

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

Segmented revenues

The following table summarizes our revenue and operating margin by segment for:

	Three months ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Revenues			
Carrier Networks	\$ 1,218	\$ 1,346	\$ 1,009
Enterprise Solutions	641	762	597
Global Services	516	605	448
Metro Ethernet Networks	327	429	373
Total reportable segments	2,702	3,142	2,427
Other	56	56	56
Total revenues	\$ 2,758	\$ 3,198	\$ 2,483
Operating Margin			
Carrier Networks	259	342	154
Enterprise Solutions	(24)	(1)	(9)
Global Services	72	130	75
Metro Ethernet Networks	(25)	(11)	(20)
Total reportable segments	282	460	200
Other	(153)	(216)	(211)
Total operating margin	129	244	(11)
Amortization of intangible assets	12	13	12
Special charges	88	38	80
Gain (loss) on sales of businesses and assets	(2)	(23)	(1)
Shareholder litigation settlement (expense) recovery	-	-	(54)
Other operating charges (income) - net	13	(6)	(10)
Other income -net	(37)	(93)	(66)
Interest expense	80	80	96
Income tax expense	36	1,040	13
Minority interests - net of tax	78	39	22
Equity in net earnings (loss) of associated companies - net of tax	(1)	-	-
Net earnings (loss)	\$ (138)	\$ (844)	\$ (103)

Geographic revenues

The following table summarizes our geographic revenues based on the location of the customer for:

	Three months ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Revenues			
United States	\$ 1,081	\$ 1,428	\$ 1,216
EMEA ^(a)	591	819	578
Canada	166	267	173
Asia	787	513	382
CALA ^(b)	133	171	134
Total revenues	\$ 2,758	\$ 3,198	\$ 2,483

(a) Europe, Middle East and Africa

(b) Caribbean and Latin America

Network Solutions revenues

The following table summarizes our revenues by category of network solutions for each of our reportable segments for:

	Three months ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Revenues			
Carrier Networks			
CDMA solutions	\$ 555	\$ 771	\$ 568
GSM and UMTS solutions	536	359	271
Circuit and packet voice solutions	127	216	170
	1,218	1,346	1,009
Enterprise Solutions			
Circuit and packet voice solutions	458	529	375
Data networking and security solutions	183	233	222
	641	762	597
Global Services	516	605	448
Metro Ethernet Networks			
Optical networking solutions	247	332	263
Data networking and security solutions	80	97	110
	327	429	373
Other	56	56	56
Total revenues	\$ 2,758	\$ 3,198	\$ 2,483