97.017)
Irreversible impairment losses	-	40.726	-	40.726
Cost at 31 December 2014	28.514.552	122.856	2.619.946	31.257.354
Accumulated amortisation at 1 January 2014	(20.738.878)	-	-	(20.738.878)
Additions	(1.709.574)	-	-	(1.709.574)
Disposals	97.016	-	-	97.016
Accumulated amortisation at 31 December 2014	(22.351.436)	0	0	(22.351.436)
Carrying amount at 31 December 2014	**6.163.116**	**122.856**	**2.619.946**	**8.905.918**

This appendix forms an integral part of note 6 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of Property, Plant and Equipment and Movement

for the year ended 31 December 2015

(Expressed in euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros				
	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other items	**Total**
Cost at 1 January 2015	7.895.833	11.749.375	1.112.386	10.726.403	31.483.997
Additions	171	176.130	5.102.779	1.825.631	7.104.711
Disposals	--	(2.784)	--	--	(2.784)
Transfers	40.380	334.756	(348.425)	10.773	37.484
Arrahona Optimus S.L merger (note 5)	--	2.876.435	--	800.375	3.676.810
Irreversible impairment losses	--	--	--	--	0
Cost at 31 December 2015	7.936.384	15.133.912	5.866.739	13.363.182	42.300.217
Accumulated depreciation at 1 January 2015	(5.019.424)	(7.360.293)	--	(6.463.463)	(18.843.180)
Additions	(689.019)	(1.130.352)	--	(1.910.526)	(3.729.897)
Disposals	--	1.388	--	--	1.388
Transfers	--	--	--	--	--
Arrahona Optimus S.L merger (note 5)	--	(727.696)	--	(318.305)	(1.046.001)
Accumulated depreciation at 31 December 2015	(5.708.443)	(9.216.954)	--	(8.692.294)	(23.617.690)
Carrying amount at 31 December 2015	**2.227.942**	**5.916.958**	**5.866.739**	**4.670.888**	**18.682.527**

This appendix forms an integral part of note 7 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of Property, Plant and Equipment and Movement

for the year ended 31 December 2014

(Expressed in euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Technical installations and machinery	Other installations, equipment and furniture	Under construction and advances	Other items	**Total**
Cost at 1 January 2014	7.231.022	10.992.326	5.027.906	8.048.205	31.299.459
Additions	41.263	329.239	471.618	2.524.299	3.366.419
Disposals	(2.898)	(171.727)	--	(63.801)	(238.426)
Transfers	626.446	599.537	(4.387.138)	217.700	(2.943.455)
Cost at 31 December 2014	7.895.833	11.749.375	1.112.386	10.726.403	31.483.997
Accumulated depreciation at 1 January 2014	(4.309.511)	(6.715.976)	--	(5.253.235)	(16.278.722)
Additions	(710.903)	(813.816)	--	(1.274.030)	(2.798.749)
Disposals	990	169.499	--	63.802	234.291
Accumulated depreciation at 31 December 2014	(5.019.424)	(7.360.293)	--	(6.463.463)	(18.843.180)
Carrying amount at 31 December 2014	**2.876.409**	**4.389.082**	**1.112.386**	**4.262.940**	**12.640.817**

This appendix forms an integral part of note 7 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of Investment Property and Movement for the year ended 31 December 2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros			
	Land	Buildings and other installations	Investments in adaptation and advances	**Total**
Cost at 1 January 2015	12,509,791	52,767,268	3,725,871	69,002,930
Additions	350,000	309,654	7,234,888	7,894,542
Disposals	(7,563,311)	(4,787,156)	--	(12,350,467)
Transfers	--	2,821,855	(2,859,338)	(37,484)
Arrahona Optimus S.L merger (note 5)	--	9,826,843	--	9,826,843
Cost at 31 December 2015	5,296,480	60,938,463	8,101,421	74,336,364
Accumulated depreciation at 1 January 2015	--	(23,668,184)	--	(23,668,184)
Additions	--	(3,006,804)	--	(3,006,804)
Disposals	--	84,782	--	84,782
Transfers	--	--	--	--
Arrahona Optimus S.L merger (note 5)	--	(2,551,322)	--	(2,551,322)
Accumulated depreciation at 31 December 2015	--	(29,141,528)	--	(29,141,528)
Carrying amount at 31 December 2015	**5,296,480**	**31,796,935**	**8,101,421**	**45,194,836**

This appendix forms an integral part of note 8 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of Investment Property and Movement for the year ended 31 December 2014

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros			
	Land	Buildings and other installations	Investments in adaptation and advances	**Total**
Cost at 1 January 2014	4,946,480	44,702,228	3,410,074	53,058,782
Additions	7,563,311	4,955,152	1,800,271	14,318,734
Disposals	--	(1,318,040)	--	(1,318,040)
Transfers	--	4,427,928	(1,484,474)	2,943,454
Cost at 31 December 2014	12,509,791	52,767,268	3,725,871	69,002,930
Accumulated depreciation at 1 January 2014	--	(22,565,060)	--	(22,565,060)
Additions	--	(2,056,779)	--	(2,056,779)
Disposals	--	953,655	--	953,655
Accumulated depreciation at 31 December 2014	--	(23,668,184)	--	(23,668,184)
Carrying amount at 31 December 2014	**12,509,791**	**29,099,084**	**3,725,871**	**45,334,746**

This appendix forms an integral part of note 8 to the annual accounts, in conjunction with which it should be read

APPENDIX IV

GRIFOLS, S.A.

Classification of Financial Assets by Category

for the year ended 31 December 2015

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Non-current			Current		
	At amortised cost or cost			At amortised cost or cost		
	Carrying amount	Fair value	**Total**	Carrying amount	Fair value	**Total**
Loans and receivables						
Fixed rate	461.364.762	461.364.762	461.364.762	15.156.772	15.156.772	15.156.772
Variable rate	--	--	0	--	--	0
Tax effect	--	--	0	29.521.025	29.521.025	29.521.025
Deposits and guarantees	1.595.148	1.595.148	1.595.148	87.648	87.648	87.648
Other Trade receivables	--	--	0	204.944	204.944	204.944
Trade receivables	--	--	0	46.014.615	46.014.615	46.014.615
Other receivables	--	--	0	12.197	12.197	12.197
Total	462.959.910	462.959.910	462.959.910	90.997.201	90.997.201	90.997.201
Total financial assets	**462.959.910**	**462.959.910**	**462.959.910**	**90.997.201**	**90.997.201**	**90.997.201**

This appendix forms an integral part of note 14 to the annual accounts, in conjunction with which it should be read.

APPENDIX IV

GRIFOLS, S.A.

Classification of Financial Assets by Category

for the year ended 31 December 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Non-current			Current		
	At amortised cost or cost			At amortised cost or cost		
	Carrying amount	Fair value	**Total**	Carrying amount	Fair value	**Total**
Loans and receivables						
Fixed rate	--	--	--	198.934.765	198.934.765	198.934.765
Variable rate	16.410.455	16.410.455	16.410.455	--	--	--
Tax effect	--	--	--	23.175.818	23.175.818	23.175.818
Deposits and guarantees	839.307	839.307	839.307	8.802	8.802	8.802
Other Trade receivables	--	--	--	68.284	68.284	68.284
Trade receivables	--	--	--	32.882.693	32.882.693	32.882.693
Other receivables	3.294.621	3.294.621	3.294.621	11.410	11.410	11.410
Total	20.544.383	20.544.383	20.544.383	255.081.772	255.081.772	255.081.772
Total financial assets	**20.544.383**	**20.544.383**	**20.544.383**	**255.081.772**	**255.081.772**	**255.081.772**

This appendix forms an integral part of note 14 to the annual accounts, in conjunction with which it should be read.

APPENDIX V
GRIFOLS, S.A.

Details of Reserves and Results and movement for the year ended 31 December 2015 (Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros				
	Legal and statutory reserves	Differences on translation of capital to Euros	Voluntary reserves	Profit for the year	**Total**
Balance at 1 January 2015	23,920,741	3,020	180,122,849	205,197,369	409,243,979
Recognised income and expense	--	--	--	241,755,884	241,755,884
Movement of treasury stock	--	--	2,017,637	--	--
Other movements	--	--	198,185	--	--
Distribution of profit for 2014					
Reserves	--	--	17,096,208	(17,096,208)	--
Preferred dividend	--	--	--	(1,307,126)	(1,307,126)
Interim dividend	--	--	--	(85,944,364)	(85,944,364)
Dividend	--	--	--	(100,849,671)	(100,849,671)
Balance at 31 December 2015	**23,920,741**	**3,020**	**199,434,879**	**241,755,884**	**462,898,702**

This appendix forms an integral part of note 19 to the annual accounts, in conjunction with which it should be read.

APPENDIX V
GRIFOLS, S.A.

Details of Reserves and Results and movement for the year ended 31 December 2014 (Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros				
	Legal and statutory reserves	Differences on translation of capital to Euros	Voluntary reserves	Profit for the year	**Total**
Balance at 1 January 2014	23,576,478	3,020	150,934,337	168,350,884	342,864,719
Recognised income and expense	--	--	--	205,197,369	205,197,369
Distribution of profit for 2013					
Appropriation to legal reserves	344,263	--	--	(344,263)	--
Reserves	--	--	29,188,512	(29,188,512)	--
Preferred dividend	--	--	--	(1,307,126)	(1,307,126)
Interim dividend	--	--	--	(68,755,491)	(68,755,491)
Dividend	--	--	--	(68,755,492)	(68,755,492)
Balance at 31 December 2014	**23,920,741**	**3,020**	**180,122,849**	**205,197,369**	**409,243,979**

This appendix forms an integral part of note 19 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Details of Financial Liabilities by Category
for the year ended 31 December 2015
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Non-current				Current		
	At amortised cost or cost				At amortised cost or cost		
	Carrying amount	Fair value	At fair value	**Total**	Carrying amount	Fair value	**Total**
Debts and payables							
Loans, Group companies	887,717,317	887,717,317	--	887,717,317	--	--	--
Variable rate loans and borrowings	16,379,638	16,379,638	--	16,379,638	4,713,502	4,713,502	4,713,502
Finance lease payables	1,897,590	1,897,590	--	1,897,590	825,319	825,319	825,319
Other financial liabilities	6,115,726	6,115,726	--	6,115,726	26,029,638	26,029,638	26,029,638
Trade and other payables							
Suppliers	--	--	--	--	37,575,646	37,575,646	37,575,646
Suppliers, Group companies	--	--	--	--	9,573,066	9,573,066	9,573,066
Other payables	--	--	--	--	9,875,621	9,875,621	9,875,621
Total	912,110,271	912,110,271	--	912,110,271	88,592,792	88,592,792	88,592,792
Total financial liabilities	**912,110,271**	**912,110,271**	**--**	**912,110,271**	**88,592,792**	**88,592,792**	**88,592,792**

This appendix forms an integral part of note 21 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Details of Financial Liabilities by Category
for the year ended 31 December 2014
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Non- Current				Current		
	At amortised cost or cost				At amortised cost or cost		
	Carrying amount	Fair value	At fair value	**Total**	Carrying amount	Fair value	**Total**
Debts and payables							
Loans, Group companies	409,536,410	409,536,410	--	409,536,410	230,380,846	230,380,846	230,380,846
Variable rate loans and borrowings	14,211,247	14,211,247	--	14,211,247	4,810,340	4,810,340	4,810,340
Finance lease payables	2,174,537	2,174,537	--	2,174,537	949,505	949,505	949,505
Other financial liabilities	30,263,666	30,263,666	--	30,263,666	1,001,853	1,001,853	1,001,853
Trade and other payables							
Suppliers	--	--	--	--	33,751,144	33,751,144	33,751,144
Suppliers, Group companies	--	--	--	--	8,928,909	8,928,909	8,928,909
Other payables	--	--	--	--	10,156,817	10,156,817	10,156,817
Total	456,185,860	456,185,860	--	456,185,860	289,979,414	289,979,414	289,979,414
Total financial liabilities	**456,185,860**	**456,185,860**	--	**456,185,860**	**289,979,414**	**289,979,414**	**289,979,414**

This appendix forms an integral part of note 21 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Classification of Financial Liabilities by Maturity
for the year ended 31 December 2015
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros						
	2015						
	2016	2017	2018	2019	Subsequent years	Less current portion	**Total**
Payables							
Loans and borrowings	4,713,502	4,209,942	3,891,475	2,646,962	5,631,260	(4,713,502)	16,379,638
Finance lease payables	825,319	787,756	633,630	308,015	168,189	(825,319)	1,897,590
Derivative financial instruments	--	--	--	--	--	--	--
Other financial liabilities	26,029,638	747,323	5,293,653	74,751		(26,029,638)	6,115,726
Trade and other payables							
Suppliers	28,454,008	--	--	--	--	(28,454,008)	--
Suppliers, Group companies	9,573,066	--	--	--	--	(9,573,066)	--
Suppliers, related parties	9,121,638	--	--	--	--	(9,121,638)	--
Personnel	9,875,621	--	--	--	--	(9,875,621)	--
Total financial liabilities	**88,592,792**	**5,745,021**	**9,818,758**	**3,029,728**	**5,799,449**	**(88,592,792)**	**24,392,954**

This appendix forms an integral part of note 22 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Classification of Financial Liabilities by Maturity
for the year ended 31 December 2014
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros						
	2014						
	2015	2016	2017	2018	Subsequent years	Less current portion	**Total**
Payables							
Loans and borrowings	4,810,340	3,126,619	2,618,543	2,268,827	6,197,258	(4,810,340)	14,211,247
Finance lease payables	949,505	736,575	651,354	501,881	284,727	(949,505)	2,174,537
Derivative financial instruments	--	--	--	--	--	--	--
Other financial liabilities	1,001,853	29,344,155	591,973	252,767	74,770	(1,001,853)	30,263,666
Trade and other payables							
Suppliers	24,983,426	--	--	--	--	(24,983,426)	--
Suppliers, Group companies	8,928,909	--	--	--	--	(8,928,909)	--
Suppliers, related parties	8,767,718	--	--	--	--	(8,767,718)	--
Personnel	10,156,817	--	--	--	--	(10,156,817)	--
Total financial liabilities	**59,598,568**	**33,207,349**	**3,861,870**	**3,023,475**	**6,556,755**	**(59,598,568)**	**46,649,449**

This appendix forms an integral part of note 22 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Main characteristics of payables for the year ended 31 December 2015
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

					Euros			
Loan	Currency	Interest rate	Grant date	Maturity	Amount extended	Carrying amount Total value	Current	Non-current
Group								
Cash pooling (note 22)	EUR	5,1904% (Group Senior debt interest rate + 0,75%)		2024	--	887,717,318	--	887,717,318
Associates								
Cash pooling (note 22)	EUR	5,1904% (Group Senior debt interest rate + 0,75%)		2016		443,182	443,182	--
Unrelated parties								
Banca March	EUR	Euribor + 4%	10/07/2013	01/08/2018	6,500,000	4,584,945	1,608,730	2,976,216
Bankinter	EUR	2,25% (to 2018)	21/11/2014	30/09/2024	10,000,000	9,025,000	920,810	8,104,190
Banco Popular	EUR	Euribor + 2,3%	03/03/2015	04/03/2020	8,000,000	6,858,512	1,559,280	5,299,232
Credit Facilities	EUR	2,14% - 2,63%		2016	49,050,000	577,501	577,501	--
					73,550,000	21,045,958	4,666,321	16,379,638
					73,550,000	909,206,458	5,109,503	904,096,956

This appendix forms an integral part of note 22 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Main characteristics of payables for the year ended 31 December 2014
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Loan	Currency	Interest rate	Grant date	Maturity	Euros			
					Amount extended	Carrying amount		
						Total value	Current	Non-current
Group								
Credit Grifols World Wide Operations Ltd. (Note 22)	EUR	5,25% (Group Senior debt interest rate + 0,75%)	27/02/2014	27/02/2024	1,000,000,000	378,136,055	0	378,136,055
Cash pooling (Note 22)	EUR	5,25% (Group Senior debt interest rate + 0,75%)		2015		199,622,090	199,622,090	
Cash pooling (Note 22)	EUR	5,25% (Group Senior debt interest rate + 0,75%)		2016	--	29,610,743		29,610,743
					1,000,000,000	607,368,888	199,622,090	407,746,798
Associates								
Cash pooling (Note 22)	EUR	5,25% (Group Senior debt interest rate + 0,75%)		2015	--	3,059,403	3,059,403	--
Unrelated parties								
Banco Santander	EUR	ICO+1,89	01/06/2009	25/06/2016	6,000,000	1,800,000	1,200,000	600,000
Banca March	EUR	Euribor + 4%	10/07/2013	01/08/2018	6,500,000	6,125,798	1,539,551	4,586,247
Bankinter	EUR	2,25% (to 2018)	21/11/2014	30/09/2024	10,000,000	9,925,613	900,613	9,025,000
Credit facilities	EUR	2,25% -4,21%		2015 -2016	43,000,000	1,170,175	1,170,175	--
					65,500,000	19,021,586	4,810,340	14,211,247
					1,065,500,000	629,449,877	207,491,833	421,958,045

This appendix forms an integral part of note 22 to the annual accounts, in conjunction with which it should be read

APPENDIX IX
GRIFOLS, S.A.

Reconciliation between net income and expense for the year and the tax loss for the year ended 31 December 2015
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Income statement			Income and expense recognised in equity			
	Increases	Decreases	Net	Increases	Decreases	Net	**Total**
Income and expenses for the period			241,755,884	14,289	(101,164)	(86,875)	241,669,009
Income tax			(27,964,982)	(4,001)	31,507	27,506	(27,937,476)
Income tax, prior years			(24,897)				(24,897)
Profit before income tax			213,766,005	10,288	(69,657)	(59,369)	213,706,636
Permanent differences							
Individual company	6,883,660	313,161,032	(306,277,372)	--	--	--	(306,277,372)
Tax consolidation adjustments	--	--	--	--	--	--	--
Temporary differences							
Individual company							
Deferred tax assets not recognised	--	--	--				
originating in current year	1,585,805	--	1,585,805	(10,288)	69,657	59,369	1,645,174
originating in prior years	1,489,942	--	1,489,942	--	--	--	1,489,942
Tax loss			(89,435,721)			--	**(89,435,721)**

This appendix forms an integral part of note 24 to the annual accounts, in conjunction with which it should be read

APPENDIX IX
GRIFOLS, S.A.

Reconciliation between net income and expense for the year and the tax loss for the year ended 31 December 2014
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Income statement			Income and expense recognised in equity			
	Increases	Decreases	Net	Increases	Decreases	Net	**Total**
Income and expenses for the period			205,197,369	333,033	(1,289,879)	(956,846)	204,240,523
Income tax			(30,268,424)	(99,910)	381,661	281,751	(29,986,673)
Income tax, prior years			363,222				363,222
Profit before income tax			175,292,167	233,123	(908,218)	(675,095)	174,617,072
Permanent differences							
Individual company	5,005,913	232,996,017	(227,990,104)	--	--	--	(227,990,104)
Tax consolidation adjustments	--	42,244,507	(42,244,507)	--	--	--	(42,244,507)
Temporary differences							
Individual company							
Deferred tax assets not recognised	--	--	--				
originating in current year	1,455,313	--	1,455,313	(233,123)	908,218	675,095	2,130,408
originating in prior years	1,258,050	--	1,258,050	--	--	--	1,258,050
Tax loss			(92,229,080)			--	**(92,229,080)**

This appendix forms an integral part of note 24 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of income tax expenses/(tax income) related to profit/(loss)
for the year ended 31 December 2015
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros		
	Profit and loss	Equity	Total
Income and expenses for the period before tax	213,766,005	(3,458,358)	210,307,647
Tax at 28%	59,854,481	(1,160,504)	58,693,978
Dividends double taxation (exemption)	(87,665,557)	--	(87,665,557)
Non-deductible expenses			
Donations	1,895,690	--	1,895,690
Cost of reducing deferred tax assets recognised in prior years	--	--	--
Cost of reducing deferred tax assets not recognised in current year	--	--	--
Charge to the provision for investments	(19,533)	--	(19,533)
Penalties and fines	31,735	--	31,735
Tax deductible expenses			
Deductions and credits for the current year	(2,393,074)	--	(2,393,074)
Adjustment for prior years	(24,897)	--	(24,897)
Adjustment for tax rate	331,274	--	331,274
Taxable income/(tax loss)	**(27,989,879)**	**(1,160,504)**	**(29,150,383)**

This appendix forms an integral part of note 24 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Details of income tax expenses/(tax income) related to profit/(loss)
for the year ended 31 December 2014
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros		
	Profit and loss	Equity	Total
Income and expenses for the period before tax	175,292,167	(675,095)	174,617,072
Tax at 30%	52,587,650	(202,529)	52,385,122
Group companies dividends	(12,505,506)	--	(12,505,506)
Dividends double taxation (exemption)	(69,000,000)	--	(69,000,000)
Non-deductible expenses			
Donations	1,498,766	--	1,498,766
Cost of reducing deferred tax assets recognised in prior years	(898,805)	--	(898,805)
Cost of reducing deferred tax assets not recognised in current year	--	--	--
Charge to the provision for investments	(167,846)	--	(167,846)
Penalties and fines	3,008	--	3,008
Tax deductible expenses			
Deductions and credits for the current year	(1,748,561)	--	(1,748,561)
Adjustment for prior years	363,222	--	363,222
Adjustment for tax rate	(37,130)	--	(37,130)
Taxable income/(tax loss)	**(29,905,201)**	**(202,529)**	**(30,107,730)**

This appendix forms an integral part of note 24 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S,A,

Related Party Transactions

for the year ended 31 December 2015

(Expressed in Euros)

(Free translation from the original in Spanish, In the event of discrepancy, the Spanish-language version prevails,)

	Euros			
	Group companies	Directors	Other related parties	**Total**
Non-current investments in Group companies				
Equity instruments (note 13)	1.686.413.422	--	--	1.686.413.422
Loans to companies	461.364.762	--	--	461.364.762
Deposits and guarantees	614.313	--	831.968	1.446.281
Other investments	--	--	--	--
Total non-current assets	2.148.392.497	--	831.968	2.149.224.465
Trade and other receivables				
Trade receivables – current	45.577.423	--	--	45.577.423
Current investments in Group companies				
Loans to companies	44.677.797	--	--	44.677.797
Total current assets	90.255.220	--	--	90.255.220
Total assets	**2.238.647.717**	--	**831.968**	**2.239.479.685**
Non-current payables to Group companies	887.717.317	--	--	887.717.317
Total non-current liabilities	887.717.317	--	--	887.717.317
Current payables to Group companies	17.533.680	--	--	17.533.680
Trade and other payables (note 22)				
Suppliers	--	475.000	9.121.638	9.596.638
Suppliers, Group companies and associates	9.573.066	--	--	9.573.066
Total current liabilities	27.106.746	475.000	9.121.638	36.703.384
Total liabilities	**914.824.063**	**475.000**	**9.121.638**	**924.420.701**

This appendix forms an integral part of note 26 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S,A,

Related Party Transactions

for the year ended 31 December 2014

(Expressed in Euros)

(Free translation from the original in Spanish, In the event of discrepancy, the Spanish-language version prevails,)

	Euros			
	Group companies	Directors	Other related parties	**Total**
Non-current investments in Group companies				
Equity instruments (note 13)	1.641.831.810	--	--	1.641.831.810
Loans to companies	16.410.455	--	--	16.410.455
Deposits and guarantees	--	--	624.068	624.068
Other investments	--	--	3.294.622	3.294.622
Total non-current assets	1.658.242.265	--	3.918.689	1.662.160.954
Trade and other receivables				
Trade receivables – current	32.517.642	--	--	32.517.642
Current investments in Group companies				
Loans to companies	222.110.583	--	--	222.110.583
Total current assets	254.628.225	--	--	254.628.225
Total assets	**1.912.870.490**	--	**3.918.689**	**1.916.789.179**
Non-current payables to Group companies	409.536.410	--	--	409.536.410
Total non-current liabilities	409.536.410	--	--	409.536.410
Current payables to Group companies	230.380.846	--	--	230.380.846
Trade and other payables (note 22)				
Suppliers	0	600.000	8.167.718	8.767.718
Suppliers, Group companies and associates	8.928.909	--	--	8.928.909
Total current liabilities	239.309.755	600.000	8.167.718	248.077.473
Total liabilities	**648.846.165**	**600.000**	**8.167.718**	**657.613.883**

This appendix forms an integral part of note 26 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Related Party Transactions
for the year ended 31 December 2015
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros				
	Group companies	Key management personnel	Directors	Other related parties	**Total**
Income					
Operating lease income	15.055.151	--	--	--	15.055.151
Other services rendered	79.333.562	--	--	--	79.333.562
Royalties		--	--	--	0
Finance income	16.548.205	--	--	--	16.548.205
Dividends	313.091.723	--	--	--	313.091.723
Disposal of fixed assets	--	--	--	12.000.000	12.000.000
Total income	424.028.641	--	--	12.000.000	424.028.641
Expenses					
Operating lease expenses	3.405.479	--	--	3.986.638	7.392.117
Contributions to foundations	--	--	--	5.223.760	5.223.760
Expenses for licences	--	--	--	1.713.583	1.713.583
Other services received	10.763.860		912.500	844.916	12.521.276
Personnel expenses (note 26)	--	5.023.287	2.530.641	--	7.553.928
Finance costs	42.054.591	--	--	--	42.054.591
Total expenses	56.223.930	5.023.287	3.443.141	11.768.897	76.459.255
Investments					
Cost of assets acquired					
Buildings and other installations	4.555.226	--	--	--	4.555.226
Total investments	4.555.226	--	--	--	4.555.226

This appendix forms an integral part of note 26 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Related Party Transactions

for the year ended 31 December 2014

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros				
	Group companies	Key management personnel	Directors	Other related parties	**Total**
Income					
Operating lease income	13.284.373	--	--	--	13.284.373
Other services rendered	72.661.736	--	--	--	72.661.736
Royalties	--	--	--	--	0
Finance income	13.309.791	--	--	--	13.309.791
Dividends	271.685.018	--	--	--	271.685.018
Total income	370.940.918	--	--	--	370.940.918
Expenses					
Operating lease expenses	4.360.576	--	--	3.991.919	8.352.495
Contributions to foundations	--	--	--	4.261.748	4.261.748
Expenses for licences	--	--	--	3.470.547	3.470.547
Other services received	5.834.866	--	750.000	1.093.482	7.678.348
Personnel expenses (note 26)	--	5.585.932	3.881.024	--	9.466.956
Finance costs	27.445.636	--	--	--	27.445.636
Total Gastos	37.641.078	5.585.932	4.631.024	12.817.697	60.675.730
Investments					
Cost of assets acquired					
Buildings and other installations	550.070	--	--	--	550.070
Total investments	550.070	--	--	--	550.070

This appendix forms an integral part of note 26 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Details of Revenues by Category of Activity and Geographical Market for the years ended 31 December 2015 and 2014 (Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros									
	Domestic		Rest of European Union		United States		Rest of the world		**Total**	
	2015	2014	2015	2014	2015	2014	2015	2014	**2015**	**2014**
Revenue from the rendering of service	43,345,001	39,432,193	19,848,628	16,896,434	22,718,155	19,893,892	1,973,415	1,109,047	87,885,199	77,331,566
Lease income	15,055,151	13,284,373	--	--		--	--	--	15,055,151	13,284,373
Finance income	16,487,909	5,573,177	--	925,291	--	6,305,156	60,296	506,167	16,548,205	13,309,791
Dividends	--	41,685,018	313,091,273	230,000,000	--	--	--	--	313,091,273	271,685,018
	74,888,061	**99,974,761**	**332,939,901**	**247,821,725**	**22,718,155**	**26,199,048**	**2,033,711**	**1,615,214**	**432,579,828**	**375,610,748**

This appendix forms an integral part of note 27 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.
Statement of Liquidity for Distribution of Interim Dividend 2015
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Thousands of Euros
Forecast profits distributable for 2015:	
Projected profits net of taxes until 31/12/2015	250.687.000
Less, charge required to legal reserve	0
Estimated profits distributable for 2015	250.687.000
Interim dividend distributed	119.615.359
Forecast cash for the period 23 October 2015 to 23 October 2016:	
Cash balances at 23 October 2015	5.748.000
Projected amounts collected	418.467.000
Projected payments, including interim dividend	-368.821.000
Projected cash balances at 23 October 2016	55.394.000

This appendix forms an integral part of note 3 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.
Statement of Liquidity for Distribution of Interim Dividend 2014
(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros
Forecast profits distributable for 2014:	
Projected profits net of taxes until 31/12/2014	211.556.000
Less, charge required to legal reserve	0
Estimated profits distributable for 2014	211.556.000
Interim dividend distributed	85.944.364
Forecast cash for the period 20 October 2014 to 20 October 2015:	
Cash balances at 20 October 2014	67.048.000
Projected amounts collected	508.971.000
Projected payments, including interim dividend	383.137.000
Projected cash balances at 20 Octubre 2015	192.882.000

This appendix forms an integral part of note 3 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Details of Class A and B treasury stock for the year ended
31 December 2015
(Expressed in Euros)

(Free translation from the original in Spanish, In the event of discrepancy, the Spanish-language version prevails,)

	Number of Class A shares	Euros
Balance at 1 January 2015	1.967.265	69.134.763
Acquisitions of Class A shares	-	-
Disposals of Class A shares	(1.967.265)	(69.134.763)
Balance at 31 December 2015	**0**	**0**

	Number of Class B shares	Euros
Balance at 1 January 2015	5.653	117.680
Acquisitions of Class B shares	2.014.285	58.457.490
Disposals of Class B shares	(653)	-
Balance at 31 December 2015	**2.019.285**	**58.575.170**

This appendix forms an integral part of note 19 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.

Details of Class A and B treasury stock for the year ended
31 December 2014
(Expressed in Euros)

(Free translation from the original in Spanish, In the event of discrepancy, the Spanish-language version prevails,)

	Number of Class A shares	Euros
Balance at 1 January 2014	0	0
Acquisitions of Class A shares	1.967.265	69.134.763
Disposals of Class A shares	--	--
Balance at 31 December 2014	**1.967.265**	**69.134.763**

	Number of Class B shares	Euros
Balance at 1 January 2014	653	0
Acquisitions of Class B shares	5.000	117.680
Disposals of Class B shares	--	--
Balance at 31 December 2014	**5.653**	**117.680**

This appendix forms an integral part of note 19 to the annual accounts, in conjunction with which it should be read.

GRIFOLS, S.A.
Information on Group companies
31 December 2015
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered offices	Activity	% ownership Dir	Ind	Total	Share capital	Reserves	Other equity items	Interim dividend	Profit/(loss) for the year	Total equity	Carrying amount of investment	Dividends received in 2015
Alkahest, Inc.	United States	Research	--	47.580	47.580	0	17,780,880	485,662	0	(382,522)	17,884,021	--	--
TiGenix N.V.	Belgium	Research	--	19.280	19.280	16,048,000	13,077,000	4,992,000	0	(10,565,000)	23,552,000	--	--
Aradigm Corporation	United States	Research	35.000	--	35.000	0	33,328,477	3,646,566	0	(16,135,510)	20,839,533	20,635,872	--
Nanotherapix, S.L.	Spain	Research	--	51.000	51.000	6,139	2,551,879	0	0	(1,721,463)	836,555	--	--
VCN Biosciences, S.L.	Spain	Research	--	68.010	68.010	88,912	1,109,658	0	0	(1,625,537)	(426,967)	--	--
Kiro Robotics S.L	Spain	Research	50.000	--	50.000	4,000,000	8,183,761		0	(2,802,902)	9,380,859	17,153,050	
Progenika Inc	United States	Industrial	--	56.150	56.150	758	-2,204,489	-525,489	0	646,620	(2,082,600)	--	--
Progenika Latina ,S.A. de CV	México	Industrial	--	56.150	56.150	3,813,302	-4,107,408	67,017	0	(230,110)	(457,199)	--	--
Brainco Biopharma, S.L	Spain	Industrial	--	28.423	28.423	3,000	-705,749	0	0	(79,362)	(782,111)	--	--
Abyntek Biopharma, S.L	Spain	Industrial	--	45.129	45.129	3,002	-392,339	0	0	(39,217)	(428,554)	--	--
Proteomika, S.L.U (merged with Progenika Biopharma, S.A. in 2015)	Spain	Industrial	--	--	--	0	0	0	0	--	--	--	--
Progenika Biopharma, S.L	Spain	Industrial	56.150	--	56.150	615,374	7,563,460	0	0	2,637,418	10,816,252	65,353,850	--
Asociación I+D Progenika	Spain	Industrial	--	55.336	55.336	136,000	-11,732	0	0	21,147	145,415	--	--
Instituto Grifols, S.A.	Spain	Industrial	99.998	0.002	100.000	1,537,989	142,836,307	233,535		124,683,851	269,291,683	1,771,525	--
Diagnostic Grifols,s.A.	Spain	Industrial	99.998	0.002	100.000	336,560	21,978,700	28,005	0	6,032,953	28,376,218	364,566	--
Grifols Movaco,S.A.	Spain	Commercial	99.999	0.001	100.000	2,404,601	620,049	35,677	0	2,667,982	5,728,309	3,940,296	--
Grifols Worldwide Operations Spain, S.A (formerly Logister, S.A.)	Spain	Services	--	100.000	100.000	105,325	880,471	0	0	134,608	1,120,405	--	--
Laboratorios Grifols,S.A.	Spain	Industrial	99.999	0.001	100.000	21,798,360	-1,249,313	60,992	0	(8,567,665)	12,042,373	46,859,358	--
Gripdan, S.L	Spain	Services	100.000	--	100.000	3,006,000	27,406,421			1,346,036	31,758,457	46,677,094	
Biomat,S.A.	Spain	Industrial	99.900	0.100	100.000	60,110	1,186,667	36,149	0	453,738	1,736,664	96,190	--
Grifols International,S.A.	Spain	Commercial	--	100.000	100.000	2,860,154	-2,466,918	278,887	0	8,857,353	9,529,476	3,138,981	--
Grifols Engineering,S.A.	Spain	Industrial	99.950	0.050	100.000	60,120	2,809,766	11,846	0	2,601,271	5,483,003	71,935	--
Grifols Viajes,S.A.	Spain	Services	99.900	0.100	100.000	60,110	662,010	0	0	104,084	826,204	60,041	--
Arrahona Optimus, S.L. (fusionada con Grifols, S.A en el ejercicio 2015)	Spain	Services	--	--	--	0	0	0	0	--	--	--	--
Gri-Cel, S.A.	Spain	Research	0.001	99.999	100.000	15,060,102	175,990	0	0	(3,726,020)	11,510,072	1	--
Araclon Biotech, S.L.	Spain	Research	--	70.830	70.830	10,296	6,371,230	0	0	(5,755,763)	625,764	--	--
Grifols Worldwide Operations USA Inc.	United States	Industrial	--	100.000	--	1	678,635	-822,827		1,644,242	1,500,051	--	--
Grifols Chile,S.A.	Chile	Commercial	99.000	--	99.000	385,453	17,849,047	-1,258,579	0	1,274,059	18,249,980	385,454	--
Grifols Argentina,S.A.	Argentina	Commercial	95.010	4.990	100.000	955,675	15,164,425	-10,090,090	0	4,360,509	10,390,518	6,563,003	--
Logística Grifols,S.A. de CV	México	Commercial	99.990	0.010	100.000	92,279	2,530,418	2,944	0	328,653	2,954,294	235,258	--
Grifols Portugal Productos Farmacéutiocs e Hospitalares,Lda.	Portugal	Commercial	0.010	99.990	100.000	511,806	3,174,122	0	0	2,924,764	6,610,692	--	--
Grifols, s.r.o.	Czech Republic	Commercial	100.000	--	100.000	51,597	10,903,995	-105,409	0	741,771	11,591,954	51,600	--
Grifols USA, LLC	United States	Commercial	--	100.000	100.000	561,686	61,032,381	17,575,407	0	83,746,994	162,916,469	--	--
Grifols UK,Ltd.	United Kingdom	Commercial	100.000	--	100.000	4,285	11,550,520	928,534	0	2,027,897	14,511,236	21,167,620	--
Grifols Italia,S.p.A.	Italia	Commercial	100.000	--	100.000	2,496,000	4,531,571	0	0	1,737,390	8,764,961	12,862,540	--
Grifols Brasil,Ltda.	Brasil	Commercial	100.000	--	100.000	8,279,020	-1,453,562	-1,417,566	0	(700,933)	4,706,958	4,383,965	--
Grifols France,S.A.R.L.	France	Commercial	99.990	0.010	100.000	657,734	-483,269	0	0	1,099,458	1,273,923	657,657	--
Squadron Reinsurance Ltd.	United States	Industrial	--	100.000	100.000	0	194,652,883	28,601,300	0	56,774,923	280,029,107	--	--
Biomat USA,Inc.	Ireland	Services	--	100.000	100.000	635,001	33,952,236			10,058,313	44,645,550	--	--
Grifols Biologicals, Inc.	United States	Industrial	--	100.000	100.000	0	281,955,193	58,018,603	0	8,122,361	348,096,157	--	--
Grifols Shared Services North America, Inc. (formerly Grifols Inc.)	United States	Services	100.000	--	100.000	0	440,856,253	189,303,120	0	(59,744,884)	570,414,490	1,027,351,258	--
Grifols Asia Pacific Pte. Ltd.	Singapore	Commercial	100.000	--	100.000	362,387	11,697,341	1,994,591	0	2,371,877	16,426,197	714,769	--
Grifols (Thailand), Ltd.	Thailand	Commercial	--	48.000	48.000	61,198	3,156,628	438,635	0	1,466,595	5,123,055	--	--
Grifols Malaysia Sdn Bhd	Malaysia	Commercial	--	30.000	30.000	30,283	1,220,321	-98,192	0	333,559	1,485,971	--	--
Grifols Polska, Sp.z.o.o.	Polska	Commercial	100.000	--	100.000	10,714	2,181,299	159,759	0	172,165	2,523,937	10,714	--
PlasmaCare, Inc. (merged with Biomat USA, Inc in 2015)	United States	Industrial	--	--	--	0	0	0	0	--	--	--	--
Grifols México,S.A. de CV	México	Commercial	99.980	0.020	100.000	461,397	9,621,483	-907,187	0	2,105,625	11,281,318	461,224	--
Grifols Australia Pty Ltd	Australia	Industrial	100.000	--	100.000	1,695,072	5,877,964	-1,355,458	0	(682,398)	5,535,179	34,974,212	--
Medion Diagnostic Grifols AG	Switzerland	Industrial	80.000	--	80.000	2,487,150	-4,862,235	-500,058	0	846,821	(2,028,322)	1,989,720	--
Medion Diagnostic GmbH	Germany	Commercial	--	80.000	80.000	1,500,000	-1,005,873	0	0		494,127	--	--
Grifols Colombia, Ltda.	Colombia	Commercial	99.000	1.000	100.000	822,563	-355,346	-118,404	0	(226,168)	122,645	141,303	--
Grifols Nordic AB	Sweden	Commercial	100.000	--	100.000	10,392	958,140	-18,209	0	(133,582)	816,741	--	--
GRI-CEI, S.A.- Productos para transfusao	Brasil	Industrial	60.000	--	60.000	5,565,901	-115,627	-2,173,160	0	(411,894)	2,865,221	3,339,638	--
Grifols Deutschland,GmbH	Germany	Commercial	100.000	--	100.000	25,000	10,216,730	-341,321	0	7,766,812	17,667,220	12,687,671	22,000,000
Grifols Therapeutic Inc.	United States	Industrial	--	100.000	100.000	12,686,461	1,969,616,618	513,870,955	0	82,267,184	2,578,441,218	--	--
Talecris Plasma Resources Inc.	United States	Industrial	--	100.000	100.000	7	-15,864,278	8,636,024	0	(1,767,466)	(8,995,713)	--	--
Grifols Canadá, Ltd.	Canada	Industrial	--	100.000	100.000	6	5,064,108	-1,106,635	0	11,679,701	15,637,180	--	--
Grifols Worldwide Operations Limited	Ireland	Industrial	100.000	--	100.000	1	83,866,704	63,276,884	-291,091,273	258,644,090	114,696,405	56,505,381	291,091,273
Grifols Pharmaceutical Technology (Shanghai) Co., Ltd. (formerly Grifols Pharmaceutical Consulting (Shanghai) Co., Ltd.)	China	Commercial	100.000	--	100.000	1,000,000	254,772	152,465	0	1,129,947	2,537,183	1,000,000	--
Grifols Switzerland, AG	Switzerland	Commercial	100.000	--	100.000	81,189	7,174,000	314,485	0	(11,434,252)	(3,864,579)	81,189	--
Grifols Diagnostics Solutions Inc (formerly G-C Diagnostics Corp.)	United States	Industrial	100.000	--	100.000	37	317,798,306	80,873,499	0	29,140,509	427,812,350	294,016,369 --	--
Grifols (H.K.), Limited	Hong Kong	Commercial	--	100.000	100.000	37,899,376	-1,304,439	9,266,044	0	5,744,565	51,605,546	--	--
Grifols Japan KK	Japan	Commercial	100.000	--	100.000	354,409	380,469	60,106	0	45,476	840,460	708,818	--
Grifols Beijing	China	Commercial	--	100.000	100.000	0	-187,830	-10,179	0	(936,661)	(1,134,669)	--	--
Grifols India Healthcare Private Ltd	India	Commercial	99.990	0.010	100.000	1,300	0	-14,337	0	45,762	32,725	1,299	--
												1,686,413,421	313,091,273

This appendix forms an integral part of note 13 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.
Information on Group companies
31 December 2014
(Expressed in Euros)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered offices	Activity	% ownership Dir	Ind	Total	Share capital	Reserves	Other equity items	Interim dividend	Profit/(loss) for the year	Total equity	Carrying amount of investment	Dividends received in 2014
TiGenix N.V.	Belgium	Research	--	21.300	21.300	16,048,000	32,443,000	--	--	(9,151,000)	39,340,000	--	--
Meckwins, S.L	Spain	Research		9.350	9.350	72,000	1,574,248	--	--	-18,328.00	1,627,920	--	--
Aradigm Corporation	United States.	Research	35.000	--	35.000	--	25,049,719	3,676,494	--	3,226,673	31,952,887	20,635,872	--
Nanotherapix, S.L.	Spain	Research	--	51.000	51.000	6,139	4,121,505	--	--	(1,569,185)	2,558,459	--	--
VCN Biosciences, S.L.	Spain	Research	--	49.450	49.450	56,268	27,537	--	--	(1,249,116)	(1,165,311)	--	--
Kiro Robotics S.L	Spain	Research	50.000	--	50.000	4,000,000	19,000,000			(816,239)	22,183,761	22,153,050	
Progenika Inc	United States.	Industrial	--	56.150	56.150	758	(3,648,233)	(634,916)	--	1,442,980	(2,839,411)	--	--
Progenika Latina ,S.A. de CV	México	Industrial	--	56.150	56.150	3,813,302	(3,687,337)	31,525	--	(420,130)	(262,640)	--	--
Brainco Biopharma, S.L	Spain	Industrial	--	28.423	28.423	3,000	(256,340)	--	--	(449,158)	(702,498)	--	--
Abyntek Biopharma, S.L	Spain	Industrial	--	43.763	43.763	3,002	(335,791)	--	--	(56,391)	(389,180)	--	--
Proteomika, S.L.U	Spain	Industrial	--	56.150	56.150	79,060	2,810,257	--	--	(343,703)	2,545,614	--	--
Progenika Biopharma, S.L	Spain	Industrial	56.150	--	56.150	615,374	8,427,138	--	--	1,002,986	10,045,498	65,353,850	--
Asociación I+D Progenika	Spain	Industrial	--	56.150	56.150	106,000	(7,220)	--	--	(4,512)	94,268	--	--
Instituto Grifols, S.A.	Spain	Industrial	99.998	0.002	100.000	1,537,989	44,866,665	--		97,969,642	144,374,296	1,537,990	39,999,218
Diagnostic Grifols,s.A.	Spain	Industrial	99.998	0.002	100.000	336,560	16,403,093	--	--	5,575,607	22,315,260	336,561	--
Grifols Movaco,S.A.	Spain	Commercial	99.999	0.001	100.000	2,404,601	1,783,368	--	--	(1,163,319)	3,024,650	3,904,619	--
Logister,S.A.	Spain	Services	99.970	0.030	100.000	105,325	(306,587)	--	--	187,058	(14,204)	105,297	--
Laboratorios Grifols,S.A.	Spain	Industrial	99.999	0.001	100.000	21,798,360	(213,523)	--	--	(7,035,790)	14,549,047	40,798,366	--
Biomat,S.A.	Spain	Industrial	99.900	0.100	100.000	60,110	711,484	--	--	475,184	1,246,778	60,041	686,300
Grifols International,S.A.	Spain	Commercial	--	100.000	100.000	2,860,154	10,364,170	--	--	(12,831,088)	393,236	--	--
Grifols Engineering,S.A.	Spain	Industrial	99.950	0.050	100.000	60,120	1,008,548	--	--	1,801,219	2,869,887	60,090	999,500
Grifols Viajes,S.A.	Spain	Services	99.900	0.100	100.000	60,110	738,633	--	--	(76,623)	722,120	60,041	--
Arrahona Optimus,S.L.	Spain	Services	99.995	0.005	100.000	1,925,100	1,656,981	--	--	167,456	3,749,537	3,551,251	--
Gri-Cel, S.A.	Spain	Research	0.001	99.999	100.000	15,060,102	(1,050,682)	--	--	(4,273,328)	9,736,092	1	--
Araclon Biotech, S.L.	Spain	Research	--	66.150	66.150	8,871	7,075,504	--	--	(6,803,779)	280,596	--	--
Grifols Worldwide Operations USA Inc.	United States.	Industrial	--	100.000	100.000	1	--	19,789		678,634		--	--
Grifols Chile,S.A.	Chile	Commercial	99.000	--	99.000	385,453	16,257,047	(280,654)	--	1,592,000	17,953,846	385,454	--
Grifols Argentina,S.A.	Argentina	Commercial	95.010	4.990	100.000	955,675	10,836,633	(6,182,203)	--	4,327,790	9,937,895	6,563,003	--
Logística Grifols,S.A. de CV	México	Services	99.990	0.010	100.000	92,279	2,276,408	206,143	--	254,010	2,828,840	235,258	--
Grifols Portugal Productos Farmacéutiocs e Hospitalares,Lda.	Portugal	Commercial	0.010	99.990	100.000	511,806	1,224,511	--	--	1,949,612	3,685,929	--	--
Grifols, s.r.o.	Czech Republic	Commercial	100.000	--	100.000	51,597	10,049,686	(384,929)	--	854,309	10,570,663	51,600	--
Grifols USA, LLC	United States.	Commercial	--	100.000	100.000	561,686	(4,718,077)	7,058,772	--	65,750,461	68,652,842	--	--
Grifols UK,Ltd.	United Kingdom	Commercial	100.000	--	100.000	4,285	10,809,907	220,665	--	740,613	11,775,470	21,167,620	--
Grifols Italia,S.p.A.	Italia	Commercial	100.000	--	100.000	2,496,000	4,481,157	--	--	50,415	7,027,572	12,862,540	--
Grifols Brasil,Ltda.	Brasil	Commercial	100.000	--	100.000	8,279,020	(753,022)	112,537	--	(700,541)	6,937,994	8,279,017	--
Grifols France,S.A.R.L.	France	Commercial	99.990	0.010	100.000	657,734	(324,513)	--	--	(158,756)	174,465	657,657	--
Squadron Reinsurance Ltd.	Ireland	Services	--	100.000	100.000	635,001	27,885,530	(1)		6,066,707	34,587,237	--	--
Biomat USA,Inc.	United States.	Industrial	--	100.000	100.000	--	145,289,366	1,692,743	--	30,986,008	177,968,117	--	--
Grifols Biologicals, Inc.	United States.	Industrial	--	100.000	100.000	--	274,604,602	22,707,974	--	7,350,588	304,663,164	--	--
Grifols Shared Services North America, Inc. (anteriormente Grifols Inc.)	United States.	Services	100.000	--	100.000	--	665,435,497	128,396,847	--	(224,579,242)	569,253,102	1,026,005,280	--
Grifols Asia Pacific Pte. Ltd.	Singapore	Commercial	100.000	--	100.000	362,387	9,421,879	510,499	--	2,275,460	12,570,225	714,769	--
Grifols (Thailand), Ltd.	Thailand	Commercial	--	48.000	48.000	61,198	2,939,011	396,393	--	366,167	3,762,769	--	--
Grifols Malaysia Sdn Bhd	Malaysia	Commercial	--	30.000	30.000	30,283	989,500	50,616	--	230,821	1,301,220	--	--
Grifols Polska, Sp.z.o.o.	Polska	Commercial	100.000	--	100.000	10,714	2,189,637	136,387	--	(8,339)	2,328,399	10,714	--
Plasmacare,Inc.	United States.	Industrial	--	100.000	100.000	15,241	17,542,377	1,518,599	--	819,903	19,896,120	--	--
Grifols México,S.A. de CV	México	Industrial	99.980	0.020	100.000	461,397	7,640,539	(341,368)	--	1,980,945	9,741,513	461,224	--
Grifols Australia Pty Ltd	Australia	Industrial	100.000	--	100.000	1,695,072	7,741,467	(1,153,677)	--	(2,131,563)	6,151,299	34,974,212	--
Medion Diagnostic Grifols AG	Switzerland	Industrial	80.000	--	80.000	2,487,150	(3,708,937)	(222,364)	--	(1,153,296)	(2,597,447)	1,989,720	--
Medion Diagnostic GmbH	Germany	Commercial	--	80.000	80.000	1,500,000	(1,005,873)	--	--		494,127	--	--
Grifols Colombia, Ltda.	Colombia	Commercial	99.000	1.000	100.000	822,563	117,184	(107,731)	--	(472,840)	359,176	822,182	--
Grifols Nordic AB	Sweden	Commercial	100.000	--	100.000	10,392	686,260	(34,637)	--	271,881	933,896	--	--
GRI-CEI, S.A.- Productos para transfusao	Brasil	Industrial	60.000	--	60.000	5,565,901	(65,686)	(1,147,044)	--	(49,941)	4,303,230	3,339,638	--
Grifols Deutschland,GmbH	Germany	Commercial	100.000	--	100.000	25,000	25,841,193	(726,953)	--	6,375,537	31,514,777	12,664,559	--
Grifols Therapeutic Inc.	United States.	Industrial	--	100.000	100.000	12,686,461	1,865,371,548	252,645,320	--	104,246,657	2,234,949,986	--	--
Talecris Plasma Resources Inc.	United States.	Industrial	--	100.000	100.000	7	(20,806,459)	9,377,932	--	4,942,198	(6,486,322)	--	--
Grifols Canadá, Ltd.	Canadá	Industrial	--	100.000	100.000	6	1,113,087	283,318	--	3,951,021	5,347,432	--	--
Grifols Worldwide Operations Limited	Ireland	Industrial	100.000	--	100.000	1	53,830,438	35,096,567	(230,000,000)	289,695,742	148,622,748	56,505,381	230,000,000
Grifols Pharmaceutical Consulting (Shanghai) Co, Ltd	China	Commercial	100.000	--	100.000	1,000,000	(55,257)	81,625	--	309,983	1,336,351	1,000,000	--
Grifols Switzerland, AG	Switzerland	Commercial	100.000	--	100.000	81,189	--	72,410	--	7,173,999	7,327,598	81,189	--
Grifols Diagnostics Solutions Inc (anteriormente G-C Diagnostics Corp.)	United States.	Industrial	100.000	--	100.000	37	293,793,610	38,315,689	--	24,004,694	356,114,030	293,793,647 --	--
Grifols (H.K.), Limited	Hong Kong	Commercial	--	100.000	100.000	37,899,376	(7,019,973)	4,310,058	--	5,716,878	--	--	--
Grifols Japan KK	Japan	Commercial	100.000	--	100.000	354,409	354,409	(18,366)	--	26,059	--	708,818	--
Grifols Beijing	China	Commercial	--	100.000	100.000	--	--	(3,705)	--	(187,830)	--	--	--
Grifols India Healthcare Private Ltd	India	Commercial	99.990	0.010	100.000	--	--	--	--	--	--	1,299	--
												1,641,831,810	271,685,018

This appendix forms an integral part of note 13 to the annual accounts, in conjunction with which it should be read

GRIFOLS, S.A.

Directors' Report

2015

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

To the shareholders:

1. Business performance and position of the Company

Grifols, S.A. is a Spanish holding company specialising in the pharmaceutical-clinical sector. It is the Parent of the Grifols Group and its principal activities are as follows:

- Defining action plans and general procedures for the entire Group.
- Planning future investments by entering new markets or through product diversification.
- Providing support to the various functional areas in each Group company (products division, technical division, marketing/sales division, scientific division, financial division and planning and control division).
- Leasing buildings to Group companies.
- Rendering services to subsidiaries such as personnel recruitment and management, communications and corporate image, IT services and maintenance.

The Company obtains its income from leasing its buildings and rendering services, and through dividends from its subsidiaries.

2. Forecast

The Company's profits could be affected by events relating to the activities of its subsidiaries, such as a lack of raw materials for product manufacturing, the arrival of competitor products on the market or regulatory changes in the markets in which it operates.

At the date of authorisation for issue of these annual accounts, the Company has taken the measures it considers appropriate to mitigate any possible effects arising from the aforementioned events.

3. Treasury stock

At 31 December 2015, the Company has treasury stock of Euros 58,575,170, as described in note 19 to the accompanying annual accounts. Transactions involving treasury stock in 2015 are described in note 19 to the accompanying annual accounts.

4. Research and development

The Company does not conduct any research and development activities.

5. Management of financial risks

The Company's financial risk management policy is detailed in note 12 to the accompanying annual accounts.

6. Deferred payments to suppliers

As indicated in note 23 to these annual accounts, and as the average payment period is greater than the maximum period established in late payment legislation, the Company is studying best practices to reduce the average number of days.

GRIFOLS, S.A.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

At their meeting held on 26 February 2016, pursuant to the requirements of article 253.2 pf the Revised Spanish Companies Act and article 37 of the Spanish Code of commerce,, the Directors of Grifols, S.A. authorised for issue the annual accounts and directors' report for the period from 1 January 2015 to 31 December 2015. The annual accounts comprise the documents that precede this certification.

Victor Grifols Roura (signed) Chairman	Ramón Riera Roca (signed) Board member	Carina Szpilka Lázaro (signed) Board member
Tomás Dagà Gelabert (signed) Board member	Thomas Glanzmann (signed) Board member	Iñigo Sánchez-Asiaín Mardone (signed) Board member
Anna Veiga Lluch (signed) Board member	Luis Isasi Fernández de Bobadilla (signed) Board member	Steven F. Mayer (*) Board member
Belen Villalonga Morenés (signed) Board member	Marla E. Salmon (signed) Board member	Raimon Grifols Roura (signed) Board member

Nuria Martín Barnés

(signed)

Secretary to the Board

(*) Absent on a business trip, attended the meeting by conference call and did not express any disconformity with the documentation.