

January 14, 2009

To: All Known Creditors

Re: Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global Corporation, Nortel Networks International Corporation and Nortel Networks Technology Corporation (collectively "Nortel")

Dear Sirs:

On January 14, 2009 (the "Filing Date"), Nortel successfully applied under the *Companies' Creditors Arrangement Act* ("CCAA") for an order (the "Initial Order") of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "Court") providing, among other things, a stay of claims and proceedings against Nortel. Pursuant to the Initial Order, Ernst & Young Inc. was appointed Monitor (the "Monitor").

Pursuant to the Initial Order, Nortel continues to operate. Arrangements should be made with Nortel regarding ongoing supply of goods and services after January 14, 2009.

A copy of the Initial Order is available on the Monitor's website at www.ey.com/ca/nortel. If you are unable to access the Initial Order from the website, please contact our offices at 1-866-942-7177 from Canada or the United States, or 416-943-4439 from other locations, to arrange for delivery of a copy of the Initial Order.

Currently, Nortel has not filed a Plan of Arrangement nor has a claims process been established. Accordingly, you do not need to file a proof of claim at the present time. Once a specific process to establish your claim as at the Filing Date has been approved by the Court, details with respect to how and when to file a proof of claim will be communicated to you.

If you have any further questions in respect of the CCAA proceedings, you may contact the Monitor at 1-866-942-7177.

Yours very truly,

ERNST & YOUNG INC.
in its capacity as Court-appointed Monitor of
Nortel Networks Corporation,
Nortel Networks Limited,
Nortel Networks Global Corporation,
Nortel Networks International Corporation, and
Nortel Networks Technology Corporation.