ICE ANNOUNCES OCTOBER LAUNCH OF BUY-SIDE SOLUTION FOR CDS CLEARING; SEGREGATED FUNDS SOLUTION OFFERS ROBUST PROTECTION FOR CDS MARKET PARTICIPANTS

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NEW YORK,July 22 /PRNewswire-FirstCall/ -- IntercontinentalExchange(R) (NYSE: ICE), a leading operator of regulated global futures exchanges, clearing houses and over-the-counter (OTC) markets, announced today that it has developed a solution that provides segregation of customer funds and positions in credit default swap (CDS) clearing. The solution, which will enable buy-side participation in CDS clearing, is expected to be introduced in October 2009, subject to regulatory approval.

ICE's buy-side solution offers a roadmap for the industry's transition to clearing based on participants' specific risk management needs, allowing firms to retain trading relationships and a range of competitive execution models. The solution is designed to provide segregation of customer funds and positions, as well as enhanced position and margin portability. The expanded legal framework protects customer positions and collateral in the event that a clearing member defaults on its obligations to the clearing house. These customer protections, together with ICE's rigorous CDS risk model, offer increased security for buy-side market participants.

ICE's buy-side solution also addresses systemic risk by supporting both new trades and the existing backlog of outstanding OTC CDS contracts at the DTCC Trade Information Warehouse (TIW). ICE's offering accelerates time-to-market by utilizing existing market infrastructure and incorporating existing International Swaps and Derivatives Association (ISDA) agreements -- eliminating the need for lengthy renegotiation -- and supports existing connectivity to all dealers, more than 400 buy-side firms and the TIW through its ICE Link platform. ICE's segregated funds structure was developed through in-depth consultation with buy-side and sell-side market participants and regulators.

Said Jeffrey Sprecher, Chairman and CEO of ICE: "We recognize the important role that a central counterparty plays in addressing systemic risk for all market participants. Our segregated funds solution has been designed to provide robust protections for buy-side firms and to ensure our CDS clearing offering serves the needs of the entire CDS market."

Over the coming weeks, ICE will continue to consult with regulators and actively test connectivity with buy-side firms in preparation for the October introduction. Further details and updates to the timeline will be announced in the coming weeks, subject to customer readiness and regulatory requirements.

ICE Clear Europe(R) has announced that it expects to begin clearing European CDS transactions by July 31, 2009. Further information detailing the buy-side solution for CDS clearing in Europe will be released following discussion with relevant regulatory authorities and market participants. ICE Clear Europe is supervised by the Financial Services Authority in accordance with the Financial Services and Markets Act (FSMA). ICE Clear Europe is owned by ICE and independently governed in accordance with the requirements of FSMA.

ICE Trust U.S. (ICE Trust(TM)) began clearing North American CDS indexes in March 2009, and to date has cleared nearly $1.6 trillion in notional value, with open interest of $172 billion. ICE Trust had over $2 billion on deposit in its guaranty fund as of the end of June. ICE Trust currently offers clearing for North American CDS indexes. ICE Trust maintains an independent governance structure and as a New York trust company and member of the Federal Reserve System, is subject to direct regulation and supervision by the Federal Reserve and the New York State Banking Department. Subject to compliance with certain conditions, ICE Trust operates under exemptions from the Securities and Exchange Commission (SEC) and the U.S. Treasury Department.

Over the past year, ICE has invested in extensive domain knowledge and a comprehensive CDS infrastructure to serve buy-side and sell-side market participants. These CDS assets include Creditex, a leading interdealer CDS trade execution venue offering both electronic and voice execution markets; ICE Link, the industry's leading post-trade processing platform; and ICE Trust, the leading clearing house for CDS markets. ICE's expansion of CDS clearing follows many successful initiatives already underway within the industry to reduce systemic and operational risks. ICE has played a key role in recouponing, portfolio compression, credit event auctions and now clearing.

About IntercontinentalExchange

IntercontinentalExchange(R) (NYSE: ICE) operates leading regulated exchanges, trading platforms and clearing houses serving the global markets for agricultural, credit, currency, emissions, energy and equity index markets. ICE Futures Europe(R) hosts trade in half of the world's crude and refined oil futures. ICE Futures U.S.(R) and ICE Futures Canada(R) list agricultural, currency and Russell Index markets. ICE offers trade execution and processing for the credit derivatives markets through Creditex and ICE Link, respectively, and CDS clearing through ICE Trust(TM). A component of the Russell 1000(R) and S&P 500 indexes, ICE(R) serves customers in more than 50 countries and is headquartered in Atlanta, with offices in New York, London, Chicago, Winnipeg, Calgary, Houston and Singapore. ***www.theice.com***

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SOURCE IntercontinentalExchange