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INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION

**NEWS RELEASE**

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**ISDA PUBLISHES CREDIT DEFAULT SWAP INDEX PROTOCOL**

**NEW YORK, Thursday, May 26, 2005 –**The International Swaps and Derivatives Association (ISDA) today announced its publication of a protocol created to facilitate settlement of credit derivative trades involving Collins & Aikman Products Co. Collins & Aikman, a U.S. company that filed for bankruptcy on May 17, 2005, is an auto parts supplier included in various credit derivative indices published by Dow Jones CDX and TRAC-X.

The [2005 CDS Index Protocol](http://www.isda.org/2005cdsprotocol/2005cdsprot.html) offers market participants an efficient way to settle trades on credit derivative indices that include Collins & Aikman. The Protocol enables institutions to amend their documentation for such index trades from physical to cash settlement and to participate in an auction, scheduled for June 14, 2005, which will determine the final price for a Collins & Aikman bond maturing on December 31, 2011. Markit Partners and Creditex will administer the auction.

“This is a new approach to an issue that can arise when a credit event, such as bankruptcy, triggers the need to settle a large number of derivatives transactions on a finite supply of securities,” said Robert Pickel, Chief Executive Officer and Executive Director, ISDA. “In facilitating a smoother settlement process, the Protocol adds to the emphasis ISDA and the industry are placing on greater efficiencies in the post-trade environment for privately negotiated derivatives.”

With the 2005 CDS Index Protocol, ISDA enables parties to amend credit derivative index documents on a multilateral basis rather than through one-on-one negotiations between all counterparties.  In addition to greater efficiency, time and cost savings, using the Protocol will provide enhanced legal certainty.

The Protocol is open to ISDA members and non-members alike.  The adherence period for the Protocol is May 26 to June 3, 2005. The text of the Protocol and form of adherence letter, guidance on the mechanics of the Protocol, answers to frequently asked questions and details on adherents, are all available at www.isda.org.  Details on the auction are included in the Protocol.

About ISDA

ISDA is the global trade association representing leading participants in the privately negotiated derivatives industry. ISDA was chartered in 1985, and today has more than 625 member institutions from 47 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org/).

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