



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC # 088-2004) August 11, 2004

EXDS, Inc. – 10.75% Senior Notes due December 15, 2009

EXDS, Inc. – 11.25% Senior Notes due July 1, 2008

EXDS, Inc. – 11.625% Senior Notes due July 15, 2010

Pursuant to the Plan of Reorganization, the above company (formerly known as Exodus Communications, Inc.) made an additional payment of principal on August 9, 2004 to holders of record on June 5, 2002. The distribution was quoted "ex" on August 11, 2004, with due-bills redeemable on August 16, 2004.

Since the notes have been dealt in flat, members are advised that effective August 11, 2004, trades executed in the notes should be on a **"further reduced principal basis"** in lieu of \$1,000 p.a. in amounts as indicated below. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

10.75% Senior Nt	\$ 5.653331
11.25% Senior Nt	\$ 5.633526
11.625% Senior Nt	\$ 5.653331

Members are further advised that any future distributions will be paid to holders of record of June 5, 2002. Deliveries after the record date should be accompanied by due-bills representing any future payments. Please note that any future distributions will be calculated on a reduced principal basis.

Members should take immediate steps to adjust their records and bookkeeping systems to reflect the reduction in principal.

Questions regarding this notice should be directed to: Market Integrity Department, 203.375.9609.

Tara Petta
Associate Director