

Nortel picks new CEO to replace Bill Owens

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[CBC News](#)

Former Motorola executive Mike Zafirovski will succeed Bill Owens as Nortel Network's president and CEO, the company announced Monday.

Owens has led Nortel ([TSX:NT](#)) since the firing of former CEO Frank Dunn in April 2004 following an accounting scandal that led to the company having to restate several years of earnings.

- FROM Apr. 28, 2004: [Nortel fires top execs](#)

Owens, who is 65, said he was "pleased to turn over this company to a proven leader to drive our success over many years ahead."

He told an afternoon news conference he had not been asked to leave.

"This is the right time for a new, younger person who is going to be able to be with the company for years, to drive the company forward," Owens said.

Zafirovski, 51, had been the president and chief operating officer at Motorola from 2002 until his resignation earlier this year. He had been at GE for 25 years before moving to Motorola.

Zafirovski's appointment is effective Nov. 15.

Nortel shares rise on news

The early reviews from Nortel investors seemed positive. Nortel shares closed up 21 cents to \$4.10 on the TSX. At that price, the stock is still 96 per cent lower than the \$124 high point they hit in 2000.

A statement from the chairman of Nortel's board lauded Owens 19 months of leadership. "At a moment of great challenge and enormous need in the history of this company, the board turned to one of its own, whose long career embodied the highest levels of trust, integrity and distinguished leadership," Harry Pearce said.

"We needed an experienced, steady hand and Bill delivered. "

In its most recent quarterly earnings statement, Nortel reported a \$45 million US profit and said revenues were up 10 per cent over the previous year.

The Nortel statement said the board felt Zafirovski was the right person to take Nortel "to the next level."

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Incoming Nortel Networks President and CEO Mike Zafirovski smiles as he makes a joke during a news conference in Toronto. (CP Photo/Adrian Wyld)



"Mike Zafirovski has the kind of proven, team-building leadership that has seen him create significant new value during his career in two of the world's most important global corporations," it said.

Zafirovsky has turnaround experience

Zafirovski was credited with returning Motorola's money-losing handset division to profitability. He was passed over as Motorola's CEO in late 2003, leading to speculation that he would eventually leave the company. He resigned from Motorola this January.

Zafirovski told reporters he loves to compete. "I'm convinced that Nortel will be big winner again," he said.

Owens' departure follows the resignations in June of two senior executives, including the president, over differences with Owens.

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Owens will "pursue entrepreneurial endeavours as well as his philanthropic interests," according to the company.



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