



June 22, 2009

Good Morning,

On June 19th, Nortel made two important announcements regarding its path forward. First, the company entered into a "stalking horse"¹ – or 363 – asset sale agreement with Nokia Siemens Networks B.V. for the sale of substantially all of its CDMA business and LTE Access assets for US\$650 million. We believe this announcement provides greater clarity on the path forward for our valued CDMA and LTE Access customers.

Second, Nortel announced that it is advancing in its discussions with external parties to sell its other businesses. We believe that the best outcome for each of our businesses is to find buyers who can carry Nortel's rich innovation platforms into the future. The company will assess other restructuring alternatives for these businesses in the event it is unable to maximize value through sales. Nortel will apply to delist its common shares and the NNL preferred shares from trading on the Toronto Stock Exchange (TSX) and it does not expect that holders of such shares will receive any value from the creditor protection proceedings.

We know the most important question to you right now is what all of this means to you and your relationship with Enterprise Solutions. We want to reassure you that during the process we are open for business and will continue to operate. At this time, we do not have all the answers, but we remain committed to ensuring that you experience no disruption to your business during this process. We will continue to offer and service our Enterprise portfolio, deliver on product commitments and service existing support contracts. As soon as a clear path forward is defined for Enterprise Solutions, we will communicate that news to you.

To access the latest news and information on today's announcements, please visit www.nortel.com/restructuring.

Please let us reiterate that Enterprise Solutions is fully committed to its customers, and we thank you for your continued support of our products, solutions and services.

Thank you for your business and continued support.

¹ [1] In the U.S., this sale requires a court-approved bidding process, known as a "stalking horse" or 363 Sale under Chapter 11 of the US Bankruptcy Code. In addition, consummation of the stalking horse transaction is subject to higher or otherwise better offers, approval of the United States Bankruptcy Court for the District of Delaware and the Ontario Superior Court of Justice, and the satisfaction of other customary and other conditions including governmental approvals such as in Canada and the United States. We expect the U.S. stalking horse process to continue for a period of 39 days once bidding procedures are approved. Thereafter additional time may be required to satisfy all other conditions and obtain other necessary court or government approvals. We will update you on the status of the process as further information is available.