

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION

IN RE ELECTRONIC DATA SYSTEMS CORPORATION SECURITIES LITIGATION	CASE NO. 6:03-MD-1512 LEAD CASE 6:03-CV-110 ("SECURITIES")
THIS DOCUMENT RELATES TO: ALL CASES	JUDGE DAVIS

NOTICE OF CLASS ACTION

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED THE SECURITIES OF ELECTRONIC DATA SYSTEMS CORPORATION ("EDS") BETWEEN FEBRUARY 7, 2001 THROUGH AND INCLUDING SEPTEMBER 18, 2002 (THE "CLASS PERIOD"), AND WHO WERE DAMAGED THEREBY

THIS NOTICE MAY AFFECT YOUR RIGHTS.  
PLEASE READ THIS ENTIRE NOTICE CAREFULLY.

IF YOU DO NOT REQUEST TO BE EXCLUDED FROM THE CLASS BY JUNE 28, 2005 AS DESCRIBED BELOW,  
YOU WILL BE BOUND BY THE DECISIONS AND OUTCOME OF THIS LAWSUIT.

I. Description And Status Of The Lawsuit

The purpose of this Notice is to inform you of a class action lawsuit that is now pending in the United States District Court for the Eastern District of Texas, Tyler Division (the "Court"). The Class certified by Order of the Court is identified below, at Section II (the "Class").

In this lawsuit (the "Action"), Lead Plaintiff, the Department of the Treasury of the State of New Jersey and its Division of Investment on behalf of Common Pension Fund A ("New Jersey" or "Lead Plaintiff"), alleges that Defendants violated the Securities Exchange Act of 1934 ("Exchange Act") by making materially false and misleading statements and omissions regarding EDS' revenues and profitability during the period from February 7, 2001 through and including September 18, 2002 (the "Class Period"). New Jersey contends that investors were misled by Defendants' statements which appeared in press releases and in documents filed with the Securities and Exchange Commission ("SEC").

New Jersey alleges that EDS' financial statements were false based upon Defendants' improper use of percentage of completion accounting to recognize revenue, primarily in connection with a very significant contract with the U.S. Navy (the "NMCI Contract"), despite the known serious delays in implementing the contract that precluded revenue recognition. As a result, Lead Plaintiff contends that EDS' financial results were materially misstated, causing the prices of EDS securities to be artificially inflated throughout the Class Period.

Defendants deny the allegations against them. In particular, they maintain that use of percentage of completion accounting for the NMCI Contract was required and otherwise proper; EDS had adequate internal controls; Defendants' representations during the Class Period concerning the extent of work completed on the NMCI Contract were accurate and their statements, including any omissions, regarding revenues or profitability during the Class Period were neither false nor misleading; and alleged problems with accounting for the NMCI Contract did not cause the decline in EDS' stock price alleged by Lead Plaintiff.

At this stage of the litigation, the Court has not ruled on the merits of New Jersey's claims or Defendants' defenses.

A. The Appointment Of The Lead Plaintiff And Lead Counsel

On May 5, 2003, the Court appointed New Jersey, a domestic stock fund which manages over \$28 billion in pension fund assets on behalf of over 600,000 current and retired state employees, to serve as the Lead Plaintiff for the Action, and approved New Jersey's choice of counsel, the law firms of Bernstein Litowitz Berger & Grossmann LLP and Greenbaum, Rowe, Smith, Ravin, Davis & Himmel, L.L.P., to serve as Lead Counsel for Lead Plaintiff and the Class ("Lead Counsel"), and the firm of Nickens, Keeton, Lawless, Farrell, & Flack, L.L.P. to serve as Liaison Counsel for Lead Plaintiff and the Class ("Liaison Counsel"). The law firm of Lowenstein Sandler PC was subsequently substituted in as Lead Counsel in place of the Greenbaum Rowe firm. New Jersey has also retained retired Judge C. Judson Hamlin now of the law firm of Purcell, Ries, Shannon, Mulcahy & O'Neill as New Jersey's representative in dealing with Lead Counsel and Liaison Counsel.

B. The Complaint

On July 7, 2003, New Jersey filed its Amended Consolidated Class Action Complaint (the "Amended Complaint") against EDS, its former Chief Executive Officer during the relevant period, Richard Brown, and its former Executive Vice President and Chief Financial Officer during the relevant period, James Daley. The Amended Complaint asserts a claim for violations of Section 10(b) of the Exchange Act and SEC Rule 10b-5 against all Defendants, and a claim for violations of Section 20(a) of the Exchange Act against Defendants Brown and Daley (the "Individual Defendants").

C. Substantive Motions

By Order dated January 13, 2004, the Court denied Defendants' Motion to Dismiss the Amended Complaint for failure to state a claim for which relief can be granted. On March 15, 2004, Defendants answered the Amended Complaint.

Since then, the parties have engaged in extensive discovery. Specifically, Lead Plaintiff's counsel have reviewed approximately 10 million pages of documents produced by Defendants, and are currently in the process of taking depositions of various current and former employees of EDS, as well as certain non-party witnesses. Discovery in this action will conclude no later than July 15, 2005, and trial is set to commence on September 26, 2005.

II. The Class

By Order dated February 11, 2005, the Court certified this lawsuit to proceed as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Order also certified New Jersey as the Class Representative and appointed Lead Counsel and Liaison Counsel to be Lead Class Counsel and Liaison Class Counsel, respectively.

The class in this Action consists of: All persons and entities who purchased or otherwise acquired the securities of EDS between February 7, 2001 through and including September 18, 2002 (the "Class Period"), and who were damaged thereby (the "Class"). Excluded from the Class are Defendants; members of the families of each of the Individual Defendants; any parent, subsidiary, affiliate, partner, officer, executive or director of any Defendant; any entity in which any such excluded person has a controlling interest; and the legal representatives, heirs, successors and assigns of any such excluded person or entity.

III. Procedures

This Notice is being sent to notify you of the pendency of the Class Action against EDS, Brown and Daley. In the event any settlement is reached with or a Judgment is obtained against any Defendant, only persons who do not exclude themselves from the Class at this time may be eligible to participate in a distribution of the settlement or Judgment proceeds. If you exclude yourself from the Class, you will not be eligible to participate in any settlement reached on behalf of the Class or in any Judgment obtained through trial. Section V of this Notice describes your rights as a Class Member.

In the event of a settlement, Lead Plaintiff will be required to obtain approval of such a settlement from the Court after Notice to Class Members as well as approval of a proposed plan of allocation of settlement proceeds. The Notice will provide a period of time for Class Members to submit objections to the Court. The Court will only give final approval to a proposed settlement and plan of allocation if the Court finds them to be fair, adequate and reasonable to the members of the Class.

IV. Lead Counsel's Fee Agreement With Lead Plaintiff

Lead and Liaison Counsel agreed to undertake this litigation on an entirely contingent basis, meaning that Lead and Liaison Counsel are not compensated at all, or reimbursed for any expenses they incur on behalf of the Class, unless there is a recovery achieved for the Class. If there is a recovery for the Class, Lead Counsel may make an application to be compensated and reimbursed out of that recovery. New Jersey has negotiated a Retainer Agreement with Lead Counsel which provides a fee agreement grid which is a function of both the timing and size of the recovery.

Any application for an award of attorneys' fees and reimbursement of litigation expenses by Lead Counsel will be subject to Court approval. Before any such application for fees and expenses is determined, Lead Counsel will be required: (a) to send a Notice to Class Members that describes the application, which Notice will provide a period of time for Class Members to submit objections to the Court; and (b) to obtain approval for such application from the Court.

V. Your Rights As A Class Member

Except for persons excluded from the Class, if you purchased or acquired the securities of EDS during the Class Period and were damaged as a result, you are a Class Member. If you are a Class Member, you have the right to decide whether to remain a member of the Class. You may not elect to remain in the Class for purposes of asserting certain claims brought by the Lead Plaintiff and also elect to be excluded from the Class for purposes of asserting, in an individual capacity, other claims arising from the facts alleged in the Amended Complaint.

**IF YOU ARE A CLASS MEMBER AND YOU CHOOSE TO REMAIN A CLASS MEMBER, YOU DO NOT NEED TO DO ANYTHING AT THIS TIME. IF YOU ARE A CLASS MEMBER AND YOU DO NOTHING, YOU WILL AUTOMATICALLY BE INCLUDED IN THE CLASS.**

If you choose to remain in the Class, you will be eligible to receive a share of any money awarded to the Class either through a settlement with the Defendants, or through a trial or Judgment of the Court, provided that, at the appropriate time, you submit a valid proof of claim form. If the Court dismisses one or more of the claims against any Defendant, or if the Defendants prevail at trial, you will be bound by that decision and all prior decisions of the Court. In other words, you will not be allowed to sue for your individual claims.

If you choose to remain in the Class, you will not be personally responsible for the fees of the Lead and Liaison Counsel or the costs they incur in representing you as a Class Member. As noted above, Lead and Liaison Counsel have agreed to represent the Class on a contingent basis, which means they will be awarded fees and costs only if they succeed in obtaining money from one or more of the Defendants. Any such contingent attorneys' fees will be awarded by the Court from the settlement or Judgment they obtain on behalf of the Class, if any.

If you choose to remain in the Class, you may arrange to have your own attorney enter an appearance on your behalf in the Action if you so desire. If you appear in the Action through your own counsel, you will be solely responsible for that attorney's fees and expenses.

If you choose to remain in the Class, you will receive another notice concerning any settlement that may be reached with any of the Defendants or after a Judgment is obtained against any of the Defendants.

If you want to attempt to pursue a claim on your own outside of the Class Action, and that claim arises from the facts alleged in the Amended Complaint, then you must submit a written request for exclusion from the Class, as described below.

If you choose to be excluded from the Class, you must submit a written request for exclusion that includes: (1) your name, address, telephone number, fax number (if available), and e-mail address (if available); and (2) a list of all purchases and sales of EDS securities during the Class Period, if possible. In your request for exclusion you should clearly state: "I wish to be excluded from the class," or similar words. You must sign the request for exclusion. Your mailed request for exclusion must be postmarked no later than June 28, 2005. It must be mailed to:

In re Electronic Data Systems Corporation Securities Litigation  
c/o Poorman-Douglas Corporation  
Administrator  
P.O. Box 3560  
Portland, OR 97208-3560

Note: If you are requesting exclusion on behalf of an entity, trust, or the like, you must state your position and explain the basis for your authority to act on behalf of that entity, trust, or the like.

If you choose to be excluded from the Class, you will not be bound by the prior decisions of the Court in this Action or by any Judgment in this Action against the Defendants, whether favorable or unfavorable, and you will not be entitled to share in any money that is distributed to the Class. If you choose to pursue a lawsuit on your own, you will be responsible personally for any fees and costs that your individual attorney charges you.

#### VI. Please Keep Your Address Current

If you should change your address, or if this Notice was not mailed to your correct address, you should immediately provide your current address to the Administrator for the Electronic Data Systems Corporation Securities Litigation, as identified below, by letter, fax, or e-mail to ensure that you receive future communications about this lawsuit. If the Administrator does not have your correct address, you might not receive notice of important developments in this Class Action and you might not receive your share of any money recovered by the Class.

#### VII. Special Notice To Nominees

If you purchased or otherwise acquired EDS securities between February 7, 2001 through and including September 18, 2002 for the beneficial interest of a person or entity other than yourself, the Court has directed that, within ten (10) days of your receipt of this Notice, you either (a) provide the Administrator the name and last known address of each person or entity for whom or which you purchased EDS securities during the Class Period or (b) request additional copies of the Notice from the Administrator, which will be provided to you free of charge, and within seven (7) days of receipt, mail the Notice by first class mail directly to the beneficial owners of the EDS securities. If you choose to follow alternative (b), the Court has directed that, upon such mailing, you send a statement to the Administrator confirming that the mailing was made as directed. Additionally, if you elect to mail the Notice directly to your customers, the Court has further directed that you retain the list of names and addresses of the persons and entities to whom the Notice was mailed so that it will be available for future mailings. Upon full compliance with these directives, you may seek reimbursement of the reasonable expenses actually incurred in providing Notice to beneficial owners. Requests for reimbursement of expenses should be directed to the Administrator and must be accompanied by proper documentation supporting the expenses for which reimbursement is sought. All communications should be directed to the Administrator at the following address:

