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| **Sanitec ELCDS Auction**  The Sanitec LCDS Auction relates to settlement issues concerning Sanitec Oy ("Sanitec") the manufacturer of bathroom fittings. Sanitec is included in the LevX credit derivative index and is the subject of single-name loan CDS trades. Cash settlement at the final price determined by an auction is contemplated by the standard documents for European loan credit default swaps that ISDA published on 3 October 2008. These documents provide that if an auction is held in respect of the reference entity and designated priority of loan referenced by the relevant transaction, then settlement of that transaction will be subject to the terms of that auction.  The circumstances in which an auction will be held are governed by the ELCDS Auction Rules, also published by ISDA on 3 October 2008. In accordance with these Rules, the Markit iTraxx LevX Market Makers have determined that the Reference Entities (which term includes Sanitec (UK) Limited, which was formerly known as TPG Spring (UK) Limited, together with all other borrowers and obligors in relation to the Reference Obligations) have failed to make payments due on some or all of the Reference Obligations and have voted to hold auctions in respect of First Lien Loans and Second Lien Loans of Sanitec. The terms of these auctions are contained in the respective ELCDS Auction Settlement Terms for Sanitec (the “Auction Terms”), which were published by ISDA on 22 January 2009.  These auctions are scheduled for 5 February 2009. Markit and Creditex will administer the auction. The cash settlement date for Covered Transactions (as defined in the Auction Terms) will be 16 February 2009.  Any customer that wishes to submit a Customer Physical Settlement Request to a Participating Bidder must submit a valid Customer Physical Settlement Request Letter to the relevant Participating Bidder at or prior to 5:00 p.m. London time on the Business Day prior to the Auction Date.  The relevant forms of Customer Physical Settlement Request Letter are linked below.  It should be noted that for European loan-only CDS transactions documented on the Standard Terms Supplements that ISDA published on 3 October 2008, there is no requirement for the parties to adhere to a protocol in order for a transaction to be covered by the Auction Terms. However, it will be necessary to adhere to the 2009 ISDA European LCDS Protocol in order for a transaction documented on the Standard Terms Supplements published prior to that to be covered by the Auction Terms. Please refer to the FAQ relating to the ISDA 2009 European LCDS Protocol (available [here](http://www.isda.org/traditional-protocol/isda-2009-european-loan-cds-protocol)) for further details.  In order to ensure that a transaction is brought within the Auction Terms, parties must have delivered a credit event notice and notice of publicly available information (or entered into a settlement agreement deeming these notices to be delivered) effective on or prior to 4 February 2009.   * [Sanitec ELCDS Auction Settlement Terms (First Lien Loans)](https://www.isda.org/a/YLPEE/Sanitec-First-Lien-Auction-Terms.pdf) * [Sanitec ELCDS Auction Settlement Terms (Second Lien Loans)](https://www.isda.org/a/pLPEE/Sanitec-Second-Lien-Auction-Terms.pdf) * [Customer Physical Settlement Request Letter (First Lien Loans)](https://www.isda.org/a/BLPEE/Sanitec-First-Lien-Cu-Phys-Sett-Request.doc) * [Customer Physical Settlement Request Letter (Second Lien Loans)](https://www.isda.org/a/RLPEE/Sanitec-Second-Lien-Cu-Phys-Sett-Request.doc) * [Frequently Asked Questions](https://www.isda.org/a/ILPEE/FAQ-Sanitec-and-BritishVita.pdf) * [Plain English Summary](https://www.isda.org/a/ZLPEE/Sanitec-Plain-English-Summary.pdf) |