

Grifols holds its General Shareholders Meeting

The Meeting has empowered the Board of Directors to carry out the share capital increase for the Initial Public Offering (IPO), as a first step in becoming listed on the stock exchange.

Several items were addressed at Grifols' General Shareholders Meeting. The agenda included the review and approval of the Annual Accounts for the financial year 2005 and the application of the results. Most notably, the Board of Directors has been authorized to carry out a capital increase to be included in the IPO and to request the listing of all its shares on the stock exchange.

The funds obtained from the IPO will be used to cancel the non-voting preferred shares resulting from the shareholder restructuring in August 2005. Through this operation, SCH (Capital Riesgo Global) and MGPE divested capital from Grifols, and Morgan Stanley along with two hedge funds (Och-Ziff and Amaranth) became shareholders. This cancellation will be carried out prior to trading the company's shares on the stock market. This operation will also allow the financing of the company's business plan which includes capital investments and in R&D. In 2004 and 2005, 5% of sales were allocated to R&D and from this year this percentage will progressively increase to 6% of sales.

The investors' enduring dedication to the company is demonstrated by the fact that none of the current shareholders will sell their shares, and this includes both the founders and Morgan Stanley.

Grifols' current shareholder structure with voting rights is as follows:

- Group of investors led by Morgan Stanley 25.7%
 - Morgan Stanley 20.7%
 - Och-Ziff Capital Management Group 4.2%
 - Amaranth Capital Partners 0.8%

- Founding shareholders 70.1%
 - Grifols Family 53.8%
 - Scranton Enterprises 16.3%

- Minority shareholders: 4.2%

The Articles of Association were modified in order to conform to current legislation regarding financial system reforms intended to promote transparency in companies listed on the stock exchange and to apply recommendations on corporate governance.

It was also agreed that THOMAS H. GLANZMANN would be named as Independent Member of the Board of Grifols. Glanzmann is currently the Managing Director at Hemocue AB, a global Swedish Point-of-Care Diagnostic Company and he also acts as Senior Advisor at the World Economic Forum (Davos). In the course of his career, Glanzmann has been Senior Vice President to Baxter Healthcare Corporation and was also President of the plasma derivatives division in Baxter Bioscience.

Victor Grifols, President of the company, presented the new Independent Member to those attending the General Shareholders Meeting and was pleased to *“welcome to his team a professional with a great deal of experience and international perspective in the plasma derivatives market, something which will be of great value to tackle the new challenges the company faces.”*

Glanzmann pointed out *“Grifols' potential for growth and position in the market as some of the main motivations for joining the company as Member of the Board.”*