

# SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

## FORM 8-K

### Current Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 20, 2001**

## INTERNAP NETWORK SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

**Washington**

(State or other jurisdiction of incorporation)

**000-27265**  
(Commission File No.)

**91-1896926**  
(IRS Employer Identification No.)

**601 Union Street, Suite 1000  
Seattle, Washington 98101  
(206) 441-8800**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(206) 441-8800**

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#### Item 5. Other Events.

On July 20, 2001, Internap Network Services Corporation (the "Company") entered into a definitive agreement for a \$101,045,000 private placement of units.

On July 25, 2001, the Company announced the appointment of Eugene Eidenberg as its Chief Executive Officer.

#### Item 7. Exhibits.

- 99.1 Unit Purchase Agreement, dated July 20, 2001 (incorporated by reference to Appendix B to the Registrant's Proxy Statement filed on July 25, 2001).
- 99.2 Press Release, dated as of July 25, 2001 entitled, "Internap Enters Into Definitive Agreement for \$101 Million of Financing."
- 99.3 Press Release, dated as of July 25, 2001 entitled, "Internap Names Communications Industry Veteran Gene Eidenberg As New CEO."

#### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNAP NETWORK SERVICES CORPORATION

Dated: July 25, 2001

By:           /s/ PAUL E. MCBRIDE          

Paul E. McBride  
*Vice President of Finance and Administration, Chief Financial  
Officer and Secretary*

#### INDEX TO EXHIBITS

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**Internap Enters Into Definitive Agreement for  
\$101 Million of Financing**

SEATTLE, WA.—July 25, 2001—Internap Network Services Corporation (Nasdaq: INAP), the leading intelligent routing services provider, today announced it has entered into a definitive agreement for a \$101 million private placement of units at an effective per unit purchase price that will be the lower of \$1.60 or 100% of the volume weighted average price for the five trading days following the tenth trading day after the public announcement of Internap's second quarter results. Each unit is comprised of one-twentieth ( $1/20$ ) of a share of Series A preferred stock and a warrant to purchase one-fourth ( $1/4$ ) of a share of common stock. Each share of Series A preferred stock will be immediately convertible into twenty shares of common stock. The five-year warrants, which will be immediately exercisable on issuance, will have an exercise price equal to the lower of \$2.2753 per share, or the volume weighted average price for the five trading days following the tenth trading day after the public announcement of Internap's second quarter results.

The offering proceeds are being held in escrow subject to the completion of an affirmative shareholder vote authorizing the issuance of the securities. All investors have entered into lock-up agreements prohibiting any sale or hedging transactions in the Company's securities through the date of closing and prohibiting any sale or hedging transaction in the purchased securities after the date of closing until expiration of such lock-up agreements. Internap has agreed to file a registration statement for the resale of the shares of common stock issuable upon conversion of the Series A preferred stock and the exercise of the warrants within twenty days after the closing of the offering. The offering is expected to close in the third quarter of 2001, subject to a shareholder vote and the satisfaction of other closing conditions.

The units, preferred stock, warrants and common stock issuable upon conversion of the preferred stock and exercise of the warrants have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws, and unless so registered, may not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act of 1933, as amended, and applicable state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the units, the preferred stock, the warrants and the common stock issuable upon conversion of the preferred stock and the exercise of the warrants. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act of 1933, as amended.

**Internap Investor Services Contact**

Tim Hanson  
Internap Network Services  
206-262-3742  
thanson@internap.com

**Internap Media Contact**

Bill Hanks  
Internap Network Services  
206-262-3737  
bhanks@internap.com

**About Internap**

Founded in 1996 in Seattle, Internap provides Internet connectivity that is faster and more reliable than conventional Internet service. Internap's patented route management technology provides direct data transmission across the major Internet backbones through a single connection from a customer's network to one of Internap's Service Points. Internap's customers bypass congestion points on the Internet, avoiding packet loss, latency and other difficulties that can plague conventional Internet connectivity. Internap services are currently available in numerous key markets throughout the United States including Atlanta, Boston, Chicago, Los Angeles, New York, San Jose and Seattle. Major companies and networks served by Internap include The Nasdaq Stock Market, Datek Online, Colgate Palmolive, Earthlink, Travelocity and many others. Internap® and P-NAP® are registered trademarks

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of Internap. All other trademarks and brands are the property of their respective owners. For more information, visit [www.Internap.com](http://www.Internap.com).

**"Safe Harbor" Statement**

This release may contain projections or other forward-looking statements that involve risks and uncertainties. Readers are cautioned that these statements are only predictions and may differ materially from actual future events or results. Readers are referred to the documents filed by Internap with the SEC, including without limitation its Report on Form 10-Q for the quarter ended March 31, 2001 and Report on Form 10-K for the year ended December 31, 2000 and any later periodic reports, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, Internap's history of operating losses and expected future losses, Internap's limited operating history, fluctuations in Internap's quarterly operating results, Internap's need for additional capital, Internet infrastructure and regulatory changes, volatility of stock price, deployment of new Service Points, integration of acquired businesses and rapid technological and market change. All forward-looking statements are based on information available to Internap on the date hereof, and Internap assumes no obligation to update such statements.

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**Internap Names Communications Industry Veteran  
Gene Eidenberg As New CEO**

Seattle, WA—July 25, 2001—Internap Network Services (Nasdaq: INAP), the leading intelligent routing services provider, announced today that Eugene Eidenberg, Chairman of the Board, has been named CEO while the Board searches for the next long-term CEO. Anthony Naughtin will continue to serve on Internap's Board of Directors.

"At Internap, we have the people, products, technology, customers, and now the capital, to take us to profitability," said Gene Eidenberg, Chairman and CEO of Internap Network Services. "Even in this difficult economy, with the resulting higher-than-normal customer churn, Internap continues to generate strong sales growth while we renew our focus on reducing costs and cash burn."

"I'm excited to keep Internap moving forward to build upon the momentum that Tony began," said Eidenberg. "He has had the determination and vision to take Internap from a concept to one of the most important and innovative companies pioneering service quality for the public Internet."

"Gene's strong operating experience in the communications industry, combined with his working knowledge of Internap, make him ideally suited to lead our company through this important transition from entrepreneurial management to senior management that will take Internap to its full potential," said Tony Naughtin, Co-Founder and Director of Internap.

Eugene Eidenberg has served as a Director and Chairman of Internap's Board of Directors since November 1997. Most recently, Mr. Eidenberg was a Founder and Managing Director of Granite Ventures, previously known as H&Q Venture Associates, where he served as a Principal since 1998. Prior to that, Mr. Eidenberg was an Advisory Director at Hambrecht & Quist. Before joining Hambrecht & Quist, Mr. Eidenberg served for 12 years in a number of senior operating management positions with MCI Communications, including Executive Vice President/Group Executive for MCI's international businesses, Executive Vice President for Strategic Planning and Corporate Development, President of MCI's Pacific Division and Senior Vice President for Regulatory and Public Policy. From 1987 to 1990, Mr. Eidenberg was President and CEO of Macrovision. Mr. Eidenberg also served in the Carter Administration as Secretary to the Cabinet and Assistant to the President.

Internap's conference call will be held today, Wednesday, July 25, 2001 at 5:00 PM Eastern, 2:00 PM Pacific. The dial-in numbers are 888-889-1954 for domestic calls and 712-257-2275 for international calls. The passcode is Internap, and no RSVP is required. The replay numbers are 800-842-6143 for domestic calls and 402-280-9943 for international calls. No passcode required. A live webcasting of the call will also be made available. Please visit our website [www.internap.com/investor\\_services](http://www.internap.com/investor_services) for the hyperlink or for further information.

The conference call and webcast replays, including a written transcript, will be made available until Wednesday, August 1, 2001 at 5:00 PM Pacific.

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Internap Network Services  
206-262-3742  
[thanson@internap.com](mailto:thanson@internap.com)

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Internet, avoiding packet loss, latency and other difficulties that can plague conventional Internet connectivity. Internap services are currently available in numerous key markets throughout the United States including Atlanta, Boston, Chicago, Los Angeles, New York, San Jose and Seattle. Major companies and networks served by Internap include The Nasdaq Stock Market, Datek Online, Colgate Palmolive, Earthlink, Travelocity and many others. Internap® and P-NAP® are registered trademarks of Internap. All other trademarks and brands are the property of their respective owners. For more information, visit [www.Internap.com](http://www.Internap.com).

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