

GRIFOLS, S.A.

Annual Accounts and Directors' Report

31 December 2008

(With Auditors' Report Thereon)

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



**KPMG Auditores S.L.**  
Edifici La Porta de Barcelona  
Av. Diagonal, 682  
08034 Barcelona

### **Auditors' Report on the Annual Accounts**

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

To the shareholders of  
Grifols, S.A.

We have audited the annual accounts of Grifols, S.A. (the Company) which comprise the balance sheet at 31 December 2008, the related income statement, statement of changes in equity and statement of cash flows for the year then ended and the notes thereto, the preparation of which is the responsibility of the Company's directors. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on our audit which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts in the annual accounts and assessing the appropriateness of their presentation, of the accounting principles applied and of the estimates employed.

The annual accounts for 2008 are the first the Company has prepared applying the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. In accordance with section one of the fourth transitional provision of this Royal Decree, the annual accounts for 2008 have been considered as the opening annual accounts and therefore, do not include comparative figures. Note 28 "Aspects arising from transition to new accounting standards" presents the balance sheet and statement of profit and loss forming part of the 2007 annual accounts, which were prepared in accordance with the Spanish General Chart of Accounts in force for that year. This note also contains an explanation of the main differences between the accounting principles applied in the current year and those applied in the previous year, as well as a quantification of the impact of this change in accounting criteria on equity at 1 January 2008, which is the transition date. We express our opinion solely on the annual accounts for 2008. On 14 February 2008 we issued our unqualified audit report on the annual accounts for 2007, which were prepared in accordance with accounting principles prevailing that year.

In our opinion, these annual accounts for 2008 present fairly, in all material respects, the equity and financial position of Grifols, S.A. at 31 December 2008, and the results of its operations, changes in equity and cash flows for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles in Spain.

The accompanying directors' report for 2008 contains such explanations as the directors consider relevant to the situation of Grifols, S.A., the evolution of its business and other matters, but 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 2008. 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.

David Ghosh Basu (signed)

23 February 2009

GRIFOLS, S.A.  
Balance Sheet  
31 December 2008  
(Expressed in Euros)

(Free translation from the original in Spanish.  
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| <u>Assets</u>   | <u>Note</u> | <u>2008</u>        |
|---|-------------|--------------------|
| Intangible assets   | Note 5      |                    |
| Software  |             | 6,050,192          |
| Property, plant and equipment                                   | Note 6      |                    |
| Land and buildings  |             | 2,463,130          |
| Plant, machinery, equipment, furniture and other items          |             | 9,299,530          |
| Under construction and advances                                 |             | 660,360            |
| Investment property   | Note 7      |                    |
| Land  |             | 13,041,011         |
| Buildings and others  |             | 30,622,640         |
| Long-term Investments in group companies and associates         | Note 12     |                    |
| Equity instruments  |             | 310,313,220        |
| Other long-term Financial investments                           | Note 14     |                    |
| Equity instruments  |             | 522,521            |
| Other financial assets  |             | 292,723            |
| Deferred tax assets   |             | <u>575,183</u>     |
| Total non-current assets  |             | 373,840,510        |
| Inventories   | Note 16     |                    |
| Materials and other supplies                                    |             | 735,116            |
| Trade and other receivables                                     | Note 14     |                    |
| Trade receivables - current                                     |             | 465,796            |
| Trade receivables from group companies and associates - current |             | 6,925,281          |
| Other receivables   |             | 55,167             |
| Personnel   |             | 11,550             |
| Current tax assets  |             | 1,619,610          |
| Public entities, other  |             | 16,119,589         |
| Short-term Investments in group companies and associates        | Note 14     |                    |
| Loans to companies  |             | 293,931,519        |
| Other short-term investments                                    | Note 14     |                    |
| Other financial assets  |             | 120                |
| Prepayments   | Note 17     | 2,004,041          |
| Cash and cash equivalents                                       |             |                    |
| Cash and Banks  |             | <u>70,969</u>      |
| Total current assets  |             | <u>321,938,758</u> |
| Total assets  |             | <u>695,779,268</u> |

The notes form an integral part of the annual accounts for the year.

GRIFOLS, S.A.  
 Balance Sheet  
 31 December 2008  
 (Expressed in Euros)

(Free translation from the original in Spanish.  
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| <u>Liabilities</u>                                  | <u>Note</u> | <u>2008</u>        |
|---|-------------|--------------------|
| Capital and reserves                                | Note 18     |                    |
| Share capital                                       |             |                    |
| Registered share capital                            |             | 106,532,450        |
| Share premium                                       |             | 121,801,809        |
| Reserves  |             |                    |
| Legal and statutory reserves                        |             | 12,161,113         |
| Other reserves                                      |             | 12,827,766         |
| Treasury shares                                     |             | (33,086,844)       |
| Profit/(loss) for the year                          |             | <u>64,963,467</u>  |
| Total equity  |             | 285,199,761        |
| Long-term debt                                      | Note 20     |                    |
| Loans and borrowings                                |             | 264,576,805        |
| Lease payables                                      |             | 2,059,503          |
| Deferred tax liabilities                            |             | <u>2,273,284</u>   |
| Total non-current liabilities                       |             | 268,909,592        |
| Short-term debt                                     | Note 20     |                    |
| Loans and borrowings                                |             | 20,504,395         |
| Lease payables                                      |             | 837,117            |
| Derivatives   | Note 15     | 795,964            |
| Other financial liabilities                         |             | 176,613            |
| Group companies and associates - current            | Note 20     | 84,642,520         |
| Trade and other payables                            | Note 20     |                    |
| Suppliers, third parties                            |             | 9,163,933          |
| Suppliers, group companies and associates - current |             | 9,095,221          |
| Other trade payables                                |             | 2,224,667          |
| Personnel (accrued remuneration)                    |             | 2,531,197          |
| Current tax liabilities                             |             | 10,939,368         |
| Other payables to public entities                   |             | <u>758,920</u>     |
| Total current liabilities                           |             | <u>141,669,915</u> |
| Total equity and liabilities                        |             | <u>695,779,268</u> |

The notes form an integral part of the annual accounts for the year.

## GRIFOLS, S.A.

Income Statement  
for the year ended  
31 December 2008

(Expressed in Euros)

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

|   | Note    | <u>2008</u>        |
|---|---------|--------------------|
| Revenue   | Note 24 |                    |
| Services rendered   |         | 54,724,795         |
| Work performed by the entity and capitalised              |         | 1,731,371          |
| Supplies  | Note 24 |                    |
| Goods for resale used                                     |         | (1)                |
| Raw materials and consumables used                        |         | (288,405)          |
| Other operating income                                    |         |                    |
| Non-trading and other ordinary income                     |         | 2,394,041          |
| Operating subsidies taken to income                       |         | 68,439             |
| Personnel expenses  | Note 24 |                    |
| Wages and salaries  |         | (16,815,171)       |
| Social Security and other benefits                        |         | (3,667,547)        |
| Other operating expenses                                  |         |                    |
| External services   |         | (33,754,705)       |
| Local taxes   |         | (362,485)          |
| Other ordinary expenses                                   |         | (63,000)           |
| Depreciation and amortisation expense                     |         | (3,787,214)        |
| Impairment and gains/(losses) on disposal of fixed assets | Note 24 |                    |
| Gains/(losses) on disposal and other                      |         | <u>(30,721)</u>    |
| Results from operating activities                         |         | <u>149,397</u>     |
| Finance income  |         |                    |
| Dividends   |         |                    |
| Group companies and associates                            |         | 72,172,186         |
| Other investment income                                   |         |                    |
| Group companies and associates                            |         | 11,170,613         |
| Other   |         | 13,805             |
| Finance expenses  |         |                    |
| Group companies and associates                            |         | (761,203)          |
| Other   |         | (17,864,820)       |
| Change in fair value of financial instruments             |         |                    |
| Derivative financial instruments                          |         | (1,195,724)        |
| Exchange gains/losses                                     |         | <u>(1,334,808)</u> |
| Net finance expense/income                                |         | <u>62,200,049</u>  |
| Profit/(loss) before income tax                           |         | 62,349,446         |
| Income tax expense  | Note 21 | <u>2,614,021</u>   |
| Profit/(loss) from continuing operations                  |         | <u>64,963,467</u>  |

The notes form an integral part of the annual accounts for the year.

GRIFOLS, S.A.  
Statement of Changes in Equity  
for the year ended  
31 December 2008  
A) Statement of Recognised Income and Expense  
(Expressed in Euros)

|  | <u>Note</u> | <u>2008</u>       |
|--|-------------|-------------------|
| Profit/(loss) for the year                             |             | <u>64,963,467</u> |
| Measurement of financial instruments                   |             |                   |
| Other income/expense                                   |             | <u>(5,465)</u>    |
| Total income and expense recognised directly in equity |             | <u>64,958,002</u> |
| Total recognised income and expense                    |             | <u>64,958,002</u> |

The notes form an integral part of the annual accounts for the year.

GRIFOLS, S.A.

Statement of Changes in Equity  
for the year ended  
31 December 2008

Statement of Changes in Equity

(Expressed in Euros)

(Free translation from the original in Spanish.  
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|   | <u>Registered share<br/>capital</u> | <u>Share premium</u> | <u>Reserves</u>   | <u>Treasury shares</u> | <u>Profit/(loss) for<br/>the period</u> | <u>Total</u>       |
|---|-------------------------------------|----------------------|-------------------|------------------------|---|--------------------|
| Balance at 1 January 2008                                   | 106,532,450                         | 131,831,809          | 20,174,183        | (28,893,132)           | 29,575,112                              | 259,220,422        |
| Recognised income and expense                               | -                                   | -                    | (5,465)           | -                      | -                                       | (5,465)            |
| Operations with equity holders or owners                    |                                     |                      |                   |                        |   |                    |
| Distribution of profit/(Application of loss) for the period |                                     |                      |                   |                        |   |                    |
| Reserves  | -                                   | -                    | 4,837,781         | -                      | (4,837,781)                             | -                  |
| Dividends   | -                                   | (10,030,000)         | -                 | -                      | (24,737,331)                            | (34,767,331)       |
| Profit/(loss) for the period                                | -                                   | -                    | -                 | -                      | 64,963,467                              | 64,963,467         |
| Other movements   | -                                   | -                    | (17,620)          | (4,193,712)            | -                                       | (4,211,332)        |
| Balance at 31 December 2008                                 | <u>106,532,450</u>                  | <u>121,801,809</u>   | <u>24,988,879</u> | <u>(33,086,844)</u>    | <u>64,963,467</u>                       | <u>285,199,761</u> |

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



GRIFOLS, S.A.  
Statement of Cash Flows  
for the year ended  
31 December 2008

(Expressed in Euros)

(Free translation from the original in Spanish.  
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|  | <u>Note</u> | <u>2008</u>         |
|--|-------------|---------------------|
| Cash flows from operating activities                           |             |                     |
| Profit for the period before tax                               |             | 62,349,446          |
| Adjustments for:   |             |                     |
| Amortisation and depreciation                                  |             | 3,787,214           |
| Proceeds from disposals of fixed assets                        |             | 30,721              |
| Finance income   |             | (83,342,799)        |
| Finance expense  |             | 15,566,572          |
| Exchange gains/losses  |             | 1,334,808           |
| Change in fair value of financial instruments                  |             | 1,195,723           |
| Other income and expenses                                      |             | 2,126,788           |
| Change in working capital                                      |             |                     |
| Inventories  |             | (116,803)           |
| Trade and other receivables                                    |             | 1,697,693           |
| Other current assets   |             | (107,117,137)       |
| Trade and other payables                                       |             | 1,796,824           |
| Other current liabilities                                      |             | 4,773,863           |
| Other non-current assets and liabilities                       |             | (15,798,423)        |
| Other cash flows from operating activities                     |             |                     |
| Interest paid  |             | (15,693,966)        |
| Dividends received   |             | 72,172,186          |
| Interest received  |             | 11,249,567          |
| Income tax paid/(received)                                     |             | 12,362,151          |
| Cash flows from operating activities                           |             | <u>(31,625,572)</u> |
| Cash flows from investing activities                           |             |                     |
| Payments for investments                                       |             |                     |
| Group companies and associates                                 |             | (1,926,565)         |
| Intangible assets  |             | (2,493,864)         |
| Property, plant and equipment                                  |             | (1,705,631)         |
| Investment property  |             | (27,888,429)        |
| Other financial assets   |             | (553,711)           |
| Proceeds from sale of investments                              |             |                     |
| Group companies and associates                                 |             | 1,679,426           |
| Property, plant and equipment                                  |             | 135,663             |
| Cash flows from investing activities                           |             | <u>(32,753,111)</u> |
| Cash flows from financing activities                           |             |                     |
| Proceeds from and payments for equity instruments              |             |                     |
| Acquisition of own equity instruments                          |             | (4,879,700)         |
| Sale of own equity instruments                                 |             | 668,367             |
| Proceeds from and payments for financial liability instruments |             |                     |
| Issue  |             |                     |
| Loans and borrowings   |             | 56,792,319          |
| Group companies and associates                                 |             | 46,563,798          |
| Dividends and interest on other equity instruments paid        |             |                     |
| Dividends  |             | (34,767,331)        |
| Cash flows from financing activities                           |             | <u>64,377,453</u>   |
| Net increase/decrease in cash and cash equivalents             |             | <u>(1,230)</u>      |
| Cash and cash equivalents at beginning of year                 |             | <u>72,199</u>       |
| Cash and cash equivalents at year end                          |             | <u>70,969</u>       |

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

GRIFOLS, S.A.

Notes to 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 and tax offices are in Barcelona. The Company's authorized activity under its by-laws consists of providing corporate and 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.

The Company's registered offices are in Barcelona and its main business locations are in this city and in Parets del Vallés (Barcelona).

Grifols, S.A.'s shares are listed on the Barcelona, Madrid, Valencia and Bilbao stock exchanges and on the electronic continuous stock market.

In accordance with prevailing legislation, the Company is the Parent of a Group comprising the Company and the subsidiaries listed in note 10. In accordance with generally accepted accounting principles in Spain, consolidated annual accounts must be prepared to present fairly the financial position of the Group, the results of operations and changes in its equity and cash flows. Details of interests in group companies are included in Appendix II.

On 20 February 2009, the Company's Board of directors has approved the consolidated annual accounts of Grifols, S.A. and subsidiaries for 2008 under International Financial Reporting Standards as adopted by the EU, which show consolidated profit attributable to the Group of Euros 121,728 thousand and consolidated equity of Euros 481,279 thousand.

At 31 December 2008 Grifols, S.A. does not comprise a decision-making unit along with other companies with registered offices in Spain pursuant to Standard 13 of the Standards for the Preparation of Annual Accounts.

(Continued)

(2) Basis of preparation(a) Fair view

The accompanying annual accounts have been prepared on the basis of the accounting records of Grifols, S.A. The annual accounts for 2008 have been prepared in accordance with prevailing legislation and the new Spanish General Chart of Accounts (NPGC) to present fairly the equity and financial position at 31 December 2008 and results of operations, changes in equity, and cash flows for the year then ended. The annual accounts for 2008 are the first the Company has prepared applying the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. In accordance with section one of the fourth transitional provision of this Royal Decree, the 2008 annual accounts have been considered as the opening annual accounts and therefore, do not include comparative figures. Note 28 "Aspects derived from transition to new accounting standards" presents the balance sheet and income statement forming part of the 2007 annual accounts approved by the shareholders at the annual general meeting held on 13 June 2008, which were prepared in accordance with the Spanish General Chart of Accounts in force during that year. This note also contains an explanation of the main differences between the accounting principles applied in the current year and those applied in the previous year, as well as a quantification of the impact of this change in accounting criteria on equity at 1 January 2008, which is the transition date and, therefore, the opening balance sheet date.

As explained in note 28 and in accordance with the first transitional provision of Royal Decree 1514/2007, the Company has opted to measure all assets in the opening balance sheet based on the accounting principles prevailing at 31 December 2007, except for financial instruments which are measured at fair value.

The Directors consider that the annual accounts for 2008 approved by them on 20 February 2009 will be approved by the Shareholders without any significant change.

(b) 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.

(c) Critical aspects of the valuation and estimation of uncertainties and judgements used when applying accounting principles

The preparation of annual accounts requires relevant accounting estimates, judgements and hypothesis in applying accounting principles. A summary of those aspects 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 are as follows:

*(i) Relevant accounting estimates and assumptions*

The Company tests investments in group companies for impairment annually when the net value of the investment exceeds the carrying amount of the subsidiary. Fair value measurements require estimations made by management. The Company generally uses discounted cash flow methods to calculate these values. Discounted cash flow calculations are based on five-year projections approved by management. Cash-flows take into account past experience and represent the management's best estimate of future market performance. Cash flows subsequent to the fifth year are extrapolated using individual growth rates. The key assumptions made when determining fair value include growth rates and the discount rate. Estimates, including the methodology employed, can have a significant impact on values and impairment losses.

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 received due to the stage of the legal process.

*(ii) Change in accounting estimate*

Although estimates are calculated by the Company's Directors based on their best estimate available at 31 December 2008, future events may take place requiring these estimates to be modified in subsequent years. The effect on the annual accounts of modifications which, where applicable, result from adjustments to be made in subsequent years are recognised prospectively.

**(3) Distribution of Profit**

The distribution of profit and reserves of the Company for the year ended 31 December 2007, approved by the shareholders at their annual general meeting held on 13 June 2008, has been as follows:

|                     | <u>Euros</u>         |
|---------------------|----------------------|
| Basis of allocation |                      |
| Profit for the year | 29,575,112.12        |
| Share premium       | 10,030,000.00        |
|                     | <u>39,605,112.12</u> |
| Distribution        |                      |
| Legal reserve       | 2,957,511.00         |
| Other reserves      | 1,880,270.12         |
| Dividends           | 34,767,331.00        |
|                     | <u>39,605,112.12</u> |

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

The proposed distribution of 2008 profit to be submitted to the shareholders for approval at their annual general meeting is as follows:

|                     | <u>Euros</u>         |
|---------------------|----------------------|
| Basis of allocation |                      |
| Profit for the year | <u>64,963,467.00</u> |
| Distribution        |                      |
| Legal reserve       | 6,496,348.00         |
| Other reserves      | 9,775,918.75         |
| Dividends           | <u>48,691,200.00</u> |
|                     | <u>64,963,466.75</u> |

At 31 December 2008 non-distributable reserves are as follows:

|                             | <u>Euros</u>      |
|-----------------------------|-------------------|
| Non-distributable reserves: |                   |
| Legal reserve               | 12,161,113        |
| Other                       | <u>3,020</u>      |
|                             | <u>12,164,133</u> |

(4) Significant Accounting Policies

(a) Foreign currency transactions, balances and cash flows

(i) Foreign currency transactions, balances and cash flows

Foreign currency transactions have been converted into Euros using the average exchange rates for the previous month for all foreign currency transactions during the following 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 converted to Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been converted at the exchange rate prevailing at the transaction date.

Non-monetary assets measured at fair value have been converted to Euros at the exchange rate at the date that the fair value was determined.

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

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

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

(b) Intangible assets

Intangible assets are measured at cost or cost of production. Production costs are capitalised under the caption "Work performed by the entity and capitalised". Intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment valuation allowances.

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) Software

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

(ii) Subsequent expenditure

Subsequent expenditure on intangible assets is recognised in profit and loss, unless it increases the expected future economic benefits attributable to the intangible asset.

(iii) 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:

|          | <u>Amortisation<br/>method</u> | <u>Estimated<br/>useful life (years)</u> |
|----------|--------------------------------|--|
| Software | Straight-line                  | 3  |

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

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

(iv) Impairment losses

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

(Continued)

(c) 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 the caption “Work performed by the entity” in the income statement. Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment valuation allowances.

The cost of an item of property, plant and equipment includes the costs of its dismantlement 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 an 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 is depreciated using the following criteria:

|  | <u>Depreciation<br/>method</u> | <u>Estimated useful<br/>life (years)</u> |
|--|--------------------------------|--|
| Buildings                                    | Straight-line                  | 33-100                                   |
| Plant and machinery                          | Straight-line                  | 10                                       |
| Other installations, equipment and furniture | Straight-line                  | 3,33-10                                  |
| Other property, plant and equipment          | Straight-line                  | 4-10                                     |

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.

Impairment

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

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

(d) Investment property

The Company classifies property rented 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.

Investment property is depreciated applying the following policies:

|                                   | <u>Depreciation<br/>method</u> | <u>Estimated useful<br/>life (years)</u> |
|-----------------------------------|--------------------------------|--|
| Buildings and other installations | Straight-line                  | 10-100                                   |

When the same property is occupied by the Company and one or more group companies, the part comprising the square metres occupied by the subsidiaries is classified as investment property while the part comprising the square metres occupied by the Company is classified as property, plant and equipment.

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

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, which is the higher of its fair value less costs to sell, and its value in use.

Impairment losses are recognised in profit and loss.

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 for 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 profit or loss. The increase in the 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.

(Continued)



(f) Leases(i) Lessee accounting records

The Company has rights to use certain assets through lease contracts.

Leases in which 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 payable.

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 (c) and (d) (Property, plant and equipment and 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.

(g) Financial instruments(i) Transition

As mentioned in note 28 and pursuant to the first transitional provision of Royal Decree 1514/2007, the Company has opted to measure all equity items in the opening balance sheet in accordance with the principles and standards prevailing at 31 December 2007, except for financial instruments which are measured at fair value.

(ii) 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 substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

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

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

Purchases or sales of financial assets under conventional contracts, understood as those in which the reciprocal obligations of the parties must be consumed within the time frame established generally by regulation or convention in the marketplace concerned and cannot be settled by differences, are recognised using trade date accounting or settlement date accounting.

However, a contract which can be settled by differences is recognised as a derivative financial instrument from the date of contract to settlement.

(iii) Offsetting principles

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

(iv) 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 recognised initially 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 updating is immaterial, are measured at their nominal amount.

(v) Available-for-sale financial assets

The Company classifies in this category debt securities and equity instruments which do not comply with the requirements 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 recognized in equity. Fair value is not reduced by transaction costs incurred on sale or disposal. On disposal of the financial assets amounts recognised in equity or the impairment loss are reclassified to profit or loss as described in section (g) Financial instruments, sub-section (viii) Impairment of financial assets. However, interest calculated using the effective interest method and dividends are recognised in profit and loss using the policy described in section (g) Financial instruments, sub-section (vii) Interest and dividends.

(vi) Investments in group companies

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

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

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.

Investments in group companies are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including transaction costs, and are subsequently measured at cost net of any accumulated impairment losses.

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.

(vii) 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, as from 1 January 2008, 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.

(viii) 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 that 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 valuation allowances for impairment of loans and receivables and debt instruments when a reduction or delay is incurred in the estimated future cash flows, due to debtor insolvency.

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

*Investments in group companies*

An asset is impaired when its carrying amount exceeds its recoverable amount, the latter of which is understood as the higher of the asset's value in use or 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 if applicable, from the disposal of the asset, or the estimated cash flow expected to be received from the distribution of dividends and, where applicable, the final disposal of the investment. Unless there is better evidence, equity is taken into consideration, corrected for any latent unrecorded goodwill existing on the measurement date.

(Continued)

In subsequent years, reversals in 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.

The recognition or reversal of an impairment loss is recorded in the income statement.

The impairment allowance for an investment is limited to the amount of the investment.

(ix) Financial liabilities

Financial liabilities, including trade and other payables, which 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 that are 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.

(h) 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.

Dividends relating to equity instruments are accounted for as a deduction in equity when approved by the shareholders.

(i) Inventories

Inventories are initially measured at cost of purchase or production, and mainly comprise spares which are stored for less than a year.

The Company adjusts the value of inventories when cost exceeds market value.

(j) 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.

(k) Defined contributions

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 to the extent that the prepayments will lead to, for example, a reduction in future payments or a cash refund.

(l) Revenue from the rendering of services

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

Practically all services are rendered to group companies.

(m) Income taxes

The income tax expense and 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 balance sheet 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 a business combination.

Government assistance that is provided in the form of deductions and benefits in determining taxable income is recognised as a reduction in the income tax expense in the year in which they are accrued.

The Company and its Spanish subsidiaries Instituto Grifols, S.A., Laboratorios Grifols, S.A., Diagnostic Grifols, S.A., Movaco, S.A., Biomat, S.A., Logister, S.A., Grifols International, S.A., Grifols Engineering, S.A. and Grifols Viajes, S.A., file consolidated tax returns.

The accrued income tax expense for the companies forming the consolidated tax group is determined taking into account, in addition to the factors to consider in the case of individual taxation set out previously, the following:

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

## Notes to the Annual Accounts

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 under respective recognition criteria, considering the tax group as a taxable entity.

The Parent of the Group records the total consolidated income tax payable with a charge to receivables with group companies and associates.

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

*(i) Taxable temporary differences*

Taxable temporary differences are recognised in all cases except when:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit;
- They are associated with investments in subsidiaries over which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

*(ii) Deductible temporary differences*

Deductible temporary differences are recognised provided that:

- it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.
- the temporary differences are associated with investments in subsidiaries to the extent that the difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

*(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 recognition*

The Company only offsets deferred tax assets and liabilities if it has a legally enforceable right, when they relate to income taxes levied by the same taxation authority and on the same taxable entity.

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

(Continued)

(n) 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 period 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 period.

(o) 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.

Long term assets 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 valuation, presentation and disclosure criteria described in section (c) Property, plant and equipment.

(p) Related party transactions

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) Intangible Assets

Details of intangible assets and movement are as follows:

|  | <u>Euros</u>     |                  |
|--|------------------|------------------|
|  | <u>Software</u>  | <u>Total</u>     |
| Cost at 1 January 2008                       | 12,169,545       | 12,169,545       |
| Additions                                    | 2,493,864        | 2,493,864        |
| Disposals                                    | (63)             | (63)             |
|  | <hr/>            | <hr/>            |
| Cost at 31 December 2008                     | 14,663,346       | 14,663,346       |
|  | <hr/>            | <hr/>            |
| Accumulated amortisation at 1 January 2008   | (7,054,695)      | (7,054,695)      |
| Amortisation                                 | (1,558,459)      | (1,558,459)      |
|  | <hr/>            | <hr/>            |
| Accumulated amortisation at 31 December 2008 | (8,613,154)      | (8,613,154)      |
|  | <hr/>            | <hr/>            |
| Net carrying amount at 31 December 2008      | <u>6,050,192</u> | <u>6,050,192</u> |

(a) Fully amortised assets

The cost of fully amortised intangible assets in use at 31 December 2008 is as follows:

|          | <u>Euros</u>     |
|----------|------------------|
| Software | <u>6,394,120</u> |

The amount recognised for fully amortised intangible assets in use at 31 December 2008 mainly comprises the cost of purchasing and implementing the integrated SAP system used by the Company and its subsidiaries to manage and control their business, along with other document management systems.

(6) Property, Plant and Equipment

Details of property, plant and equipment and movement are attached as Appendix I.

(a) Fully depreciated assets

The cost of fully depreciated property, plant and equipment in use at 31 December 2008 is as follows:

|  | <u>Euros</u>     |
|--|------------------|
| Plant and machinery                          | 10,695           |
| Other installations, equipment and furniture | 1,941,274        |
| Other assets                                 | 3,034,249        |
|  | <hr/>            |
|  | <u>4,986,218</u> |

(Continued)



(b) Insurance

The Company has contracted 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.

(7) Investment Property

Details of investment property and movement are as follows:

| <u>Description</u>                           | <u>Euros</u>      |  |  | <u>Total</u>        |
|--|-------------------|--|--|---------------------|
|  | <u>Land</u>       | <u>Buildings and<br/>other<br/>installations</u> | <u>Adaptation<br/>investments<br/>and advances</u> |                     |
| Cost at 1 January 2008                       | 2,325,664         | 30,744,507                                       | 4,378,265  | 37,448,436          |
| Additions                                    | 10,715,347        | 6,775,653  | -  | 17,491,000          |
| Enlargement or improvement                   | -                 | 598,154  | 7,599,274  | 8,197,428           |
| Disposals                                    | -                 | -  | (17,987)   | (17,987)            |
| Transfers                                    | -                 | 3,104,717  | (3,104,717)  | -                   |
| Transfers to property, plant and equipment   | -                 | -  | (43,665)   | (43,665)            |
| Cost at 31 December 2008                     | <u>13,041,011</u> | <u>41,223,031</u>                                | <u>8,811,170</u>                                   | <u>63,075,212</u>   |
| Accumulated depreciation at 1 January 2008   |                   | (18,188,095)                                     |  | (18,188,095)        |
| Depreciation                                 |                   | (1,223,466)                                      |  | (1,223,466)         |
| Accumulated depreciation at 31 December 2008 | -                 | <u>(19,411,561)</u>                              | -  | <u>(19,411,561)</u> |
| Net carrying amount at 31 December 2008      | <u>13,041,011</u> | <u>21,811,470</u>                                | <u>8,811,170</u>                                   | <u>43,663,651</u>   |

(a) General

Additions of land and buildings mainly relate to the acquisition of an industrial complex with a surface area of 31,000 m<sup>2</sup> in Parets del Vallés in order to boost the group's production capacity. At 31 December 2007 the Company had made a payment of Euros 2,200 thousand for an option to purchase this industrial complex, which was recognised under investment property as an advance.

Property, plant and equipment under construction at 31 December 2008 primarily consists of the investments made to enlarge the Company's installations.

(Continued)

**(b) Foreign investment property**

Details of foreign investment property at 31 December 2008 are as follows:

| <u>Description</u>           | <u>Euros</u>   |                                     |                |
|------------------------------|----------------|-------------------------------------|----------------|
|                              | <u>Cost</u>    | <u>Accumulated<br/>depreciation</u> | <u>Net</u>     |
| Offices located in Argentina | 931,192        | (448,945)                           | 482,247        |
|                              | <u>931,192</u> | <u>(448,945)</u>                    | <u>482,247</u> |

The Company has leased these offices to a third party through its Argentinean subsidiary for a period not exceeding four years.

**(c) Fully depreciated assets**

The cost of fully depreciated investment property in use at 31 December 2008 is as follows:

|                     | <u>Euros</u>      |
|---------------------|-------------------|
| Buildings           | 1,097,115         |
| Other installations | 10,666,873        |
|                     | <u>11,763,988</u> |

**(d) Income and expenses from investment property**

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

|   | <u>Euros</u>       |
|---|--------------------|
| Rental income   | 3,828,492          |
| Operating expenses<br>Income-generating investment property | <u>(3,769,751)</u> |
| Net   | <u>58,741</u>      |

The Company recharges costs of owned and rented buildings onto its subsidiaries based on the surface area occupied by each subsidiary.

Rental income is almost entirely from group companies located in Spain (see note 24).

(Continued)

(e) Mortgaged investment property

At 31 December 2008 investment property with a net carrying amount of Euros 10,897 thousand has been pledged as collateral for a mortgage loan extended by Caixa Catalunya, with a balance of Euros 13,350 thousand at 31 December 2008.

(f) Insurance

The Company has contracted 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) Finance Leases – Lessee

The Company has contracted the following assets under finance leases:

|   | Euros                              |   |                     | Total            |
|---|------------------------------------|---|---------------------|------------------|
|   | <u>Plant<br/>and<br/>machinery</u> | <u>Other<br/>installations,<br/>equipment<br/>and furniture</u> | <u>Other assets</u> |                  |
| <i>Initially recognised at:</i>         |                                    |   |                     |                  |
| Present value of minimum lease payments | 2,306,670                          | 952,377   | 462,899             | 3,721,946        |
| Accumulated depreciation                | (196,628)                          | (40,949)  | (169,246)           | (406,823)        |
| Net carrying amount at 31 December 2008 | <u>2,110,042</u>                   | <u>911,428</u>  | <u>293,653</u>      | <u>3,315,123</u> |

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

|                            | Euros            |
|----------------------------|------------------|
| Future minimum payments    | 3,289,539        |
| Unaccrued finance expenses | (392,919)        |
| Present value              | <u>2,896,620</u> |

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

|                       | <u>Euros</u>            |                      |
|-----------------------|-------------------------|----------------------|
|                       | <u>Minimum payments</u> | <u>Present value</u> |
| Up to 1 year          | 979,727                 | 837,117              |
| Between 1 and 5 years | 1,908,346               | 1,672,470            |
| Over five years       | 401,465                 | 387,033              |
|                       | <u>3,289,538</u>        | <u>2,896,620</u>     |
| Less current portion  | <u>(979,727)</u>        | <u>(837,117)</u>     |
| Total non-current     | <u>2,309,811</u>        | <u>2,059,503</u>     |

(9) Operating leases - Lessee

The Company has contracted several office buildings and land under operating leases.

The most significant lease contracts are as follows:

Offices located in Barcelona

The Company can cancel the contract giving three months' notice without being penalised.

The minimum monthly lease payment amounts to Euros 73 thousand.

Land located in Parets del Vallés(Barcelona)

This lease term is 30 years as from 1996, which can be tacitly extended by five years and cancelled if one year's notice is given.

Offices and warehouses located in Parets del Vallés(Barcelona)

The lease term is 10 years, which can be extended voluntarily by the lessee, which the lessor must accept.

Annual lease payments for all contracts are subject to review in line with the Spanish consumer price index.

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

|                        | <u>Euros</u>     |
|------------------------|------------------|
| Minimum lease payments | <u>1,742,224</u> |

(Continued)

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

|                    | <u>Euros</u>     |
|--------------------|------------------|
| Less than one year | 1,681,215        |
| One to five years  | 5,869,336        |
| Over five years    | <u>2,049,060</u> |
|                    | <u>9,599,611</u> |

Part of these premises are for own use, while the remainder is subleased to the Company's Spanish subsidiaries (see note 7(d)).

(10) Operating leases – Lessor

The Company leases and subleases the buildings and installations it owns or leases from third parties to its Spanish subsidiaries, as described in note 7(d).

Contracts entered into with subsidiaries are tacitly renewed on an annual basis.

(11) Risk Management Policy

(a) Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk in fair value and price risk), credit risk, liquidity risk and interest rate risk in cash flows. 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 uses 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.

(i) *Foreign exchange risk*

The Company operates internationally and is therefore exposed to foreign exchange risk when operating with foreign currencies, especially the US Dollar. Foreign exchange risk affects recognised assets and liabilities and net investments in foreign companies.

(Continued)

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

Details of financial assets and financial liabilities in foreign currencies and transactions in foreign currencies are provided in notes (14) and (20).

At 31 December 2008, had the Euro devalued by 10% against the US Dollar, with the other variables remaining constant, profit after income tax would have been Euros 1,325 thousand higher, mainly as a result of translating loans and borrowings.

(ii) *Credit risk*

The Company's financial assets mainly comprise the trade receivables from and loans to group companies and receivables from public entities for tax rebates.

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

(iii) *Liquidity risk*

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

Details of financial assets and financial liabilities by contracted maturity date are provided in notes (14) and (20).

(iv) *Cash flow and fair value interest rate risks*

As the Company does not have a considerable amount of remunerated assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risks arise from other long-term and short-term borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. The Company's policy involves contracting borrowings at variable interest rates.

The Company manages interest rate risks in cash flows through variable to fixed interest rate swaps. These interest rate swaps convert variable interest rates on borrowings to fixed interest rates. Generally the Company obtains other long-term borrowings with variable interest rates and swaps these for fixed interest rates. These are generally at lower rates than those which would have been obtained had the borrowings been obtained directly with fixed interest rates. Through interest rate swaps the Company undertakes to exchange the difference between fixed interest and variable interest with other parties on a half-yearly basis. The difference is calculated based on the contracted notional principal. The Company has an interest-rate swap for loans of Euros 50,000 thousand (see note 15).

At 31 December 2008 had interest rates been 10 base points higher, with the other variables remaining constant, profit after income tax would have been Euros 71 thousand lower, mainly because of higher financial expenses for borrowings at variable interest rates.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

(12) Investments in equity instruments of group companies

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

|                                | <u>Euros</u>       |                |
|--------------------------------|--------------------|----------------|
|                                | <u>Non-current</u> | <u>Current</u> |
| Investments in group companies | <u>310,313,220</u> | <u>-</u>       |
| Total                          | <u>310,313,220</u> | <u>-</u>       |

On 1 April 2008 the Company subscribed to the increase in share capital increase issued by Grifols, Inc. (United States) for an amount equivalent to Euros 39,560 by capitalising loans with this company.

On 28 August 2008 the Company acquired 100% of the share capital of Arrahona Optimus, S.L.U., the activity of which under its by-laws comprises the development and construction of offices and business premises, for an amount of Euros 1,926 thousand. Its sole asset is the office complex under construction in Sant Cugat del Vallés.

During 2008 Grifols UK Ltd. distributed dividends amounting to an equivalent of Euros 1,679 thousand, which the Company has recognised as a decrease in its investment in Grifols UK (see note 4 (g) (vii)).

(a) Investments in group companies

Information on investments in group companies is included in Appendix II.

Subsidiaries' activities comprise the following:

**Industrial activity:** consisting of the manufacture, preparation and sale of therapeutic products and other pharmaceutical specialities, especially haemoderivatives 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:** consists of the marketing of, mainly, products manufactured by the industrial group companies.

**Service activity:** comprises 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. It also includes the reinsurance of the Group's insurance policies.

The percentage ownerships included in Appendix II reconcile with the voting rights the Company has in its subsidiaries, except for the investments in 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) and a contract entered into with the other shareholder and the pledging of this shareholder's shares in Grifols Malaysia.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

*(i) Foreign currency*

The functional currency of foreign investments is the currency of the country in which they have their registered offices.

**(b) Other information**

All subsidiaries have the same year-end date.

Subsidiaries have been audited by companies associated with KPMG International in the countries in which they have their registered offices, except for Grifols Chile ,S.A. (audited by Surlatina Auditores, Ltda.) and Grifols Argentina, S.A. (audited by Alexia Consulting group, S.R.L.).

Grifols France, S.A.R.L., Grifols Polska, Sp.z.o.o., Grifols Viajes, S.A., Logister, S.A. and Arrahona Optimus, S.L. have not been audited.

**(13) Financial assets by Category****(a) Classification of financial assets by category**

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

**(14) Investments and Trade Receivables****(a) Investments in group companies**

Details of investments in group companies are as follows:

|                         | <u>Euros</u>       |                    |
|-------------------------|--------------------|--------------------|
|                         | <u>Non-current</u> | <u>Current</u>     |
| Group                   |                    |                    |
| Loans                   | -                  | 261,456,168        |
| Receivables, tax effect | -                  | 31,675,238         |
| Interest                | -                  | 800,113            |
|                         | <u>-</u>           | <u>293,931,519</u> |
| Total                   | <u>-</u>           | <u>293,931,519</u> |

At 31 December 2008 loans to group companies include loans in US Dollars equivalent to Euros 43.115 thousand, and loans in Euros of Euros 218,341 thousand, both of which accrue variable market rates.

(Continued)



(b) Investments

Details of investments are as follows:

|                    | Euros              |                |
|--------------------|--------------------|----------------|
|                    | <u>Non-current</u> | <u>Current</u> |
| Unrelated parties  |                    |                |
| Equity instruments | 522,521            | -              |
| Guarantee deposits | 292,723            | 120            |
|                    | <u>815,244</u>     | <u>120</u>     |
| Total              | <u>815,244</u>     | <u>120</u>     |

Equity instruments reflect the Group's investment in Northfield Laboratorios, Inc (USA), which amounts to less than 2% of share capital, and in Cardio3 BioSciences (Belgium). This latter investment was acquired at the end of 2008 for Euros 500,000.

These instruments are classified as available-for-sale financial assets.

(c) Trade and other receivables

Details of trade and other receivables are as follows:

|                                       | Euros              |                   |
|---------------------------------------|--------------------|-------------------|
|                                       | <u>Non-current</u> | <u>Current</u>    |
| <i>Group</i>                          |                    |                   |
| Trade receivables                     | -                  | 6,925,281         |
| <i>Unrelated parties</i>              |                    |                   |
| Trade receivables                     | -                  | 465,796           |
| Other receivables                     | -                  | 55,167            |
| Personnel                             | -                  | 11,550            |
| Public entities, income tax (note 21) | -                  | 1,619,610         |
| Public entities, other                | -                  | 16,119,589        |
|                                       | <u>-</u>           | <u>25,196,993</u> |
| Total                                 | <u>-</u>           | <u>25,196,993</u> |

Public entities, other almost entirely consists of value added tax receivable from 2008. During 2008 the Company filed consolidated value added tax returns.

(Continued)

(d) Amounts denominated in foreign currencies

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

|  | <u>Euros</u>      |                   |
|--|-------------------|-------------------|
|  | <u>US Dollar</u>  | <u>Total</u>      |
| Current investments in group companies |                   |                   |
| Loans to group companies               | 43,220,725        | 43,220,725        |
| Cash and cash equivalents              |                   |                   |
| Cash                                   | 31,281            | 31,281            |
| Total current financial assets         | <u>43,252,006</u> | <u>43,252,006</u> |
| Total financial assets                 | <u>43,252,006</u> | <u>43,252,006</u> |

Practically all loans in US Dollars have been extended to group companies, the functional currency of which is the US Dollar.

Details of exchange differences recognised in profit or loss of financial instruments, except those measured at fair value through profit or loss, distinguishing between settled and non-settled transactions, are as follows:

|   | <u>Euros</u>     |                    |
|---|------------------|--------------------|
|   | <u>Settled</u>   | <u>Pending</u>     |
| <i>Trade and other receivables</i>                |                  |                    |
| Trade receivables - current                       | (6,861)          | -                  |
| Trade receivables from group companies -- current | 1,220            | (8,668)            |
| <i>Current investments</i>                        |                  |                    |
| Loans to group companies                          | <u>3,129,654</u> | <u>(3,801,842)</u> |
| Total current financial assets                    | <u>3,124,013</u> | <u>(3,810,510)</u> |
| Total financial assets                            | <u>3,124,013</u> | <u>(3,810,510)</u> |

(15) Derivative financial instruments(a) Interest rate swaps

The Company uses financial interest rate swaps to manage its exposure to interest rate fluctuations, mainly on bank loans.

At 31 December 2008 the Company has an interest rate swap for a nominal value of Euros 50,000 thousand which is renewed on a half-yearly basis and matures on 26 July 2011, and which has a negative fair value of approximately Euros 796 thousand.

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the balance sheet date. The Company does not apply hedge accounting to this swap.

(Continued)

(16) Inventories

Inventories mainly comprise spares used to maintain the Company's buildings and installations.

(a) Insurance

The Company has contracted insurance policies to cover the risk of damage to its inventories. The coverage of these policies is considered sufficient.

(17) Prepayments

Prepayments basically comprise prepayments of insurance premiums.

(18) Capital and reserves

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

(a) Share capital

At 31 December 2008 the share capital of Grifols, S.A. is represented by 213,064,899 ordinary shares of Euros 0.50 par value each, which are subscribed and fully paid and have the same voting and profit-sharing rights.

Movement of outstanding shares is as follows:

|                                | <u>Ordinary<br/>shares</u> |
|--------------------------------|----------------------------|
| At 1 January 2008              | 210,964,436                |
| Acquisition of treasury shares | (361,159)                  |
| Disposal of treasury shares    | <u>50,000</u>              |
| At 31 December 2008            | <u>210,653,277</u>         |

The Company's shares (with a par value of Euros 0.50 each) are listed on the Barcelona, Madrid, Valencia and Bilbao stock exchanges and on the electronic continuous stock market.

These shares are freely transferable.

The companies directly or indirectly holding 10% or more of the Company's share capital are as follows:

| Company                    | <u>Euros</u>                |                                 |
|----------------------------|-----------------------------|---------------------------------|
|                            | <u>Number of<br/>shares</u> | <u>Percentage<br/>ownership</u> |
| Scranton Enterprises, B.V. | <u>22,697,804</u>           | <u>10.653%</u>                  |

(Continued)

(b) Share premium

This reserve is freely distributable.

(c) Reserves

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

(i) Legal reserve

The legal reserve is in compliance with article 214 of the Spanish Companies Act, which requires that companies transfer 10% of the 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 used to offset losses, in the event that no other reserves are available, it must be replenished with future profits.

(ii) Treasury shares and reserve for Company shares

At the ordinary meetings held on 20 June 2007 and 13 June 2008 the shareholders agreed to authorise the acquisition of a maximum of shares equivalent to 5% 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 Commission. This acquisition has been authorised for a period of 18 months as of the date this decision was taken.

Shares acquired may be used to be provided to the Group's employees or directors either directly or as a result of them exercising share options they may hold.

Movement in treasury shares during the year has been as follows:

|                             |                             | <u>Euros</u>     |  |
|-----------------------------|-----------------------------|------------------|--|
|                             | <u>Number of<br/>shares</u> | <u>Par value</u> | <u>Average<br/>acquisition<br/>price</u> |
| Balance at 1 January 2008   | 2,100,463                   | 1,050,232        | 28,893,132                               |
| Acquisitions                | 361,159                     | 180,580          | 4,879,700                                |
| Disposals                   | <u>(50,000)</u>             | <u>(25,000)</u>  | <u>(685,988)</u>                         |
| Balance at 31 December 2008 | <u>2,411,622</u>            | <u>1,205,812</u> | <u>33,086,844</u>                        |

(iii) Differences on redenomination of share capital to Euros

This reserve is not distributable.

(iv) Voluntary reserves

These reserves are freely distributable.

(Continued)

(19) Financial Liabilities by Category(a) Classification of financial liabilities by category

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

(i) *Net gains and losses by financial liability category*

Variations in fair value during the year and accumulated since financial liabilities were measured at fair value through profit and loss are as follows:

|   | Euros  |  |  |  |
|---|--|--|--|--|
|   | Non-current  |  | Current  |  |
|   | <u>Variation</u><br><u>during the</u><br><u>year</u> | <u>Accumulated</u><br><u>variation</u> | <u>Variation</u><br><u>during the</u><br><u>year</u> | <u>Accumulated</u><br><u>variation</u> |
| <i>Financial liabilities at fair value through profit or loss</i> |  |  |  |  |
| Derivative financial instruments                                  | -  | -                                      | (1,195,724)  | (1,124,075)                            |
| Total   | -  | -                                      | (1,195,724)  | (1,124,075)                            |

(20) Payables and Trade Payables(a) Group companies

Details of group companies are as follows:

|                      | Euros              |                   |
|----------------------|--------------------|-------------------|
|                      | <u>Non-current</u> | <u>Current</u>    |
| <i>Group</i>         |                    |                   |
| Loans received       | -                  | 59,840,657        |
| Payables, tax effect | -                  | 24,510,041        |
| Interest             | -                  | 291,822           |
| Total                | =                  | <u>84,642,520</u> |

Details of payables to group companies do not include trade payables, which are described in section d) of this note. (b) Payables

Details of payables are as follows:

|                                  | Euros              |                   |
|----------------------------------|--------------------|-------------------|
|                                  | <u>Non-current</u> | <u>Current</u>    |
| <i>Unrelated parties</i>         |                    |                   |
| Loans and borrowings             | 264,576,805        | 20,226,933        |
| Interest                         | -                  | 277,462           |
| Lease payables                   | 2,059,503          | 837,117           |
| Derivative financial instruments | -                  | 795,964           |
| Guarantee deposits received      | -                  | 176,613           |
| Total                            | <u>266,636,308</u> | <u>22,314,089</u> |

(c) Other information on payables

(i) *Main features of payables*

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

On 26 May 2008 the Company entered into a Club Deal refinancing agreement with 24 financial entities for Euros 350 million (including the option to draw down a tranche of the loan in US Dollars), in order to refinance the non-current syndicated loan existing at 31 December 2007. This loan provides the Group with a significant margin for leverage to carry out planned investment programmes.

This syndicated loan, which matures on 26 May 2013, is subject to compliance with certain financial ratio covenants. In accordance with the agreed-upon conditions, the level of compliance with financial ratios and levels is determined at year end. The Company is required to provide financial information to the lending banks within the six-month period subsequent to 31 December of each year of the duration of the contract.

At 31 December 2008 the Company fulfils the ratios established in this agreement.

Non-current and current loans and borrowings are presented net of loan arrangement costs at 31 December 2008 which amount to Euros 1,568 thousand and Euros 480 thousand, respectively.

The Company has recognised the costs of arranging the previous syndicated loan amounting to Euros 1,177 thousand as finance expenses.

Approximately 80% of current loans and borrowings will be tacitly renewed for yearly periods up to a maximum of two years.

The Company has extended guarantees to banks on behalf of group companies for Euros 224,265 thousand.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

Instituto Grifols, S.A., Laboratorios Grifols, S.A., Movaco, S.A., Diagnostic Grifols, S.A., Biomat, S.A., Grifols, Inc., Grifols Biologicals, Inc and Biomat USA, Inc. have jointly and severely extended a guarantee to the lending banks for the Euros 350 million syndicated loan.

(d) Trade and Other Payables

Details of trade and other payables are as follows:

|                                       | <u>Euros</u>       |                   |
|---------------------------------------|--------------------|-------------------|
|                                       | <u>Non-current</u> | <u>Current</u>    |
| <i>Group</i>                          |                    |                   |
| Suppliers                             | -                  | 9,095,221         |
| <i>Related parties</i>                |                    |                   |
| Trade payables                        | -                  | 2,220,516         |
| <i>Unrelated parties</i>              |                    |                   |
| Suppliers                             | -                  | 9,163,933         |
| Trade payables                        | -                  | 4,151             |
| Personnel                             |                    | 2,531,197         |
| Tax authorities, income tax (note 21) |                    | 10,939,368        |
| Other payables to Public entities     | -                  | 758,920           |
| Total                                 | -                  | <u>34,713,306</u> |

(e) Classification by maturity

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

(f) Amounts denominated in foreign currencies

The equivalent value in Euros of financial liabilities denominated in foreign currencies is as follows:

|                             | <u>US Dollar</u>  | <u>Total</u>      |
|-----------------------------|-------------------|-------------------|
| Current payables            |                   |                   |
| Loans and borrowings        | 15,406,446        | 15,406,446        |
| Trade and other payables    |                   |                   |
| Suppliers, group companies  | 2,831             | 2,831             |
| Other payables              | 3,765             | 3,765             |
| Total current liabilities   | <u>15,413,042</u> | <u>15,413,042</u> |
| Total financial liabilities | <u>15,413,042</u> | <u>15,413,042</u> |

(Continued)

Details of exchange differences recognised in profit or loss of financial instruments, except those measured at fair value through profit or loss, distinguishing between settled and non-settled transaction, are as follows:

|                                 | <u>Euros</u>     |                  |
|---------------------------------|------------------|------------------|
|                                 | <u>Settled</u>   | <u>Pending</u>   |
| <i>Current payables</i>         |                  |                  |
| Loans and borrowings            | (179,896)        | -                |
| Group companies                 | -                | (465,256)        |
| <i>Trade and other payables</i> |                  |                  |
| Suppliers                       | (3,319)          | (101)            |
| Suppliers, group companies      | (5)              | 266              |
|                                 | <u>(183,220)</u> | <u>(465,091)</u> |
| Total current liabilities       | <u>(183,220)</u> | <u>(465,091)</u> |
| Total financial liabilities     | <u>(183,220)</u> | <u>(465,091)</u> |

(21) Income Tax

Details of balances with public entities are as follows:

|                                   | <u>Euros</u>       |                   |
|-----------------------------------|--------------------|-------------------|
|                                   | <u>Non-current</u> | <u>Current</u>    |
| <i>Assets</i>                     |                    |                   |
| Deferred tax assets               | 575,183            | -                 |
| Current tax assets                | -                  | 1,619,610         |
| Value added tax and similar taxes | -                  | 16,070,819        |
| Others                            | -                  | 48,770            |
|                                   | <u>575,183</u>     | <u>17,739,199</u> |
| <i>Liabilities</i>                |                    |                   |
| Deferred tax liabilities          | 2,273,284          | -                 |
| Current tax liabilities           | -                  | 10,939,368        |
| Social Security                   | -                  | 305,175           |
| Withholdings                      | -                  | 453,745           |
|                                   | <u>2,273,284</u>   | <u>11,698,288</u> |

Current tax assets comprise income tax receivable for 2007, which has been collected on 2 February 2009.

(Continued)



## GRIFOLS, S.A.

## Notes to the Annual Accounts

Details by company of intercompany balances receivable and payable resulting from the tax effect of filing consolidated tax returns are as follows:

|                             | <u>Euros</u>       |                   |
|-----------------------------|--------------------|-------------------|
|                             | <u>Non-current</u> | <u>Current</u>    |
| Debtor balances             |                    |                   |
| Instituto Grifols, S.A.     | -                  | 19,156,708        |
| Logister ,S.A.              | -                  | 158,211           |
| Biomat, S.A.                | -                  | 2,549,404         |
| Grifols International, S.A. | -                  | 1,483,734         |
| Movaco, S.A.                | -                  | 7,272,009         |
| Grifols Viajes, S.A.        | -                  | 35,125            |
| Grifols Engineering, S.A.   | -                  | 1,020,047         |
|                             | <u>-</u>           | <u>31,675,238</u> |
| Creditor balances           |                    |                   |
| Instituto Grifols, S.A.     | -                  | 13,292,863        |
| Diagnostic Grifols, S.A.    | -                  | 5,642,075         |
| Laboratorios Grifols, S.A.  | -                  | 5,274,720         |
| Grifols International, S.A. | -                  | 299,299           |
| Grifols Viajes, S.A.        | -                  | 1,084             |
|                             | <u>-</u>           | <u>24,510,041</u> |

Balances receivable resulting from the tax effect mainly comprise the accrued income tax receivable for 2008.

Balances payable resulting from the tax effect mainly comprise the accrued Value Added Tax payable for 2008.

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

| Tax                     | <u>Years open to inspection</u> |
|-------------------------|---------------------------------|
| Income tax              | 2004 to 2008                    |
| Value Added Tax         | 2005 to 2008                    |
| Personal income tax     | 2005 to 2008                    |
| Capital gains tax       | 2005 to 2008                    |
| Business activities tax | 2005 to 2008                    |
| Social Security         | 2005 to 2008                    |
| Non-residents           | 2005 to 2008                    |

Due to, among other reasons, the treatment permitted by fiscal legislation of certain transactions, additional tax contingencies could arise in the event of inspection. In any event, the Company's directors do not consider that any such contingencies that could arise would significantly affect the annual accounts.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

(a) Income taxes

The Company files consolidated tax returns with Instituto Grifols, S.A., Laboratorios Grifols, S.A., Diagnostic Grifols, S.A., Movaco, S.A., Biomat, S.A., Logister, S.A., Grifols International, S.A., Grifols Engineering, S.A. and Grifols Viajes, S.A.

A reconciliation of net income and expenses for the period and the taxable income is provided in Appendix VIII.

Details of the income tax revenues related to profit/(loss) for the period are included in Appendix IX.

Details of the income tax income are as follows:

|  | <u>Euros</u>       |
|--|--------------------|
| Current tax expense  |                    |
| Current period   | (5,570,887)        |
| Deferred taxes   |                    |
| Origination and reversal of temporary differences          |                    |
| Property, plant and equipment                              | 112,681            |
| Establishment costs  | 2,760,479          |
| Other intangible assets                                    | 72,911             |
| Financial assets at fair value through profit or loss      | (147,627)          |
| Provisions   | 43,300             |
| Previously unrecognised tax deductions                     | (5,760)            |
| Income from reversal of a reduction in deferred tax assets | 120,882            |
|  | <u>2,956,866</u>   |
| Continuing operations                                      | <u>(2,614,021)</u> |

As explained in note 28 (transition to NPGC), the Company has not opted to allocate in equal parts the net balance of adjustments to transition reserves to the taxable income for each of the first three fiscal years starting 1 January 2008, or beforehand if any equity items are derecognised from the balance sheet or because the taxpayer no longer exists, taking into consideration the exceptions for expensing provisions for impairment of equity investments in other entities and exchange gains.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

Details of income and expenses charged to transition reserves that have been allocated to taxable income for the year ended 31 December 2008 are as follows:

|  | <u>Opening<br/>balance</u> | <u>Amounts<br/>allocated to<br/>taxable income<br/>for 2008</u> | <u>Pending<br/>amount</u> |
|--|----------------------------|---|---------------------------|
| Effect of changes in recognition and measurement criteria    |                            |   |                           |
| Elimination of establishment costs                           | 9,201,596                  | (9,201,596)   | -                         |
| Elimination of trademarks and patents                        | 243,037                    | (243,037)   | -                         |
| Financial instruments at fair value                          |                            |   |                           |
| Liabilities at fair value through profit or loss             | (492,091)                  | 492,091   | -                         |
| Elimination of provisions for investments in group companies | 4,379,094                  | -   | 4,379,094                 |
| <b>Total</b>   | <u>13,331,636</u>          | <u>(8,952,542)</u>  | <u>4,379,094</u>          |

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

|   | <u>Euros</u>   |                    |                    |
|---|----------------|--------------------|--------------------|
|   | <u>Assets</u>  | <u>Liabilities</u> | <u>Net</u>         |
| Property, plant and equipment                   | 7,542          | (953,936)          | (946,394)          |
| Other intangible assets                         | 2,646          | -                  | 2,646              |
| Provisions for impairment of equity instruments | -              | (1,319,348)        | (1,319,348)        |
| Rights to tax deductions and credits            | 564,995        | -                  | 564,995            |
| <b>Total assets/liabilities</b>                 | <u>575,183</u> | <u>(2,273,284)</u> | <u>(1,698,101)</u> |
| <b>Net assets and liabilities</b>               | <u>575,183</u> | <u>(2,273,284)</u> | <u>(1,698,101)</u> |

The deferred liability for provisions for impairment of equity instruments comprises the part pending reversal of the deductible tax effect generated as a result of the loss of capital and reserves from one period to another of Grifols Argentina, S.A. (see note 28(c)(iv)).

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

Details of deferred tax assets and liabilities, the realisation or reversal period of which is expected to exceed 12 months, are as follows:

|   | <u>Euros</u>              |
|---|---------------------------|
| Deferred tax assets relating to temporary differences | 10,188                    |
| Rights to tax deductions and credits                  | <u>119,014</u>            |
| Total assets  | <u>129,202</u>            |
| Deferred tax liabilities                              | <u>2,236,467</u>          |
| Net   | <u><u>(2,107,265)</u></u> |

(b) Value Added Tax

Since 1 January 2008 the Company files consolidated tax returns with Instituto Grifols, S.A., Laboratorios Grifols, S.A., Diagnostic Grifols, S.A., Movaco, S.A., Biomat, S.A., Logister, S.A., Grifols International, S.A., Grifols Engineering, S.A. and Grifols Viajes, S.A.

(22) Environmental Information

Details of property, plant and equipment the purpose of which is to minimise the Company's impact on the environment are as follows:

| <u>Description</u> | <u>Euros</u>   |                                 |                |
|--------------------|----------------|---------------------------------|----------------|
|                    | <u>Cost</u>    | <u>Accumulated depreciation</u> | <u>Net</u>     |
| Sewage treatment   | 165,531        | (100,857)                       | 64,674         |
| Water saving       | 80,760         | (68,234)                        | 12,526         |
| Heating prevention | 50,434         | (32,804)                        | 17,630         |
| Waste management   | 19,495         | (8,123)                         | 11,372         |
|                    | <u>316,220</u> | <u>(210,018)</u>                | <u>106,202</u> |

(23) Transactions and Balances with Related Parties(a) Balances with related parties

Details of balances receivable from and payable to group companies and related parties, and the main features thereof are disclosed in notes 14 and 20.

Details of balances by category are provided in Appendix XI.

(Continued)

(b) Transactions with related parties

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%.

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

(c) Information on the Board of Directors of the Company and Key Management Personnel

During 2008 the independent members of the Company's Board of Directors have accrued Euros 180,000 in their capacity as such. The members of the Board of Directors who have a labour relationship with the Company and key management personnel have received total remuneration of Euros 4,363,608. The Company has not extended any advances or loans to the members of the Board of Directors, has not assumed any guarantee commitments on their behalf, nor has it assumed any pension or life insurance obligations on behalf of former or current members of the Board of directors.

(d) Investments and positions held by the directors in other companies

The Company's directors do not hold any investments in companies with a statutory activity which is identical, similar or complementary to that of the Company.

The functions and activities fulfilled and/or conducted by the Company's directors in group companies and/or companies with a statutory activity which is identical, similar or complementary to that of the Company are shown in Appendix X, which forms an integral part of this note.

(24) Income and Expenses(a) Revenue

Details of revenues by category of activity and geographical market are as follows:

|                                | <u>Domestic</u>   | <u>Rest of Europe</u> | <u>United States</u> | <u>Rest of the world</u> | <u>Total</u>      |
|--------------------------------|-------------------|-----------------------|----------------------|--------------------------|-------------------|
| Revenue from services rendered | 33,595,843        | 3,612,131             | 11,003,444           | 2,036,202                | 50,247,620        |
| Rental revenue                 | 3,770,820         | -                     | -                    | 57,672                   | 3,828,492         |
| Revenue from royalties         | -                 | -                     | 648,683              | -                        | 648,683           |
|                                | <u>37,366,663</u> | <u>3,612,131</u>      | <u>11,652,127</u>    | <u>2,093,874</u>         | <u>54,724,795</u> |

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

(b) Supplies

Details of other supplies used are as follows:

|                          | <u>Euros</u>     |
|--------------------------|------------------|
| Goods for resale used    |                  |
| Domestic purchases       | <u>1</u>         |
| Other supplies used      |                  |
| Purchases of spare parts | 405,208          |
| Changes in inventories   | <u>(116,803)</u> |
|                          | <u>288,405</u>   |
|                          | <u>288,406</u>   |

(c) Employee Benefits Expense and Provisions

Details of employee benefits are as follows:

|   | <u>Euros</u>     |
|---|------------------|
| Employee benefits expense               |                  |
| Social Security payable by the Company  | 2,883,391        |
| Defined contribution plan contributions | 48,003           |
| Other employee benefits                 | <u>736,153</u>   |
|   | <u>3,667,547</u> |

(25) Employee Information

The average headcount of the Company during 2008, distributed by department, is as follows:

|                           | <u>Headcount</u> |
|---------------------------|------------------|
| Technical area            | 35               |
| Administration and others | 208              |
| General management        | 22               |
| Marketing                 | <u>10</u>        |
|                           | <u>275</u>       |

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

The distribution of personnel and directors by gender at year end is as follows:

|                           | Euros      |            |
|---------------------------|------------|------------|
|                           | Female     | Male       |
| Technical area            | 34         | 1          |
| Administration and others | 95         | 127        |
| General management        | 14         | 6          |
| Marketing                 | 7          | 5          |
| Directors                 | 1          | 8          |
|                           | <u>151</u> | <u>147</u> |

(26) Audit Fees

KPMG Auditores, S.L., the auditors of the annual accounts of the Company and other companies related to the auditors as defined by Audit Law 19 dated 12 July 1988, have invoiced the following fees and expenses for professional services for the year ended 31 December 2008:

|                        | Euros          |
|------------------------|----------------|
| Audit services         | 83,948         |
| Audit-related services | <u>25,750</u>  |
|                        | <u>109,698</u> |

The amounts detailed in the above table include the total fees for services received during 2008, irrespective of the date of invoice.

(27) Subsequent EventsTax inspection

On 28 January 2009, Grifols, S.A. was notified by the Barcelona Tax Authorities of the start of an inspection of income tax (2004 to 2007) and of Value Added Tax and withholdings (2005 to 2007).

(28) Aspects derived from the transition to the new Spanish General Chart of Accounts

As indicated in note 2, the annual accounts for 2008 have been considered as opening annual accounts, and therefore do not include comparative figures. This note contains the balance sheet and statement of profit and loss included in the annual accounts for 2007 approved by the shareholders on 13 June 2008, which were prepared applying the General Chart of Accounts prevailing at that date. These annual accounts included an explanation of the main differences between the accounting criteria applied in the prior year and the current standards, as well as the quantification of the impact of this change in accounting criteria on equity at 1 January 2008, which is the transition date and therefore the date of the opening balance sheet.

(Continued)

## GRIFOLS, S.A.

## Notes to the Annual Accounts

As permitted by transitional provision 1 of Royal Decree 1514/2007, the Company has opted to measure all equity items included in the opening balance sheet in accordance with the standards and principles prevailing at 31 December 2007, except for financial instruments which are measured at fair value.

(a) Balance Sheet and Income Statement

Appendices XIV and XV comprise the balance sheet and income statement included in the annual accounts for 2007, respectively.

(b) Reconciliation with the opening balance sheet

The main changes deriving from the application of the New Spanish General Chart of Accounts approved by Royal Decree 1514/2007 on capital and reserves at 1 January 2008, date of the transitional balance sheet, and at 31 December 2007, are detailed in Appendix XIII.

The adjustments made to equity are as follows:

- Treasury shares

In the annual accounts for the year ended 31 December 2007, treasury shares recognised by the Company as assets in the balance sheet were measured at cost of acquisition.

Had the Company applied the measurement criteria established in Consultation 9 of issue 48 of the Spanish Institute of Accountants and Auditors' Official Gazette, equity would have been Euros 26,112,746 less, corresponding to the difference between the cost of acquisition (Euros 28,893,132) and the underlying carrying amount at 31 December 2007 (Euros 2,780,386). Because of the fact that these treasury shares were acquired for purposes other than their cancellation (see note 18, (c) (ii)), the Company did not apply the aforementioned consultation. However, a non-distributable reserve was set up at 31 December 2007 covering the cost of these shares.

At 1 January 2008, in accordance with the Standard on Preparing Annual Accounts (NECA) 6 of the New Spanish General Chart of Accounts, treasury shares have been recognised as a reduction in equity at cost of acquisition of Euros 28,893,132.

- Trademark and patent expenses

These expenses comprise the expenses capitalised for internally-developed trademarks and patents. At 31 December 2007 seven years remained to be amortised.

- Establishment costs

These expenses comprise share issue costs which have been recognised as a reduction in equity. At 31 December 2007, 17 months remained to be amortised.

- Derivatives

This caption comprises the effect of measuring the interest rate swap at fair value for a par amount of Euros 50,000 thousand.

(Continued)



## GRIFOLS, S.A.

## Notes to the Annual Accounts

- Investments in group companies

This caption consists of the reversal of the provision for the decline in value of investments subsequent to performing an impairment test at the date of transition to the New Spanish General Chart of Accounts.

- Deferred tax liabilities

The tax effect of the aforementioned adjustments is as follows:

|                                | <u>Euros</u>       |
|--------------------------------|--------------------|
| Trademarks and patents         | 72,911             |
| Establishment costs            | 2,760,479          |
| Derivatives                    | (147,627)          |
| Investments in group companies | <u>(1,313,727)</u> |
| Total                          | <u>1,372,036</u>   |

- Deferred tax assets

These comprise tax deductions and credits considered as deferred income under the previous Spanish General Chart of Accounts.

(c) Exceptions to the general rules governing first-time adoption

The Company has opted to apply the exceptions to the general rules governing first-time adoption detailed below:

*(i) Estimates*

Estimates made in accordance with previously prevailing standards are consistent with those made in the opening balance sheet and the Company has not recognised any correction of errors.

*(ii) Impairment*

The Company has tested investments in group companies for impairment (note 4(g) (viii)).

Calculations are made using cash flow projections based on five-year budgets approved by management. Cash flows beyond five years are extrapolated using the following estimated growth rates:

The key assumptions used in calculating value in use are: 3% growth rate and 8% discount rate.

(Continued)

Management determines budgeted gross margins based on past performance and forecast market development. Average weighted growth rates are in line with the forecasts included in industry reports. The discount rates used are after tax and reflect the specific risks of the relevant segments.

*(iii) Income tax*

The Company has settled the income tax resulting from the adjustments made on first-time adoption of the New Spanish General Chart of Accounts in accordance with the twenty-sixth to twenty-ninth transitional provisions of the Revised Spanish Income Tax Law, applying all adjustments in 2008.

## GRIFOLS, S.A.

Details and Movement in Property, Plant and Equipment  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Euros            |                |                     |  |                                 |                | Total             |
|--|------------------|----------------|---------------------|--|---------------------------------|----------------|-------------------|
|  | Land             | Buildings      | Plant and machinery | Other installations, equipment and furniture | Under construction and advances | Other assets   |                   |
| Cost at 1 January 2008                       | 2,060,120        | 868,379        | 1,792,367           | 5,592,899                                    | 4,134,418                       | 3,526,232      | 17,974,415        |
| Additions                                    | -                | -              | 1,887,496           | 1,690,530                                    | 65,271                          | 262,334        | 3,905,631         |
| Disposals                                    | -                | -              | -                   | (129,779)                                    | (143,807)                       | (13,161)       | (286,747)         |
| Transfers                                    | -                | -              | 1,856,496           | 1,511,047                                    | (3,395,522)                     | 27,979         | -                 |
| Transfer to investment property              | -                | -              | -                   | 43,665                                       | -                               | -              | 43,665            |
| Cost at 31 December 2008                     | 2,060,120        | 868,379        | 5,536,359           | 8,708,362                                    | 660,360                         | 3,803,384      | 21,636,964        |
| Accumulated depreciation at 1 January 2008   | -                | (329,139)      | (845,464)           | (4,041,038)                                  | -                               | (3,131,426)    | (8,347,067)       |
| Depreciation                                 | -                | (136,230)      | (310,864)           | (381,811)                                    | -                               | (176,384)      | (1,005,289)       |
| Disposals                                    | -                | -              | -                   | 127,378                                      | -                               | 11,034         | 138,412           |
| Accumulated depreciation at 31 December 2008 | -                | (465,369)      | (1,156,328)         | (4,295,471)                                  | -                               | (3,296,776)    | (9,213,944)       |
| Net carrying amount at 31 December 2008      | <u>2,060,120</u> | <u>403,010</u> | <u>4,380,031</u>    | <u>4,412,891</u>                             | <u>660,360</u>                  | <u>506,608</u> | <u>12,423,020</u> |

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

## GRIFOLS, S.A.

Information on Group Companies  
for the year ended 31 December 2008(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 |         |       | Share capital | Reserves    | Other equity items or net | Profit/(loss) for the period | Total       | Total capital and reserves | Net carrying amount of investment | Dividend   |
|--|--------------------|------------|-------------|---------|-------|---------------|-------------|---------------------------|------------------------------|-------------|----------------------------|-----------------------------------|------------|
|  |                    |            | Dir         | Ind     | Total |               |             |                           |                              |             |                            |                                   |            |
| Laboratorios Grifols, S.A.                                 | Spain              | Industrial | 99.998      | 0.002   | 100.0 | 4,798,324     | 8,798,060   | -                         | (3,218,244)                  | (3,218,244) | 10,378,140                 | 4,798,330                         | -          |
| Instituto Grifols,S.A.                                     | Spain              | Industrial | 99.998      | 0.002   | 100.0 | 1,537,989     | 12,196,315  | (30,000,000)              | 69,936,766                   | 69,936,766  | 53,671,070                 | 1,537,990                         | 38,998,935 |
| Movaco,S.A.  | Spain              | Commercial | 99.999      | 0.001   | 100.0 | 2,404,601     | 1,451,643   | -                         | 8,661,410                    | 8,661,410   | 12,517,654                 | 2,404,619                         | 7,055,936  |
| Grifols Portugal Productos Farmacéuticos e Hospitales,Lda. | Portugal           | Commercial | 0.015       | 99.985  | 100.0 | 685,790       | (32,519)    | 20,379                    | 25,935                       | 25,935      | 699,585                    | 139                               | -          |
| Diagnostico Grifols,S.A.                                   | Spain              | Industrial | 99.998      | 0.002   | 100.0 | 336,560       | 9,803,664   | -                         | 3,414,942                    | 3,414,942   | 13,555,166                 | 336,561                           | 3,499,938  |
| Logister,S.A.  | Spain              | Services   | -           | 100.000 | 100.0 | 105,325       | 262,729     | -                         | 28,229                       | 28,229      | 396,283                    | -                                 | -          |
| Grifols Chile,S.A.   | Chile              | Commercial | 99.000      | -       | 99.0  | 385,453       | 3,711,020   | (834,869)                 | 1,277,517                    | 1,277,517   | 4,539,121                  | 385,453                           | -          |
| Biomat,S.A.  | Spain              | Industrial | 99.900      | 0.100   | 100.0 | 60,110        | 711,484     | -                         | 1,920,196                    | 1,920,196   | 2,691,790                  | 60,041                            | 3,496,108  |
| Grifols Argentina,S.A.                                     | Argentina          | Commercial | 100.000     | -       | 100.0 | 955,675       | 2,218,679   | (1,085,701)               | 1,427,191                    | 1,427,191   | 3,515,844                  | 6,612,058                         | -          |
| Czech Republic   | Czech Republic     | Commercial | 100.000     | -       | 100.0 | 51,597        | 2,875,796   | 174,960                   | 1,722,900                    | 1,722,900   | 4,825,253                  | 51,600                            | -          |
| Logistica Grifols,S.A. de CV                               | Mexico             | Services   | 100.000     | -       | 100.0 | 92,279        | 616,858     | 154,886                   | 413,920                      | 413,920     | 1,277,943                  | 235,289                           | 2,998,040  |
| Grifols Viajes,S.A.  | Spain              | Services   | 99.900      | 0.100   | 100.0 | 60,110        | 216,598     | -                         | 50,663                       | 50,663      | 327,371                    | 60,041                            | -          |
| Grifols USA, LLC   | USA                | Commercial | -           | 100.000 | 100.0 | 561,686       | 1,572,843   | (1,093,401)               | 4,612,500                    | 4,612,500   | 5,653,628                  | -                                 | -          |
| Grifols International,S.A.                                 | Spain              | Services   | 99.900      | 0.100   | 100.0 | 2,860,154     | 1,572,135   | -                         | (491,420)                    | (491,420)   | 3,940,869                  | 2,860,085                         | 848,501    |
| Grifols Deutschland GmbH                                   | Germany            | Commercial | 100.000     | -       | 100.0 | 2,924,813     | 913,185     | 8,913                     | 1,097,093                    | 1,097,093   | 4,944,004                  | 2,924,811                         | 3,000,000  |
| Grifols Italia,S.p.A.                                      | Italy              | Commercial | 100.000     | -       | 100.0 | 2,494,762     | 1,335,431   | 17,111                    | 3,454,328                    | 3,454,328   | 7,301,632                  | 12,226,606                        | 4,000,000  |
| Grifols UK,Ltd.  | Kingdom            | Commercial | 100.000     | -       | 100.0 | 4,285         | 4,385,892   | (1,350,182)               | 882,129                      | 882,129     | 3,922,124                  | 21,167,620                        | -          |
| Grifols Brasil, ltda.                                      | Brazil             | Commercial | 100.000     | -       | 100.0 | 764,095       | -           | (946,538)                 | 2,701,814                    | 2,701,814   | 2,519,371                  | 764,095                           | 1,000,000  |
| Grifols France,S.A.R.L.                                    | France             | Commercial | 99.000      | 1.000   | 100.0 | 7,700         | 7,064       | -                         | 49,568                       | 49,568      | 64,332                     | 7,623                             | 900,000    |
| Grifols Engineering,S.A.                                   | Spain              | Services   | 99.950      | 0.050   | 100.0 | 60,120        | 225,434     | -                         | 1,308,075                    | 1,308,075   | 1,593,629                  | 60,090                            | 1,998,829  |
| Biomat USA, Inc.   | USA                | Industrial | -           | 100.000 | 100.0 | -             | 69,761,108  | (1,377,342)               | 4,658,090                    | 4,658,090   | 57,041,856                 | -                                 | -          |
| Squadron Reinsurance Ltd.                                  | Ireland            | Services   | 99.999      | 0.001   | 100.0 | 1,000,000     | 7,416,363   | -                         | 3,460,167                    | 3,460,167   | 11,876,530                 | 999,999                           | -          |
| Grifols, Inc.  | USA                | Services   | 100.000     | -       | 100.0 | -             | 248,235,452 | 9,431,277                 | 24,257,990                   | 24,257,990  | 281,924,719                | 249,070,932                       | -          |
| Grifols Asia Pacific Pte. ltd.                             | Singapore          | Commercial | 100.000     | -       | 100.0 | 362,387       | 1,547,990   | (642,067)                 | 2,981,430                    | 2,981,430   | 4,249,740                  | 714,769                           | 2,878,043  |
| Grifols Biologics, Inc.                                    | USA                | Industrial | -           | 100.000 | 100.0 | -             | 51,099,743  | (8,807,870)               | 43,123,276                   | 43,123,276  | 85,415,149                 | -                                 | -          |
| Grifols(Thailand),Ltd.                                     | Thailand           | Commercial | -           | 48.000  | 48.0  | 61,198        | 1,383,361   | (162,721)                 | 642,860                      | 642,860     | 1,924,698                  | -                                 | -          |
| Alpha Therapeutic Italia,S.p.A.                            | Italy              | Commercial | 100.000     | -       | 100.0 | 500,000       | 172,456     | (47,522)                  | 608,633                      | 608,633     | 1,233,567                  | 635,934                           | 1,000,000  |
| Grifols Polska,Sp.z.o.o.                                   | Poland             | Commercial | 100.000     | -       | 100.0 | 10,714        | 196,109     | (10,718)                  | 430,657                      | 430,657     | 626,762                    | 10,714                            | 497,853    |
| Grifols Malaysia Sdn Bhd                                   | Malaysia           | Commercial | -           | 30.000  | 30.0  | 30,283        | 292,103     | (9,445)                   | 77,287                       | 77,287      | 390,228                    | -                                 | -          |
| Plasmacare, Inc.   | USA                | Industrial | -           | 100.000 | 100.0 | 15,241        | 12,515,489  | (9,445)                   | 2,240,484                    | 2,240,484   | 13,814,180                 | -                                 | -          |
| Plasma Collection Centers, Inc.                            | USA                | Industrial | -           | 100.000 | 100.0 | 16,399,961    | -           | (9,445)                   | 577,130                      | 577,130     | 16,166,265                 | -                                 | -          |
| Grifols México,S.A. de CV                                  | Mexico             | Industrial | 100.000     | -       | 100.0 | 461,397       | -           | (810,826)                 | (610,553)                    | (610,553)   | (386,754)                  | 461,255                           | -          |
| Arrahona Optima, S.L.                                      | Spain              | Services   | 100.000     | -       | 100.0 | 1,925,100     | (13,712)    | -                         | (12,121)                     | (12,121)    | 1,899,267                  | 1,926,565                         | -          |

This Appendix forms an integral part of note 10 to the annual accounts, in conjunction with which it should be read.

## GRIFOLS, S.A.

Classification of Financial Assets by Category  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Euros                                     |            |                     |   |             |             |
|--|---|------------|---------------------|---|-------------|-------------|
|  | Non-current                               |            |                     | Current                                   |             |             |
|  | At amortised cost or cost Carrying amount | Fair value | At fair value Total | At amortised cost or cost Carrying amount | Fair value  | Total       |
| <i>Loans and receivables</i>           |   |            |                     |   |             |             |
| Loans                                  |   |            |                     |   |             |             |
| Tax effect                             | -   | -          | -                   | 31,675,238                                | 31,675,238  | 31,675,238  |
| Floating rate                          | -   | -          | -                   | 262,256,291                               | 262,256,291 | 262,256,291 |
| Guarantee deposits                     | 292,723                                   | 292,723    | -                   | 292,723                                   | 120         | 120         |
| Trade and other receivables            | -   | -          | -                   | 55,167                                    | 55,167      | 55,167      |
| Trade receivables from trade customers | -   | -          | -                   | 7,391,077                                 | 7,391,077   | 7,391,077   |
| Other receivables                      | -   | -          | -                   | 17,750,749                                | 17,750,749  | 17,750,749  |
| Total                                  | 292,723                                   | 292,723    | =                   | 319,128,642                               | 319,128,642 | 319,128,642 |
| <i>Available-for-sale assets</i>       |   |            |                     |   |             |             |
| Equity instruments                     |   |            |                     |   |             |             |
| Listed                                 | -   | -          | 22,521              | -   | -           | -           |
| Unlisted                               | 500,000                                   | 500,000    | -                   | -   | -           | -           |
| Total                                  | 500,000                                   | 500,000    | 22,521              | 522,521                                   | =           | =           |
| Total financial assets                 | 792,723                                   | 792,723    | 22,521              | 815,244                                   | 319,128,642 | 319,128,642 |

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

## GRIFOLS, S.A.

Details of Movement in Reserves  
for the year ended 31 December 2008

(Expressed in Euros)

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

|   | <u>Legal and statutory<br/>reserve</u> | <u>Reserve for treasury<br/>shares and Parent's<br/>shares</u> | <u>Difference for<br/>translation of capital<br/>to Euros</u> | <u>Voluntary reserves</u> | <u>Total</u>      |
|---|--|--|---|---------------------------|-------------------|
| Balance at 1 January 2008               | 9,203,602                              | 28,893,132   | 3,020   | (17,925,571)              | 20,174,183        |
| Distribution of profit for the year     | -                                      | -  | -   | 29,575,112                | 29,575,112        |
| Appropriation to legal reserves         | 2,957,511                              | -  | -   | (2,957,511)               | -                 |
| Dividends                               | -                                      | -  | -   | (24,737,331)              | (24,737,331)      |
| Acquisition of treasury shares          | -                                      | 4,879,700  | -   | (4,879,700)               | -                 |
| Disposal of treasury shares             | -                                      | (685,988)  | -   | 685,988                   | -                 |
| Results of available-for-sale assets    | -                                      | -  | -   | (5,465)                   | (5,465)           |
| Results of trading with treasury shares | -                                      | -  | -   | (17,620)                  | (17,620)          |
| Balance at 31 December 2008             | <u>12,161,113</u>                      | <u>33,086,844</u>  | <u>3,020</u>  | <u>(20,262,098)</u>       | <u>24,988,879</u> |

## GRIFOLS, S.A.

Details of Financial Liabilities by Category  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Euros                                     |                    |                    |   |                    |                    |
|--|---|--------------------|--------------------|---|--------------------|--------------------|
|  | Non-current                               |                    |                    | Current                                   |                    |                    |
|  | At amortised cost or cost Carrying amount | Fair value         | Total              | At amortised cost or cost Carrying amount | Fair value         | Total              |
| <i>Liabilities at fair value through profit and loss</i> |   |                    |                    |   |                    |                    |
| Derivative financial instruments                         | -   | -                  | -                  | -   | 795,964            | 795,964            |
| Total  | =   | =                  | =                  | =   | <u>795,964</u>     | <u>795,964</u>     |
| <i>Debts and payables Group companies</i>                |   |                    |                    |   |                    |                    |
| Loans  | -   | -                  | -                  | -   | -                  | -                  |
| Loans and borrowings                                     | -   | -                  | -                  | -   | -                  | -                  |
| Variable interest rate                                   | 264,576,805                               | 264,576,805        | 264,576,805        | -   | 20,504,395         | 20,504,395         |
| Lease payables   | 2,059,503                                 | 2,059,503          | 2,059,503          | 837,117                                   | 837,117            | 837,117            |
| Other financial liabilities                              | -   | -                  | -                  | 176,613                                   | -                  | 176,613            |
| Trade and other payables                                 |   |                    |                    |   |                    |                    |
| Suppliers  | -   | -                  | -                  | 20,483,821                                | 20,483,821         | 20,483,821         |
| Other payables   | -   | -                  | -                  | 14,229,485                                | 14,229,485         | 14,229,485         |
| Total financial liabilities                              | <u>266.636.308</u>                        | <u>266.636.308</u> | <u>266.636.308</u> | <u>140.873.951</u>                        | <u>140.873.951</u> | <u>140.873.951</u> |

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

## GRIFOLS, S.A.

Classification by Maturity of Payables and Trade Payables  
for the year ended 31 December 2008

(Expressed in Euros)

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

|                             | Euros              |                   |                   |                   |                   |                   | Total non-current    |
|-----------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|
|                             | 2009               | 2010              | 2011              | 2012              | 2013              | Thereafter        |                      |
| Payables                    |                    |                   |                   |                   |                   |                   |                      |
| Loans and borrowings        | 20,504,394         | 38,460,114        | 71,872,697        | 71,966,936        | 65,411,610        | 16,865,448        | (20,504,394)         |
| Lease payables              | 837,117            | 743,554           | 363,337           | 274,850           | 290,728           | 387,034           | (837,117)            |
| Derivatives                 | 795,964            | -                 | -                 | -                 | -                 | -                 | (795,964)            |
| Other financial liabilities | 176,613            | -                 | -                 | -                 | -                 | -                 | (176,613)            |
| Group companies             | 84,642,520         | -                 | -                 | -                 | -                 | -                 | (84,642,520)         |
| Trade and other payables    |                    |                   |                   |                   |                   |                   |                      |
| Suppliers                   | 9,163,933          | -                 | -                 | -                 | -                 | -                 | (9,163,933)          |
| Suppliers, group companies  | 9,095,221          | -                 | -                 | -                 | -                 | -                 | (9,095,221)          |
| Other payables              | 2,224,667          | -                 | -                 | -                 | -                 | -                 | (2,224,667)          |
| Personnel                   | 2,531,197          | -                 | -                 | -                 | -                 | -                 | (2,531,197)          |
| Total financial liabilities | <u>129,971,627</u> | <u>39,203,668</u> | <u>72,236,034</u> | <u>72,241,786</u> | <u>65,702,338</u> | <u>17,252,482</u> | <u>(106,956,608)</u> |
|                             |                    |                   |                   |                   |                   |                   | <u>266,636,308</u>   |

This Appendix forms an integral part of note 20 to the annual accounts, in conjunction with which it should be read.



## GRIFOLS, S.A.

Main features of payables  
for the year ended 31 December 2008  
(Expressed in Euros)

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

|                           |                 | <u>Euros</u>                 |                                   |                      |                    |                            |                    |
|---------------------------|-----------------|------------------------------|-----------------------------------|----------------------|--------------------|----------------------------|--------------------|
| <u>Type</u>               | <u>Currency</u> | <u>Limit in<br/>currency</u> | <u>Variable<br/>interest rate</u> | <u>Maturity date</u> | <u>Par value</u>   | <u>Carrying<br/>amount</u> |                    |
|                           |                 |                              |                                   |                      | <u>Current</u>     | <u>Non-current</u>         |                    |
| Unrelated parties         |                 |                              |                                   |                      |                    |                            |                    |
| Instituto Crédito Oficial | EUR             | 30,000,000                   | 4.94                              | 2016                 | 30,024,354         | 4,117,687                  | 25,906,667         |
| Syndicated loan           | EUR             | 350,000,000                  | 2.35 - 3.95                       | 2013                 | 225,158,525        | (161,307)                  | 225,319,832        |
| Syndicated mortgage loan  | EUR             | 14,000,000                   | 5.25                              | 2018                 | 13,814,351         | 464,045                    | 13,350,306         |
| BBVA                      | USD             | 10,000,000                   | 2.60                              | 2009                 | 2,402,432          | 2,402,432                  | -                  |
| Banesto                   | USD             | 10,000,000                   | 2.76                              | 2009                 | 6,559,718          | 6,559,718                  | -                  |
| Caixa Sabadell            | EUR             | 3,000,000                    | 4.50                              | 2009                 | 6,100              | 6,100                      | -                  |
| HSBC                      | USD             | 10,000,000                   | 2.62                              | 2009                 | 3,789,791          | 3,789,791                  | -                  |
| Deutsche bank             | EUR             | 13,500,000                   | 3.89                              | 2009                 | 95,029             | 95,029                     | -                  |
| Santander                 | EUR             | 6,450,000                    | 5.87                              | 2009                 | 157,178            | 157,178                    | -                  |
| Banca March               | EUR             | 2,000,000                    | 3.88                              | 2009                 | 7,386              | 7,386                      | -                  |
| BBVA master               | EUR             | 12,000,000                   | 3.65                              | 2009                 | 361,231            | 361,231                    | -                  |
| Barclays                  | USD             | 10,000,000                   | 3.13                              | 2009                 | 2,705,105          | 2,705,105                  | -                  |
|                           |                 |                              |                                   |                      | <u>285,081,200</u> | <u>20,504,395</u>          | <u>264,576,805</u> |
| Total                     |                 |                              |                                   |                      | <u>285,081,200</u> | <u>20,504,395</u>          | <u>264,576,805</u> |

This Appendix forms an integral part of note 20 to the annual accounts, in conjunction with which it should be read.

## GRIFOLS, S.A.

Reconciliation between net income and expense for the year and taxable income  
for the year ended 31 December 2008

(Expressed in Euros)

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

|                                    | Euros            |            |  |                       |
|------------------------------------|------------------|------------|--|-----------------------|
|                                    | Income Statement |            | Income and expenses recognised in equity |                       |
|                                    | Increases        | Decreases  | Net                                      | Total                 |
| Income and expenses for the period | -                | -          | -  | (23,085)              |
| Profit before income tax           | 62,349,447       | -          | 62,349,447                               | -                     |
| Permanent differences              | -                | -          | -  | -                     |
| Of individual company              | -                | 8,188,335  | (8,188,335)                              | 23,085                |
| consolidation adjustments          | -                | 58,898,249 | (58,898,249)                             | -                     |
| Temporary differences              | -                | -          | -  | -                     |
| Of individual company              | 63,267           | -          | 63,267                                   | -                     |
| originating in current period      | -                | -          | -  | -                     |
| originating in prior periods       | -                | 9,535,747  | (9,535,747)                              | -                     |
| Taxable income/(Tax loss)          |                  |            | <u>(14,209,617)</u>                      | = <u>(14,209,617)</u> |

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 income tax expense/(revenue) and profit/(loss) for the year  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Euros                               |                 |  |
|--|-------------------------------------|-----------------|--|
|  | Income Statement<br>Profit and loss | Equity<br>Total | Income and expenses recognised in equity<br>Profit and loss<br>Equity<br>Total |
| Income and expenses for the period                     | 62,349,447                          | -               | 62,349,447   |
| Tax at 30%   | 18,704,834                          | =               | 18,704,834   |
| Tax-exempt income                                      | (20,598,713)                        | -               | (20,598,713)   |
| Dividends from group companies                         | 1,507                               | -               | 1,507  |
| Non-deductible expenses                                |                                     |                 |  |
| Sanctions and fines                                    |                                     |                 |  |
| Deductions and credits for the current period          | (715,887)                           | -               | (715,887)  |
| Previously unrecognised tax deductions applied         | (5,762)                             | -               | (5,762)  |
| Income tax expense/(revenues)<br>Continuing operations | (2,614,021)                         | =               | (2,614,021)  |

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 investments and positions held by the Company's directors in other companies

31 December 2008

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

| Director           | Company  | Positions and Functions                     |
|--------------------|--|---|
| Dagá Gelabert, T.  | Grifols, Inc.  | Board member                                |
| Dagá Gelabert, T.  | Biomat USA, Inc. / Plasma Collection Center, Inc.            | Board member                                |
| Dagá Gelabert, T.  | PlasmaCare, Inc.   | Board member                                |
| Dagá Gelabert, T.  | Arrahona Optimus,S.L.  | Board member                                |
| Glanzmann, T.      | Instituto Grifols, S.A.                                      | Board member                                |
| Glanzmann, T.      | Gambro AB  | CEO and chairman                            |
| Jannotta . E.D.    | Instituto Grifols, S.A.                                      | Board member                                |
| Grifols Gras, J.A. | Instituto Grifols, S.A.                                      | Board member                                |
| Grifols Roura, V.  | Biomat. S.A.   | Director                                    |
| Grifols Roura, V.  | Diagnostic Grifols, S.A.                                     | Director                                    |
| Grifols Roura, V.  | Grifols Engineering, S.A.                                    | Director                                    |
| Grifols Roura, V.  | Grifols International, S.A.                                  | Director                                    |
| Grifols Roura, V.  | Grifols Viajes, S.A.   | Director                                    |
| Grifols Roura, V.  | Instituto Grifols, S.A.                                      | Chairman / Board member / Managing director |
| Grifols Roura, V.  | Laboratorios Grifols, S.A.                                   | Director                                    |
| Grifols Roura, V.  | Logister, S.A.   | Director                                    |
| Grifols Roura, V.  | Movaco, S.A.   | Director                                    |
| Grifols Roura, V.  | Grifols Deutschland, GmbH                                    | Director                                    |
| Grifols Roura, V.  | Grifols, Inc.  | Board member                                |
| Grifols Roura, V.  | Biomat USA, Inc.   | Board member                                |
| Grifols Roura, V.  | Grifols, s.r.o.  | Director                                    |
| Grifols Roura, V.  | Grifols UK, Ltd.   | Director                                    |
| Grifols Roura, V.  | Grifols Portugal Produtos Farmacéuticos e Hospitalares, Lda. | Joint manager                               |
| Grifols Roura, V.  | Grifols France S.A.R.L.                                      | Board member                                |
| Grifols Roura, V.  | Grifols Chile, S.A.  | Chairman                                    |
| Grifols Roura, V.  | Grifols Italia S.p.A.  | Chairman                                    |
| Grifols Roura, V.  | PlasmaCare, Inc.   | Chairman                                    |
| Grifols Roura, V.  | Arrahona Optimus,S.L.  | Chairman                                    |
| Grifols Roura, V.  | Logística Grifols,s.a.                                       | Chairman                                    |
| Grifols Roura, V.  | Grifols México,S.A. de CV                                    | Chairman                                    |
| Grifols Roura, V.  | Instituto Grifols, S.A.                                      | Board member                                |
| Purslow, C.M.C.    | Grifols International, S.A.                                  | Director                                    |
| Riera Roca, R.     | Instituto Grifols, S.A.                                      | Board member                                |
| Riera Roca, R.     | Grifols, Inc.  | Board member                                |
| Riera Roca, R.     | Biomat USA, Inc.   | Board member                                |
| Riera Roca, R.     | Grifols France S.A.R.L.                                      | Board member                                |
| Riera Roca, R.     | Grifols Chile, S.A.  | Joint manager                               |
| Riera Roca, R.     | Grifols Italia S.p.A.  | Board member                                |
| Riera Roca, R.     | Grifols Argentina, S.A.                                      | Board member                                |
| Riera Roca, R.     | PlasmaCare, Inc.   | Chairman                                    |
| Riera Roca, R.     | Grifols Polska Sp.z.o.o.                                     | Board member                                |
| Riera Roca, R.     | Alpha Therapeutic Italia, S.p.A.                             | Chairman                                    |
| Riera Roca, R.     | Grifols México,S.A. de CV                                    | Board member                                |
| Riera Roca, R.     | Grifols Asia pacific Pte Ltd                                 | Board member                                |
| Riera Roca, R.     | Grifols Malaysia Sdn Bhd                                     | Board member                                |
| Riera Roca, R.     | Grifols Thailand Ltd   | Board member                                |
| Riera Roca, R.     | logística Grifols, S.A. de CV                                | Board member                                |
| Twose Roura, J.I.  | Instituto Grifols, S.A.                                      | Board member                                |
| Twose Roura, J.I.  | Grifols, Inc.  | Board member                                |
| Twose Roura, J.I.  | Biomat USA, Inc.   | Board member                                |
| Twose Roura, J.I.  | PlasmaCare, Inc.   | Board member                                |
| Twose Roura, J.I.  | Grifols Engineering, S.A. / Arrahona Optimus,S.L.            | Board member                                |
| Twose Roura, J.I.  |  | Director                                    |

This Appendix forms an integral part of note 23 to the annual accounts, in conjunction with which it should be read.

## GRIFOLS, S.A.

Balances with related parties  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Group<br>companies        | Directors            | Other related<br>parties | Total                     |
|--|---------------------------|----------------------|--------------------------|---------------------------|
| Non-current investments in group companies     |                           |                      |                          |                           |
| Equity instruments                             | 310,313,220               | -                    | -                        | 310,313,220               |
| Total non-current assets                       | <u>310,313,220</u>        | <u>-</u>             | <u>-</u>                 | <u>310,313,220</u>        |
| Trade and other receivables                    |                           |                      |                          |                           |
| Current trade receivables from group companies | 6,925,281                 | -                    | -                        | 6,925,281                 |
| Current investments in group companies         |                           |                      |                          |                           |
| Loans to companies                             | 293,931,519               | -                    | -                        | 293,931,519               |
| Total current assets                           | <u>300,856,800</u>        | <u>-</u>             | <u>-</u>                 | <u>300,856,800</u>        |
| Total assets                                   | <u><u>611,170,020</u></u> | <u><u>-</u></u>      | <u><u>-</u></u>          | <u><u>611,170,020</u></u> |
| Current payables                               |                           |                      |                          |                           |
| Group companies - current                      |                           |                      |                          |                           |
| Trade and other payables                       | 84,642,520                | -                    | -                        | 84,642,520                |
| Suppliers, group companies                     | 9,095,221                 | -                    | -                        | 9,095,221                 |
| Other payables                                 | -                         | 90,000               | 2,130,516                | 2,220,516                 |
| Total current liabilities                      | <u>93,737,741</u>         | <u>90,000</u>        | <u>2,130,516</u>         | <u>95,958,257</u>         |
| Total liabilities                              | <u><u>93,737,741</u></u>  | <u><u>90,000</u></u> | <u><u>2,130,516</u></u>  | <u><u>95,958,257</u></u>  |

This Appendix forms an integral part of note 23 to the annual accounts, in conjunction with which it should be read.

## GRIFOLS, S.A.

Transactions with related parties  
for the year ended 31 December 2008

(Expressed in Euros)

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

|  | Group companies    | Directors        | Key management personnel | Other related parties | Total              |
|--|--------------------|------------------|--------------------------|-----------------------|--------------------|
| Income   |                    |                  |                          |                       |                    |
| Net sales                                      |                    |                  |                          |                       |                    |
| Income from operating leases                   | 3,828,492          | -                | -                        | -                     | 3,828,492          |
| Income from royalties                          | 648,683            | -                | -                        | -                     | 648,683            |
| Other services rendered                        | 50,247,620         | -                | -                        | -                     | 50,247,620         |
| Financial instruments                          |                    |                  |                          |                       |                    |
| Finance income                                 | 11,170,613         | -                | -                        | -                     | 11,170,613         |
| Dividends                                      | 72,172,186         | -                | -                        | -                     | 72,172,186         |
| <b>Total income</b>                            | <b>138,067,594</b> | <b>-</b>         | <b>-</b>                 | <b>-</b>              | <b>138,067,594</b> |
| Expense  |                    |                  |                          |                       |                    |
| Net purchases                                  |                    |                  |                          |                       |                    |
| Purchases                                      | 1,283              | -                | -                        | -                     | 1,283              |
| Contributions to foundations                   | -                  | -                | -                        | 1,395,000             | 1,395,000          |
| Expenses for licences                          | -                  | -                | -                        | 1,208,983             | 1,208,983          |
| Other services received                        | 552,891            | 180,000          | -                        | 1,821,523             | 2,554,414          |
| Personnel expenses (*)                         |                    |                  |                          |                       |                    |
| Salaries                                       | -                  | -                | 4,363,608                | -                     | 4,363,608          |
| Financial instruments                          |                    |                  |                          |                       |                    |
| Finance expenses                               | 761,203            | -                | -                        | -                     | 761,203            |
| Dividends                                      | -                  | 2,600,000        | -                        | -                     | 2,600,000          |
| <b>Total expenses</b>                          | <b>1,315,377</b>   | <b>2,780,000</b> | <b>4,363,608</b>         | <b>4,425,506</b>      | <b>12,884,491</b>  |
| Investments                                    |                    |                  |                          |                       |                    |
| Cost of acquired assets                        |                    |                  |                          |                       |                    |
| Buildings and other installations              | 3,725,539          | -                | -                        | -                     | 3,725,539          |
| Carrying amount of and result from assets sold |                    |                  |                          |                       |                    |
| Machinery                                      | (133,849)          | -                | -                        | -                     | (133,849)          |
| <b>Total investments</b>                       | <b>3,591,690</b>   | <b>-</b>         | <b>-</b>                 | <b>-</b>              | <b>3,591,690</b>   |

This Appendix forms an integral part of note 23 to the annual accounts, in conjunction with which it should be read.

## GRIFOLS, S.A.

## Reconciliation of equity at 1 January 2008 with equity in accordance with new accounting criteria

(Expressed in Euros)

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

|  | Euros              |                    |                  |                   |                             |                     |                    |
|--|--------------------|--------------------|------------------|-------------------|-----------------------------|---------------------|--------------------|
|  | Share capital      | Share premium      | Legal reserve    | Reserves          | Reserve for treasury shares | Treasury shares     | Total              |
| Balance at 31 December 2007  | 106,532,450        | 131,831,809        | 9,203,602        | 5,572,718         | 28,893,132                  | -                   | 282,033,711        |
| Effect of changes in presentation  |                    |                    |                  |                   |                             |                     |                    |
| Reclassification of treasury shares  | -                  | -                  | -                | -                 | -                           | (28,893,132)        | (28,893,132)       |
| Effect of changes recognition and measurement criteria   |                    |                    |                  |                   |                             |                     |                    |
| Capitalisation of trademark and patent expenses  | -                  | -                  | -                | (243,037)         | -                           | -                   | (243,037)          |
| Elimination of establishment costs   | -                  | -                  | -                | (9,201,596)       | -                           | -                   | (9,201,596)        |
| Measurement of financial instruments at fair value   |                    |                    |                  |                   |                             |                     |                    |
| Hedging derivative financial instruments at fair value   | -                  | -                  | -                | 492,091           | -                           | -                   | 492,091            |
| Other impacts on financial instruments   |                    |                    |                  |                   |                             |                     |                    |
| Elimination of provisions for investments in group companies, associates and jointly controlled entities | -                  | -                  | -                | 12,864,243        | -                           | -                   | 12,864,243         |
| Tax effect   |                    |                    |                  |                   |                             |                     |                    |
| Deferred tax liabilities   | -                  | -                  | -                | 1,372,036         | -                           | -                   | 1,372,036          |
| Other tax adjustments  |                    |                    |                  |                   |                             |                     |                    |
| Recognition of deferred tax assets   | -                  | -                  | -                | 796,106           | -                           | -                   | 796,106            |
| Balance at 1 January 2008 under new accounting principles  | <u>106,532,450</u> | <u>131,831,809</u> | <u>9,203,602</u> | <u>11,652,561</u> | <u>28,893,132</u>           | <u>(28,893,132)</u> | <u>259,220,422</u> |

This Appendix forms an integral part of note 28 to the annual accounts, in conjunction with which it should be read.

**GRIFOLS, S.A.****Balance sheets****31 December 2007**

(Expressed in Euros)

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

| Assets                    | 2007                      | Shareholders' equity and liabilities              | 2007                      |
|---------------------------|---------------------------|---|---------------------------|
| <b>Fixed assets</b>       |                           | <b>Shareholders' equity</b>                       |                           |
| Establishment costs       | 9,201,596                 | Share capital                                     | 106,532,449               |
| Intangible assets         | 7,183,954                 | Share premium                                     | 131,831,810               |
| Tangible assets           | 27,061,620                | Reserves  | 14,094,340                |
| Investments               | 257,905,836               | Profit for the year                               | 29,575,112                |
| Own shares                | 28,893,132                | Total shareholders' equity                        | <u>282,033,711</u>        |
| Total fixed assets        | <u>330,246,138</u>        |   |                           |
|                           |                           | <b>Deferred income</b>                            | 796,106                   |
| <b>Deferred expenses</b>  | 1,612,059                 |   |                           |
|                           |                           | <b>Long-term creditors</b>                        |                           |
| <b>Current assets</b>     |                           | Loans and borrowings                              |                           |
| Stocks                    | 618,313                   | Total long-term creditors                         | <u>170,009,767</u>        |
| Debtors                   | 11,826,542                |   |                           |
| Short-term investments    | 197,667,645               | <b>Current liabilities</b>                        |                           |
| Cash in hand and at banks | 72,193                    | Loans and borrowings                              | 59,471,056                |
| Prepayments               | 2,686,531                 | Group and associated companies                    | 18,230,792                |
| Total current assets      | <u>212,871,224</u>        | Trade creditors                                   | 10,144,717                |
|                           |                           | Other creditors                                   | 4,043,272                 |
|                           |                           | Total current liabilities                         | <u>91,889,837</u>         |
| <b>Total assets</b>       | <u><u>544,729,421</u></u> | <b>Total shareholders' equity and liabilities</b> | <u><u>544,729,421</u></u> |

This Appendix forms an integral part of note 25, in conjunction with which it should be read.



**GRIFOLS, S.A.****Statement of profit and loss for the year ended****31 December 2007**

(Expressed in Euros)

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

| Expenses   | 2007              | Income  | 2007              |
|--|-------------------|---|-------------------|
| <b>Operating expenses</b>  |                   | <b>Operating income</b>   |                   |
| Materials consumed   | 209,643           | Net sales   | 31,800,194        |
| Personnel expenses   | 18,164,691        | Self-constructed assets   | 1,370,733         |
| Amortisation and depreciation  | 10,102,872        | Other operating income  | 54,299            |
| Other operating expenses   | 26,564,950        | Total operating income  | <u>33,225,226</u> |
| Total operating expenses   | <u>55,042,156</u> | <b>Operating losses</b>   | <u>21,816,930</u> |
| <b>Financial expenses</b>  |                   | <b>Financial income</b>   |                   |
| Interest and similar expenses  | 13,454,061        | Dividends   | 38,304,605        |
| Changes in trade provisions  | 75,474            | Other interest and similar income                                   | 18,228,269        |
| Exchange losses  | 2,125,885         | Exchange gains  | 1,763,981         |
| Total financial expenses   | <u>15,655,420</u> | Total financial income  | <u>58,296,855</u> |
| <b>Net financial income</b>  | <u>42,641,435</u> |   |                   |
| <b>Profit on ordinary activities</b>                                     | <u>20,824,505</u> |   |                   |
| <b>Extraordinary losses and expenses</b>                                 |                   | <b>Extraordinary profit and income</b>                              |                   |
| Movement in provisions for tangible and intangible assets and own shares | 2,048,591         | Profit on disposal of tangible and intangible assets and own shares | 5,436,767         |
| Losses on tangible and intangible assets and own shares                  | 120,931           | Total extraordinary profit and income                               | <u>5,436,767</u>  |
| Extraordinary expenses   | 4,974             |   |                   |
| Total extraordinary losses and expenses                                  | <u>2,174,496</u>  |   |                   |
| <b>Net extraordinary income</b>  | <u>3,262,271</u>  |   |                   |
| <b>Profit before income tax</b>  | <u>24,086,776</u> |   |                   |
| Income tax   | (5,488,336)       |   |                   |
| <b>Profit for the year</b>   | <u>29,575,112</u> |   |                   |

This Appendix forms an integral part of note 25, in conjunction with which it should be read.

GRIFOLS, S.A.

Director's Report

Year 2008

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

To the Shareholders

1. Business performance and Company situation

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

- Define action plans and general procedures for the entire Group.
- Plan future investments by entering new markets or diversifying its product portfolio.
- Provide 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).
- Lease its buildings to group companies.
- Render a series of services to its subsidiaries which they are unable to perform due to structural limitations, such as: personnel recruitment and management, communications and corporate image, IT services and maintenance.

The Company's revenues are generated from the leasing of its buildings, services rendered, and dividends obtained from its subsidiaries.

2. Forecast performance of the Company

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

At the date of preparation 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 shares

At 31 December 2008 the Company has treasury shares amounting to Euros 33,086 thousand, as explained in note 18 to the accompanying annual accounts. During 2008 it has not sold any treasury shares.

4. Research and development activities

The Company does not conduct any research and development activities.

GRIFOLS, S.A.  
Director's Report

5. Financial risk management

Details of the Company's financial risk management policy are provided in note 11 to the accompanying annual accounts.

6. Subsequent events

Nothing to report.

**ADDITIONAL INFORMATION TO BE INCLUDED IN THE DIRECTORS' REPORT IN ACCORDANCE WITH ARTICLE 116.b OF THE SPANISH SECURITY MARKETS LAW**

- 1. The capital structure, including any securities that are not negotiated on official European Union markets, indicating where necessary, the different classes of shares and for each class of share, the rights and obligations they confer and the percentage of share capital they represent.**

The share capital of Grifols, S.A. (the Company) amounts to Euros 106,521,449.5, represented by 213,064,899 ordinary shares of Euros 0.50 par value each, which are subscribed and fully paid, are of the same class and series, and are represented by book entries.

- 2. Any restrictions on the transfer of shares**

The Company's shares are freely transferable by any means permitted by Law in accordance with Article 10 of the Company's Articles of Association.

- 3. Significant direct or indirect share capital holdings**

At 31 December 2008 the Company holds the following information on its significant shareholders:

| <i>Name of shareholder</i>      | <i>% direct ownership</i> | <i>% indirect ownership</i> | <i>% total ownership</i> |
|---------------------------------|---------------------------|-----------------------------|--------------------------|
| <b>Board members</b>            |                           |                             |                          |
| Daga Gelabert, Tomás            | 0.021%                    | 0.000%                      | <b>0.021%</b>            |
| Glanzmann, Thomas               | 0.003%                    | * 0.015%                    | <b>0.018%</b>            |
| Grifols Roura, Victor           | 0.204%                    | 0.000%                      | <b>0.204%</b>            |
| Jannotta, Edgard Dalzell        | 0.119%                    | 0.000%                      | <b>0.119%</b>            |
| Purslow, Christian M.C.         | 0.000%                    | 0.000%                      | <b>0.000%</b>            |
| Riera Roca, Ramón               | 0.079%                    | * 0.004%                    | <b>0.083%</b>            |
| Thorthol Holdings, B.V.         | 6.952%                    | 0.000%                      | <b>6.952%</b>            |
| Twose Roura, Juan Ignacio       | 0.056%                    | 0.000%                      | <b>0.056%</b>            |
| <b>Significant shareholders</b> |                           |                             |                          |
| Deria, S.A.                     | 8.771%                    | 0.000%                      | <b>8.771%</b>            |
| Fidelity International, Ltd     | 0.000%                    | * 3.832%                    | <b>3.832%</b>            |
| FMR Llc                         | 0.000%                    | * 5.002%                    | <b>5.002%</b>            |
| Grifols Lucas, Victor           | 5.567%                    | * 0.587%                    | <b>6.154%</b>            |
| Novosti, S.L.                   | 7.763%                    | 0.000%                      | <b>7.763%</b>            |
| Scranton Enterprises, B.V.      | 10.653%                   | 0.000%                      | <b>10.653%</b>           |

GRIFOLS, S.A.  
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(\*) Through:

- Thomas Glanzmann:

| <i>Name of direct shareholder</i> | <i>Voting rights as percentage of total</i> |
|-----------------------------------|---|
| Kolholmen Investments AB          | 0.015%                                      |
| <b>TOTAL</b>                      | <b>0.015%</b>                               |

- Ramón Riera Roca:

| <i>Name of direct shareholder</i> | <i>Voting rights as percentage of total</i> |
|-----------------------------------|---|
| Laura Riera Santos                | 0.004%                                      |
| <b>TOTAL</b>                      | <b>0.004%</b>                               |

- Fidelity International Ltd.:

| <i>Name of direct shareholder</i> | <i>Voting rights as percentage of total</i> |
|-----------------------------------|---|
| ACCIDENT REHAB & CMP-GLB EX-US    | 0.049%                                      |
| ASIAN DEVELOPMENT BANK            | 0.007%                                      |
| FMT_GL ROW                        | 0.015%                                      |
| BRITISH ENERGY GEN GRP – ROW      | 0.048%                                      |
| CHURCH COMM FOR ENGLAND – ROW     | 0.037%                                      |
| CHEVRON TEXACO UK PNS PL-ROW      | 0.018%                                      |
| CO-OPERATIVE GRP PENS –RW         | 0.020%                                      |
| EAST SUSSEX CITY COUNCIL-ROW      | 0.049%                                      |
| RIJ IT EURO SMLLR COS OPN MTHR    | 0.007%                                      |
| FID INSTL SELECT EUROPE EQ FD     | 0.040%                                      |
| FIDELITY EUROPEAN FUND            | 1.791%                                      |
| FIDELITY EUROPEAN VALUES PLC      | 0.273%                                      |
| FID FDS - EURO BLUE CHIP POOL     | 0.837%                                      |
| FID FDS - EURO MID CAP POOL       | 0.077%                                      |
| FID FDS - EURO SML COS POOL 3     | 0.014%                                      |
| FID FDS - EURO SMALLER CO POOL    | 0.108%                                      |
| FID FDS - GL HEALTH CARE PL       | 0.030%                                      |
| FID AUS EUROPE FUND               | 0.002%                                      |
| FID AUS SELECT GL SMALL CAP FD    | 0.003%                                      |
| FIDELITY SELECT GLOBAL EQ FUND    | 0.001%                                      |
| FID POC EUROPEAN (AW) PLT FD      | 0.000%                                      |
| FIDELITY DEUTSCHLAND SELECT FD    | 0.003%                                      |
| FERP – HEALTHCARE PILOT FUND      | 0.000%                                      |
| FID FERP EUROPEAN TECHNIC PLT     | 0.000%                                      |
| FID POC EURO CONCENT PLT FD(FM)   | 0.000%                                      |
| AUSTRALIA – FUNDS SA              | 0.015%                                      |
| FOUR RE FIDELITY                  | 0.032%                                      |
| FIJ IT SEL GLB EX JPN T55453      | 0.001%                                      |
| FIDELITY TRILOGIE SUB MID         | 0.002%                                      |
| IBM DENM SELECT-GLOBAL EX-US      | 0.009%                                      |
| FID KOREA EUROPE EQTY IT MTHR     | 0.003%                                      |

## GRIFOLS, S.A.

## Director's Report

|                                 |               |
|---------------------------------|---------------|
| K ZUSATZVERSORGUNGSKASSE        | 0.002%        |
| MERRILL LYNCH CLB SEL PORT PLC  | 0.000%        |
| NPC TRUST – ACTIVE 1 – ROW      | 0.072%        |
| STC INTL EQUITY FUND - ROW      | 0.031%        |
| NORTH YORKSHIRE COUNTY COUNCIL  | 0.038%        |
| BRAUNSCHWEIG INSURANCE RW       | 0.007%        |
| FIDELITY INTL FD – PEP EUROPE   | 0.017%        |
| SGE MM ROW                      | 0.026%        |
| FID SELECT GLB EX-JP EQ T55415  | 0.006%        |
| SPH-SELECT EUROPE               | 0.075%        |
| SPMS-SELECT EUROPE              | 0.041%        |
| UNILEVER (SUPERANN) IRELAND-ROW | 0.017%        |
| VGH HANNOVER RW                 | 0.007%        |
| <b>TOTAL</b>                    | <b>3.832%</b> |

- FMR Llc:

| <i>Name of direct shareholder</i> | <i>Voting rights as percentage of total</i> |
|-----------------------------------|---|
| BAY CARE HEALTH SYSTEM T50651     | N/A   |
| BANK OF MONTREAL S INTL T55349    | N/A   |
| CALPERS SELCT INTL PORT T55434    | N/A   |
| CHEVRON TEXACO EUROPE T55004      | N/A   |
| CIBC IMP OS EQ PL EUR (T55339)    | N/A   |
| CATERPILLAR INC 401K SI T50578    | N/A   |
| DALLAS POLICE & FIRE T50092       | N/A   |
| FA CAPITAL DEVELOPMENT FND        | N/A   |
| PYRAMIS EUR EQ COMM PL (T1054)    | N/A   |
| EXELON CSH BL SLCT INTL T55403    | N/A   |
| FA MID CAP II FD                  | N/A   |
| PYRAMIS INTL GROWTH WUE T2332     | N/A   |
| FID GLOBAL DIVIDENT EQUITY SUB    | N/A   |
| FID GLOBAL HEALTH CARE FUND       | N/A   |
| PYRAMIS SLCT INTL EQ TR T55106    | N/A   |
| PYRAMIS CON INT SM CAP T55105     | N/A   |
| PYRAMIS SEL GLB WLD SUB T55281    | N/A   |
| FID DIVERSIFIED INTRANTNL SUB A   | N/A   |
| PYRAMIS INST INTL GR-EUR T2310    | N/A   |
| STATE BRD ADM OF FL-EUR T55114    | N/A   |
| PYRAMIS SELECT INTL EQ CM T319    | N/A   |
| WORLDWIDE NON-US EQUITY SUB       | N/A   |
| GM VEBA SELCT INTL ACT T55189     | N/A   |
| GENERAL MOTORS SEL INTL T55193    | N/A   |
| IBM CANADA SELECT INT'L T2286     | N/A   |
| FID INTL DISCOVERY FUND           | N/A   |

GRIFOLS, S.A.  
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|                                |               |
|--------------------------------|---------------|
| FA INT EURO MID EAST ASIA SUB  | N/A           |
| FID TOTAL INTL EQ DEV GRW SUB  | N/A           |
| FIDELITY INTERNATIONAL GROWTH  | N/A           |
| PYRAMIS SEL INT SM CAP (T1056) | N/A           |
| JC PENNEY CORP EUR SUB T55296  | N/A           |
| KENTUCKY INS EUROPE T2347      | N/A           |
| KENTUCKY PENSION EUROPE T2341  | N/A           |
| FID MID CAP GROWTH             | N/A           |
| MINNESOTA SBI SEL INTL T55303  | N/A           |
| OH PF ACWI X-US EUROPE T50410  | N/A           |
| OREGON INV COUNCIL CSF T55433  | N/A           |
| PENN TOBACCO STL INV (T51638)  | N/A           |
| SELECT PHARMACEUTICALS         | N/A           |
| PRIT SELECT INTL PORT T51513   | N/A           |
| KERN CNTY SEL INT SM CP T51631 | N/A           |
| PY SLCT GLBL EQUITY CP T51438  | N/A           |
| PYR SELECT INTL EQ LLC T51488  | N/A           |
| SAN DIEGO REIREMENT (T2193)    | N/A           |
| ST BOA FL SLCT INTL SM T50818  | N/A           |
| FIDELITY SMALL CAP GROWTH FD   | N/A           |
| SHELL OIL SELECT INTL T55322   | N/A           |
| ILLINOIS SURS-SEL INTL T50448  | N/A           |
| VIP III MID CAP PORTFOLIO      | N/A           |
| WORLD BANK SELECT INTL T55274  | N/A           |
| WASHINGTON SIB EUR T55177      | N/A           |
| <b>TOTAL</b>                   | <b>5.002%</b> |

- Mr. Victor Grifols Lucas:

| <i>Name of direct shareholder</i> | <i>Voting rights as percentage of total</i> |
|-----------------------------------|---|
| Rodellar Amsterdam B.V.           | 0.587%                                      |
| <b>TOTAL</b>                      | <b>0.587%</b>                               |

**4. Restrictions on voting rights**

No statutory restrictions or restrictions in the Board of Directors Regulation exist over voting rights.

**5. Associative arrangements**

The Company is not aware of the existence of any associative arrangements.

**6. Regulations applicable to the appointment and replacement of the members of the Board of Directors and modifications to the Company's articles of association**

**6.1. Appointment and replacement of the members of the Board of Directors**

The system for the appointment and replacement of the members of the Board of Directors is regulated by the Company's Articles of Association and the Board of Directors Regulation.

(a) Statutory rules

*Article 20.- Composition and remuneration of the Board of Directors.- The legal management and representation of the Company will be the responsibility of a Board of Directors comprising a minimum of three (3) and a maximum of fifteen (15) board members.*

Board members will be freely appointed and removed by the shareholders in a general meeting and will perform their duties for a period of five (5) years, without prejudice to their indefinite re-appointment for such periods.

(b) Rules regulating the Board of Directors

*Article 18. Appointment of board members*

- 1. Board members will be appointed by the shareholders in a general meeting or by the Board of Directors in accordance with the rules stipulated in the Spanish Companies Act.*
- 2. Any proposals to appoint board members presented by the Board of Directors for consideration by the shareholders in general meetings and any appointment decisions made by the shareholders via the cooption powers with which they have been legally vested must be preceded by the corresponding proposal from the Appointments and Remunerations Committee.*

*When the Board of Directors do not follow the recommendations of the Appointments and Remunerations Committee, they must present their reasons for their action, which must be documented in minutes.*

*Article 19. Appointment of external board members*

- 1. The Board of Directors and the Appointments and Remunerations Committee will, within the scope of their competence, endeavour to ensure that the potential candidates have recognised solvency, ability and experience, and will exercise due rigour when assessing candidates for the position of independent board member, as stipulated in Article 6 of this Regulation.*
- 2. The Board of Directors cannot propose or appoint as independent board member any persons who are related to the management of the Company or have family, professional or trade links with the executive board members or the Company's senior management.*

## GRIFOLS, S.A.

## Director's Report

*In particular, the following persons cannot be proposed or appointed as independent board members:*

- (a) persons who have had a significant direct or indirect working, commercial or contractual relationship with the Company, its directors, board members representing shareholders or representing the interests of group companies, credit institutions which have a notable credit position with the Company, or entities that receive significant grants from the Company;*
- (b) persons who are board members of another listed company which has board members representing shareholders in the Company;*
- (c) persons related to executive board members, board members representing shareholders or members of the Company's management; for the purpose of the current Regulation, persons related to board members are considered to be those who were in the circumstances established in Article 127.3.5 of the Spanish Companies Act; and*
- (d) persons with other relations with the Company which the Appointments and Remunerations Committee consider could affect their independence.*

*Article 20. Re-appointment of board members*

*Any proposals to re-appoint board members which the Board of Directors decides to present in general shareholders meetings must be formally prepared and must include a report issued by the Appointments and Remunerations Committee evaluating the quality of work and dedication to the post of the board members proposed during the preceding mandate.*

*Article 21. Term of appointment*

- 1. Board members will occupy their posts during the term established in the Company's Articles of Association and can be re-appointed.*
- 2. Board members appointed through co-opting will occupy their posts until the first general shareholders' meeting.*
- 3. When the Board of Directors receives a report from the Appointments and Remunerations Committee informing them that the Company's interests are at risk, any board member who completes the term of their appointment or leave their posts for any other reason will not be able to render services to another entity which is a competitor of the Company for the period established by the Board of Directors, which cannot, in any event, exceed two (2) years.*

*Despite the above, if it considers it necessary, the Board of Directors can waive the board member leaving the Company of this obligation.*



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Article 22. Resignation or dismissal of board members

1. *Board members must resign from their posts when the term of their appointment expires and when the shareholders so decide in accordance with the legal or statutory powers vested.*
2. *The Board of Directors will abstain from proposing the dismissal of external board members (board members representing shareholders or independent board members) to the shareholders in the general meeting prior to completion of the statutory period for which they were appointed, unless exception or justified circumstances prevail and a report has been received from the Appointments and Remunerations Committee.*
3. *Board members must offer their resignation to the Board of Directors and formalise, where necessary, their resignation in the following circumstances:*
  - (a) *When they resign from the executive positions with which they were associated on being appointed as board members, unless expressly ratified by the Board of Directors subsequent to obtaining a non-binding report from Appointments and Remunerations Committee.*
  - (b) *when they are found to be in a position which is incompatible or prohibited by law;*
  - (c) *when they have been accused of an alleged crime or receive a committal for trial order for any of the crimes listed in Article 124 of the Spanish Companies Act, or face disciplinary proceedings for a serious or very serious infraction conducted by the supervisory authorities;*
  - (d) *When they receive serious warning from the Audit Committee for having breached their obligations as board members.*
  - (e) *when their position on the Board of Directors could put the Company's interests at risk or when the reasons why they were appointed no longer prevail; and*
  - (f) *in the case of a board members representing shareholders, when the shareholder whose interests are represented on the Board of Directors sells its investment in the Company or reduces its investment to a level below which its representation on the Board of Directors is no longer justified.*
4. *When a board member leaves the post as a result of resignation or any other reason, an explanation for the reasons must be given in a letter to all the board members through the Chairman and the Secretary to the Board of Directors.*

6.2. Modification to the Articles of Association

Modification to the Articles of Association must fulfil the general prerequisites established in Articles 103 and 144 of the Spanish Companies Act.

## GRIFOLS, S.A.

## Director's Report

**7. Board members' powers, especially those relating to the possibility of issuing or repurchasing shares****7.1. Powers of the members of the Board of Directors**

In accordance with Article 20 of the Company's Articles of Association, the Board of Directors is responsible for managing and representing the Company.

**7.2. Powers regarding the issue or repurchase of shares**

In the general meeting held on 13 June 2008, the shareholders authorised the Board of Directors to acquire through sale and purchase transactions, share swaps, awards in settlement or any other method established by law, treasury shares in the Company or subscription rights either directly or through its subsidiaries, within the limits and prerequisites established below:

- (i) The par value of the shares acquired, plus those already held by the Company or its subsidiaries, cannot exceed 5% of the Company's share capital at any time.
- (ii) The acquisition must enable the Company to establish the reserve prescribed in standard 3 of Article 79 of the Spanish Companies Act, without reducing share capital or restricted legal or statutory reserves.
  - (iii) The shares acquired must be fully paid.
  - (iv) The maximum acquisition price must be the price listed on the stock market on the day the acquisition takes place, or the price authorised by the Spanish National Securities Market Commission. The minimum price must be 100% of the par value of each share.
  - (v) The present authorisation is granted for a maximum of 18 months.
  - (vi) Shares acquired can be issued to workers or directors of the Group either directly or as a result of the exercising of share options held by these individuals.

**8. Any significant agreements signed by the Company which enter into force, are modified or expire as a result of a change in control in the Company deriving from a public takeover bid and the effects thereof, except when their distribution would severely prejudice the Company. This exception will not be applicable when the Company is legally bound to publish this information.**

No significant agreements are in force that could be modified or expire as a result of changes in the control of the Company.

**9. Agreements between the Company and its board members and directors or employees which establish the payment of indemnities in the event that these individuals resign or are unfairly dismissed or if the labour relationship is extinguished due to a public takeover bid**

Six of the Group's senior management (who are not board members) have indemnity clauses which are applicable if they are unfairly dismissed or there is a change in management. These indemnities amount to two years' salary, including fixed and variable remuneration.

The employment contracts for the rest of the executive board members and senior management do not include indemnity clauses other than those established by prevailing labour legislation.

This Directors' Report includes the Annual Corporate Governance Report which is a requisite for all listed companies and which is included as an addendum thereto.

\* \* \*

## GRIFOLS, S.A.

## Director's Report

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

## GRIFOLS, S.A.

At a meeting held on 20 February 2009 and in compliance with the requirements established in article 171, section 1, of the Spanish Limited Companies Act and article 37 of the Spanish Commercial Code, the members of the board of directors of Grifols, S.A. have prepared the annual accounts and directors' report for the period from 1 January 2008 to 31 December 2008. The annual accounts comprise the attached documents preceding this statement, all of which are drawn up and identified on sheets of paper bearing the official State seal, 8th class, numbered from \_\_\_\_\_ to \_\_\_\_\_.

Signed:

|   |  |   |
|---|--|---|
| Grifols Roura, Victor<br>(signed)<br>Chairman               | Riera Roca, Ramón (signed)<br>Board member                         | Twose Roura, Juan Ignacio<br>(signed)<br>Board member |
| Dagá Gelabert, Tomás<br>(signed)<br>Board member            | Thortol Holding B.V. (J.A.<br>Grifols G.) (signed)<br>Board member | Glanzmann, Thomas<br>(signed)<br>Board member         |
| Jannotta, Edgar Dalzell<br>(signed)<br>Board member         | Purslow, Christian M.C.<br>(signed)<br>Board member                | Veiga Lluch, Anna (signed)<br>Board member            |
| Grifols Roura, Raimon<br>(signed)<br>Secretary to the board |  |   |