The present report is produced in relation to the proposed amendment to the Company’s By-laws that will be submitted to the approval of the Ordinary General Shareholders Meeting of Grifols, S.A. (hereinafter referred to as “Grifols” or the “Company”) to be held on first call at Hotel Pullman Barcelona Skipper, Avda. Litoral, 10, 08005 Barcelona, at 12:00 a.m., on May 23, 2011 and, on second call, on May 24, 2011, at the same time and place.

This report is issued pursuant to article 286 of Royal Decree-Law 1/2010, of 2 July, by which the consolidated text of the Spanish Companies Act (Ley de Sociedades de Capital) (hereinafter referred to as “LSC”) is approved, following the proposed amendment to the Company’s By-laws included as item number six on the Agenda for the Ordinary General Shareholders Meeting mentioned above.

I. FULL TEXT OF THE PROPOSED AMENDMENTS TO THE COMPANY’S BY-LAWS

A. The first amendment to the Company’s By-laws refers to article 18 and, in particular, to the place where General Shareholders Meetings may be held. This amendment is intended to provide more flexibility when choosing the place for general shareholders meetings so that they may take place in municipalities other than the municipality where the Company’s registered office is located, provided that such municipality is located in the province of Barcelona.

Below is the current text of the Company’s By-laws and the text of the proposed amendment that will be submitted to the approval of the General Shareholders Meeting (the new text is underlined and in italics):

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<th>Current text of the Company’s By-laws</th>
<th>Text of the proposed amendment</th>
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<td>Article 18.- The General Shareholders Meetings shall be held at the Company’s registered office on the date and time stated in the notice. The Meetings shall be chaired by the Chairman of the Board or by any board member that is validly taking its place, and failing that, by the attendee the shareholders appoint as such. The Chairman shall be assisted by the Secretary, who shall also be the secretary to the Board. In the absence of the Secretary, the Vicesecretary shall act as such and, failing that, the shareholder attending the Meeting that the shareholders have designated to act as</td>
<td>Article 18.- The General Shareholders Meeting may be held in any municipality of the province of Barcelona. The Meetings shall be chaired by the Chairman of the Board or by any board member that is validly taking its place, and failing that, by the attendee the shareholders appoint as such. The Chairman shall be assisted by the Secretary, who shall also be the secretary to the Board. In the absence of the Secretary, the Vicesecretary shall act as such and, failing that, the shareholder attending the Meeting that the shareholders have designated to act as</td>
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Secretary. The Chairman shall lead the debate and resolve any questions arising at the meeting. Before debating over the items included on the Agenda, a list of the persons attending the meeting shall be prepared, stating for each attendee the capacity in which they are attending as well as the number of shares which they own or represent. The deliberations and resolutions adopted at the meeting shall be recorded in the minutes, which will be incorporated to the corresponding Book, and shall be approved in the manner provided by law. The certificates of such minutes issued by the Secretary to the Board and approved by the Chairman.

B. The second amendment to the Company’s By-laws refers to article 24.ter and, in particular, to the internal organization of the Audit Committee. Following the application for admission to quotation in the National Association of Securities Dealers Automated Quotation (NASDAQ) of the Non-Voting Shares that will be issued upon the closing of the acquisition of Talecris Biotherapeutics Holding Corp., both the Regulations of the Board of Directors and the Regulations of the Audit Committee will be amended so that they are in line with the requirements and independence criteria established in the NASDAQ Listing Rules. A proposal for the amendment of article 24.ter of the Company’s By-laws is also included in order to make the rules relating to the distribution of positions within such body and the management of the Committee more flexible.

Below is the current text of the Company’s By-laws and the text of the amendment that will be submitted to the approval of the General Shareholders Meeting (the new text is underlined and in italics):

**Current text of the Company’s By-laws**

**Article 24.ter.- The Audit Committee.**

1. The Audit Committee shall be comprised of a minimum of three (3) directors and a maximum of five (5) to be appointed by the Board of Directors. The Audit Committee shall in any case be made up with a majority of external directors with an adequate representation of independent directors.

2. The Chairman of the Committee, which position shall be held by an external director, shall be appointed by the Board.

**Text of the proposed amendment**

**Article 24.ter.- The Audit Committee.**

1. The Audit Committee shall be comprised of a minimum of three (3) directors and a maximum of five (5) to be appointed by the Board of Directors. The Audit Committee shall in any case be made up with a majority of external directors with an adequate representation of independent directors.

2. The Chairman of the Committee, which position shall be held by an external director, shall be appointed by the Board.
of Directors. The Chairman shall be replaced every four (4) years and may be eligible for re-election only after one (1) year has elapsed since last holding office. The Secretary shall be (a) the Secretary or (b) the Vicesecretary to the Board of Directors, who may or may not be a member of the Committee, and may be assisted or, where applicable, replaced by (a) the Secretary or the next Vicesecretaries, by order of priority (in the event that office is to be held by a Vicesecretary) or (b) a Vicesecretary, by order of priority (in the event that office is to be held by the Secretary). The Secretary shall record the resolutions passed at each meeting of the Committee in the minutes and report to the full meeting of the Board of Directors through the Chairman. The Audit Committee shall be deemed validly held when half plus one of its members attended, personally or by proxy. Resolutions shall be passed by an absolute majority of the members present at the meeting. In the event of a tie vote, the Chairperson shall have the casting vote.

3. Notwithstanding the provisions of the Law, these By-laws or other commitments assigned to it by the Board of Directors, The Audit Committee shall have the following basic responsibilities:

(a) Report to the shareholders at the General Shareholders Meeting regarding issues raised in connection with the matters for which the Committee is responsible;

(b) Propose to the Board of Directors, for submission to the shareholders at the General Shareholders Meeting, the appointment of the Company’s external auditors, the terms and conditions of employment of the auditors, the scope of their professional duties and, where applicable, the resignation of the external auditors;

(a) Report to the shareholders at the General Shareholders Meeting regarding issues raised in connection with the matters for which the Committee is responsible;

(b) Propose to the Board of Directors, for submission to the shareholders at the General Shareholders Meeting, the appointment of the Company’s external auditors, the terms and conditions of employment of the auditors, the scope of their professional duties and, where applicable, the resignation of the external auditors;
appropriate, their removal or non-renewal;

(c) Monitor the internal audit services and inform about the selection, appointment, re-election and removal of its director;

d) Know the process for gathering financial information and the internal control system of the Company; review the Annual Accounts and the periodic financial statements that should be submitted to the securities regulatory authorities and make sure that the appropriate accounting standards are followed; report to the Board of Directors on any change in the accounting standards and on balance sheet and off balance sheet risks;

(e) Receive information from the auditors regarding matters that could impair their independence, or any other matters relating to conduct of audits of the financial statements as well as any other communications provided for in the legislation governing audits of financial statements and in technical auditing regulations;

(f) Supervise the transactions carried out by the Company with significant shareholders as set forth in the Regulations of the Board of Directors;

(g) Ensure compliance with the Internal Code of Conduct for Securities Market Issues, these Regulations, the rules of conduct set out in the “Code of Ethics for Grifols Executives” and, in general, any other corporate regulations. Make the necessary proposals to improve such regulations.

4. The Audit Committee shall meet as many times as necessary to fulfil its duties.

5. Any member of the executive board or the Company staff whose presence is required by the Chairman is obliged to
attend the meetings of the Committee as well as to provide the assistance and information requested. The Chairman may also request attendance of the Auditors to the meetings.

6. In order to ensure the correct fulfillment of its duties, the Audit Committee may request advice from external experts.

III. PROPOSED RESOLUTION TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS MEETING

The full text of the proposed resolution to amend the Company’s By-laws, which is being submitted to the approval of the General Shareholders Meeting, may be viewed in the document called Proposed Resolutions to Submitted to the General Shareholders Meeting, which is made available to Grifols shareholders together with this report and the rest of the documents for the General Shareholders Meetings.

In Barcelona, on 18 April 2011
The Board of Directors

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