

Pursuant to the provisions of article 82 of the Spanish Securities Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), Grifols, S.A. (“**Grifols**”) hereby notifies the National Securities Market Commission of the following

RELEVANT EVENT

On 10 November, 2013, New York time, Grifols, a global healthcare company and leading producer of plasma therapies has signed a definitive agreement whereby Grifols will acquire a diagnostic business unit of the Swiss company Novartis International AG (“**Novartis**”) for a total amount of US\$ 1,675 million (€ 1,240 million). Novartis’ shares are listed in the SIX Swiss Exchange and in the New York Stock Exchange (NYSE) by means of American Depositary Shares (ADSs).

Grifols is acquiring Novartis’ transfusion diagnostic unit.

The transaction will be structured through Grifols’ Diagnostic Division and a newly created 100% Grifols-owned subsidiary.

The assets acquired include patents, brands, licenses and royalties, together with the production plant at Emeryville (California, United States) and commercial offices in the United States, Switzerland and Hong Kong (for the Asia-Pacific region), among others.

Strategic rational

The transaction is part of Grifols’ growth strategy of complementing its range of plasma protein therapies with other diagnostic products and services (Diagnostic Division).

In particular, Grifols will expand its portfolio by including Novartis’ diagnostic products for transfusion medicine and immunology, including its highly innovative, market-leading NAT technology (Nucleic Acid Amplification Techniques), instrumentation and equipment for blood screening, specific software and reagents.

Novartis Diagnostic business is focused on innovative methodology and equipment for blood testing to analyze and identify infections and viral genetic material in blood donations. Using molecular biology techniques (NAT-Nucleic acid testing) they perform in vitro detection of nucleic acids (ARN and DNA) of several viruses such as HIV (AIDS virus), Hepatitis A, B and C, West Nile Virus and Parvovirus B19. More than eighty per cent of the U.S. blood supply is tested on Novartis Diagnostic systems to make sure they are safe for transfusion or use in other blood products.

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This strategic operation will strengthen Grifols' Diagnostic Division, particularly in the United States with a very strong and specialized commercial organization. It also diversifies Grifols' business by promoting an activity area that complements the Bioscience Division (plasma proteins). Novartis' diagnostic business, which focuses on guaranteeing the safety of blood donations for transfusion or to be used in the plasma fractionating industry, complements and extends Grifols' existing product range. Grifols will become a vertically integrated company able to provide solutions for blood and plasma donor centers, with the most complete product portfolio in the immunohematology field: gel cards, multiscard and the new genotyping technology from Progenika.

Grifols will also benefit from the creation of a more efficient platform to market a wider range of diagnostic products and services in the United States and other countries, and will also optimize its after-sales resources.

Financial impact

Grifols estimates pro-forma total annual revenues to approach US\$1.0 billion (€740 million) (including royalties) for its Diagnostic Division after the closing of the transaction.

As a result, the Diagnostic Division of Grifols would represent more than 20% of the group's total income, compared to the current 4% and the company would accelerate its implementation of a new growth strategy based on promoting complementary activity areas. The transaction will also increase Grifols' workforce by approximately 550 employees as former Novartis employees are to be retained.

This acquisition will significantly increase sales and EBITDA with earnings accretion in year 1.

This acquisition will moderately increase leverage, which will be quickly absorbed by resilient cash flow generation.

Financing

The transaction's financing is fully underwritten, in the form of a US\$1.5 billion bridge loan fully subscribed in equal parts by Nomura, BBVA and Morgan Stanley. The loan agreement does not include any financial restrictions with respect to Grifols dividends policy or investments.

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Closing conditions

The transaction requires customary regulatory approvals.

The transaction is expected to close during the first half of 2014.

Unanimous approval of the Board of Directors

The boards of directors of Grifols and Novartis have unanimously approved the transaction.

In Barcelona, 11th November 2013

Raimon Grifols Roura
Secretary to the Board of Directors