

Nortel Long Term Debt, Credit Facilities and EDC Support Facility Developments During 2004 to 2006

Date	Long Term Debt	Credit Facilities	EDC Support Facility
March 31, 2004 to April 28, 2004	<p>Late SEC Filing for 2003 Financial Statements as of March 31, 2004</p> <p>Notice of Non-Compliance possible between March 31, 2004 and Jan. 11, 2005 SEC Filing of 2003 Financial Statements from 25% of \$1,800 M NNC convertible debt holders and of any series of \$1,775 M NNL note holders, which triggers 90 day allowance for SEC Filing before default proceedings.</p> <p>No Notices of Non-Compliance filed.</p>	<p>April 28, 2004, NNL & NNI terminated \$750 M April 2000 5 Year Credit Facilities, which were undrawn.</p> <p>Banks had right to terminate these Credit Facilities on April 29, 2004 due to Late SEC Filing for 2003 Financial Statements.</p>	<p>\$750 M EDC Support Facility in default due to Late SEC Filing for 2003 Financial Statements between April 28, 2004 and Jan. 11, 2005 SEC Filing of 2003 Financial Statements.</p> <p>EDC reclassified previously committed \$300 M revolving small bond sub-facility of \$750 M EDC Support Facility as uncommitted support during the waiver period.</p> <p>April 28, 2004, EDC given right to (i) terminate its commitments relating to certain performance obligations, (ii) exercise certain rights against the collateral pledged under related security agreements or require NNL to cash collateralize all existing support.</p>
Dec. 31, 2004	<p>\$3,877 M Long Term Debt Outstanding</p> <p>\$15 M Long Term Debt Repayable in 2005</p> <p>\$3,685 M Cash Balance</p>	<p>\$0 M Credit Facilities Outstanding</p>	<p>\$450 M EDC Support Facility Outstanding Under Waiver.</p>
March 31, 2005 to May 31, 2005	<p>Late SEC Filing for 2004 Financial Statements as of March 31, 2005</p> <p>Notice of Non-Compliance possible between March 31, 2005 and May 2, 2005 SEC Filing of 2004 Financial Statements from 25% of \$1,800 M NNC convertible debt holders and of any series of \$1,775 M NNL note holders, which triggers 90 day allowance for SEC Filing before default proceedings.</p> <p>No Notices of Non-Compliance filed.</p>		<p>\$750 M EDC Support Facility in default due to Late SEC Filing for 2004 Financial Statements up to May 2, 2005 SEC Filing of 2004 Financial Statements.</p> <p>May 31, 2005, EDC returns \$300 M revolving small bond sub-facility to committed support from uncommitted support after permanent waiver by EDC of certain defaults is granted.</p>
Oct. 24, 2005			<p>October 24, 2005, NNL and EDC entered into an amendment of the EDC Support Facility that maintained the total EDC Support Facility at up to \$750, including the existing \$300 of committed support for performance bonds, and the extension of the maturity date of the EDC Support Facility for an additional year to December 31, 2007.</p> <p>All guarantee and security agreements of Nortel and its subsidiaries under the EDC Support Facility and Nortel's public debt securities were terminated and the assets of Nortel and its subsidiaries pledged under the security agreements were released in full. EDC also agreed to provide future support under the EDC Support Facility on an unsecured basis and without the guarantees of NNL's subsidiaries under certain conditions.</p>
Dec. 31, 2005	<p>\$3,885 M Long Term Debt Outstanding</p> <p>\$1,446 M Long Term Debt Repayable in 2006</p> <p>\$2,951 M Cash Balance</p>	<p>\$0 M Credit Facilities Outstanding</p>	<p>\$750 M EDC Support Facility Outstanding Under Waiver.</p>

Date	Long Term Debt	Credit Facilities	EDC Support Facility
Feb. 14, 2006		<p data-bbox="890 280 1373 427">On Feb. 14, 2006, Nortel entered into a new one-year credit facility in the aggregate principal amount of \$1,300 M, which consists of (i) a senior secured one-year term loan facility in the amount of \$850 M and (ii) a senior unsecured one-year term loan facility in the amount of \$450 M</p> <p data-bbox="890 435 1373 553">This new credit facility was drawn down in the full amount on February 14, 2006 and Nortel used the net proceeds primarily to repay the outstanding \$1,275 aggregate principal amount of NNL's 6.125% Notes that matured on February 15, 2006.</p>	^^^
Feb. 15, 2006.	Maturity date for repayment of principal on NNL's \$1,275 M 6.125% Notes		
March 31, 2006	<p data-bbox="306 610 869 651">Late SEC Filing for 2005 Financial Statements as of March 31, 2006</p> <p data-bbox="306 659 869 805">Notice of Non-Compliance possible between March 31, 2006 and May 1, 2006 SEC Filing of 2005 Financial Statements from 25% of \$1,800 M NNC convertible debt holders and of any series of \$500 M NNL note holders, which triggers 90 day allowance for SEC Filing before default proceedings.</p> <p data-bbox="306 813 869 854">No Notices of Non-Compliance filed.</p>	<p data-bbox="890 610 1373 805">An event of default occurred under the 2006 Credit Facility. As a result of this and certain other related breaches, lenders holding greater than 50% of each tranche under the 2006 Credit Facility have the right to accelerate such tranche, and lenders holding greater than 50% of all of the secured loans under the 2006 Credit Facility have the right to exercise rights against certain collateral.</p> <p data-bbox="890 813 1373 854">The entire \$1,300 under the 2006 Credit Facility is currently outstanding.</p>	\$750 M EDC Support Facility in default due to Late SEC Filing for 2005 Financial Statements up to May 1, 2006 SEC Filing of 2005 Financial Statements
June 15, 2006	Maturity date for repayment of principal on NNL subsidiary's \$150 M 7.40% Notes		
July 5, 2006	July 5, 2006, NNL completed an offering of \$2,000 aggregate principal amount of senior notes, The Notes consist of \$450 of senior fixed rate notes due 2016 , \$550 of senior fixed rate notes due 2013 and \$1,000 of floating rate senior notes due 2011.		
Dec. 31, 2006	<p data-bbox="306 1040 869 1065">\$4,464 M Long Term Debt Outstanding</p> <p data-bbox="306 1073 869 1097">\$19 M Long Term Debt Repayable in 2007</p> <p data-bbox="306 1105 869 1109">\$3,492 M Cash Balance</p>	\$1,300 M Credit Facilities Outstanding	\$750 M EDC Support Facility Outstanding.