

**NORTEL NETWORKS CORPORATION**  
**Consolidated Financial Information (unaudited)**  
(U.S. GAAP; Millions of U.S. dollars)

The following tables summarize our historical revenues, operating margin and operating margin percentage for each of our reportable segments for:

	Three months ended							
	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
<b>Revenues</b>								
Carrier Networks	\$ 1,346	\$ 1,080	\$ 1,058	\$ 1,009	\$ 1,487	\$ 1,337	\$ 1,262	\$ 1,071
Enterprise Solutions	762	671	590	597	788	571	478	455
Global Services	605	540	494	448	540	541	545	506
Metro Ethernet Networks	429	360	363	373	449	416	433	293
Other	56	54	57	56	58	61	62	65
<b>Total revenues</b>	<b>\$ 3,198</b>	<b>\$ 2,705</b>	<b>\$ 2,562</b>	<b>\$ 2,483</b>	<b>\$ 3,322</b>	<b>\$ 2,926</b>	<b>\$ 2,780</b>	<b>\$ 2,390</b>

	Three months ended							
	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
<b>Operating Margin</b>								
Carrier Networks	\$ 342	\$ 169	\$ 175	\$ 154	\$ 244	\$ 105	\$ 72	\$ 56
Enterprise Solutions	(1)	11	(9)	(9)	65	(17)	(57)	(36)
Global Services	130	105	75	75	58	90	105	84
Metro Ethernet Networks	(11)	2	10	(20)	-	32	43	(20)
Other	(216)	(153)	(217)	(211)	(226)	(146)	(207)	(248)
<b>Total operating margin</b>	<b>\$ 244</b>	<b>\$ 134</b>	<b>\$ 34</b>	<b>\$ (11)</b>	<b>\$ 141</b>	<b>\$ 64</b>	<b>\$ (44)</b>	<b>\$ (164)</b>

	Three months ended							
	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
<b>Operating Margin Percentage</b>								
Carrier Networks	25.4%	15.6%	16.5%	15.3%	16.4%	7.9%	5.7%	5.2%
Enterprise Solutions	-0.1%	1.6%	-1.5%	-1.5%	8.2%	-3.0%	-11.9%	-7.9%
Global Services	21.5%	19.4%	15.2%	16.7%	10.7%	16.6%	19.3%	16.6%
Metro Ethernet Networks	-2.6%	0.6%	2.8%	-5.4%	0.0%	7.7%	9.9%	-6.8%
Other	-385.7%	-283.3%	-380.7%	-376.8%	-389.7%	-239.3%	-333.9%	-381.5%
<b>Total operating margin percentage</b>	<b>7.6%</b>	<b>5.0%</b>	<b>1.3%</b>	<b>-0.4%</b>	<b>4.2%</b>	<b>2.2%</b>	<b>-1.6%</b>	<b>-6.9%</b>