

SERIES ADJUSTMENTS 2001-028
ONN INFORMATION CIRCULAR #181
June 6, 2001

Digital Island, Inc. (ISLD/SUH) - Full Cash Tender Offer

Digital Island, Inc. is the subject of an Offer to Purchase ("The Offer") by Dali Acquisition Corp., a wholly owned subsidiary of Cable & Wireless plc. (CWP)

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| Security To Be Purchased: | Digital Island, Inc. (ISLD) Common Shares |
| Quantity: | All Digital Island, Inc. Common Shares |
| Price: | \$3.40 net cash per share |
| Expiration: | 12:00 Midnight, EST on Monday June 18, 2001 Unless extended |

The Offer is conditioned upon, among other things, there being validly tendered and not withdrawn on or prior to the Expiration Date of the Offer, a number of shares that would constitute at least a majority of the outstanding shares on a fully diluted basis. As soon as practicable following the completion of the Offer, Dali Acquisition Corp., intends to seek a merger or similar business combination with ISLD whereby all remaining outstanding ISLD shares would be converted into the right to receive \$3.40.

Possible Contract Adjustments

The Offer is being made with intention to subsequently effect a merger wherein all remaining ISLD Common Shares will be converted into the right to receive \$3.40 cash per share. Interpretation .03 to Article VI, Section 11, of OCC's By-Laws indicates ISLD options would ordinarily be adjusted to call for cash settlement when and if the aforementioned intended merger is actually consummated. It is not known how quickly after the expiration of the Offer the intended merger or contract adjustment would be effected. Until such merger is consummated, ISLD option exercise will continue to call for delivery of underlying security.

Special Risks

Uncovered writers of ISLD options should be aware of the approach of the expiration deadline. If an uncovered call option writer is exercised on or before such date, the assigned writer may not be able to deliver the underlying stock by the settlement date of the option contract due to the possible shortage of outstanding shares. Article VI, Section 19 of The Options Clearing Corporation (OCC) by-laws describes the various steps that may be taken if it is determined that there is a shortage of the underlying shares.

*** The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE accepts no responsibility for the accuracy or completeness of the summary. Complete details of the Offer are contained in the Offer to Purchase which can be obtained from the Information Agent: MalCon Proxy Advisors, Inc. 130 William Street, New York, NY 10038, (800) 475-9320.*