



European securities markets are going through a period of extreme volatility which might cause their disorderly functioning and affect to the normal development of financial activity. In these conditions it is necessary to review the operation of securities markets in order to ensure financial stability.

Taking the above into account together with similar coordinated actions being fostered by the Italian supervisory authority, the CNMV has agreed to:

Ban, as a temporary preventive measure with immediate effect, based on article 85.2 j of Law 24/1988, of 28th July, on Securities Markets (SMA), any legal or natural person from entering into transactions which might constitute or increase a net short position on stocks admitted to trading in a Spanish regulated market for which the CNMV is the competent authority for the purposes of Article 9 of the Commission Regulation (EC) No 1287/2006.

This prohibition will be effective during the next 3 months immediately since its publication, until the closing of the market session of the next 23rd of October 2012 inclusive and could be renewed or lifted as needed.

This preventive ban affects any trade on equities or indices, including cash equities transactions, derivatives in regulated markets or OTC derivatives that has the effect of creating a net short position or increasing a previous one, even on an intraday basis. A net short position means any position resulting in a positive economic exposure to falls in the price of the stock.

Positions arising from market making activities will be exempted from this ban. For this purpose, market making covers investment firms that incur in a transitory (especially intraday) net short position either as:

- a response or a hedge to a client order or
- as a result of quoting bid and ask prices on a continuous way as market members, with or without a public commitment with the issuer or the market

It is reminded that article 99.z quinquies of the SMA defines as a very serious infringement the violation of preventive measures imposed by the CNMV under letter j of article 85.2 of the Law.

Madrid, July 23rd 2012