

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

The following tables reflect the completion of the Global Services resegmentation effected in the first quarter of 2007.

Segmented revenues

The following table summarizes revenue and Management EBT^(a) by segment for:

	Three months ended			Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Revenues					
Carrier Networks	\$ 1,080	\$ 1,058	\$ 1,337	\$ 3,147	\$ 3,670
Enterprise Solutions	671	590	571	1,858	1,504
Global Services	540	494	541	1,482	1,592
Metro Ethernet Networks	360	363	416	1,096	1,142
Total reportable segments	2,651	2,505	2,865	7,583	7,908
Other	54	57	61	167	188
Total revenues	\$ 2,705	\$ 2,562	\$ 2,926	\$ 7,750	\$ 8,096
Management EBT					
Carrier Networks	145	173	107	454	246
Enterprise Solutions	16	3	(4)	21	(81)
Global Services	101	75	89	253	280
Metro Ethernet Networks	3	13	32	(1)	61
Total reportable segments	265	264	224	727	506
Other	(117)	(216)	(219)	(584)	(722)
Total Management EBT	148	48	5	143	(216)
Amortization of intangible assets	(12)	(13)	(8)	(37)	(19)
In-process research and development expense	-	-	-	-	(16)
Special charges	(56)	(36)	(22)	(172)	(76)
Gain (loss) on sales of businesses and assets	(3)	10	15	8	42
Shareholder litigation settlement (expense) recovery	-	-	(38)	54	453
Regulatory investigation expense	-	(35)	-	(35)	-
Income tax expense	(50)	(11)	(15)	(74)	(69)
Net earnings (loss) before cumulative effect of accounting change	\$ 27	\$ (37)	\$ (63)	\$ (113)	\$ 99

Geographic revenues

The following table summarizes Nortel's geographic revenues based on the location of the customer for:

	Three months ended			Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Revenues					
United States	\$ 1,159	\$ 1,171	\$ 1,304	\$ 3,546	\$ 3,577
EMEA ^(b)	665	678	825	1,921	2,345
Canada	204	178	228	555	535
Asia	537	336	432	1,255	1,192
CALA ^(c)	140	199	137	473	447
Total revenues	\$ 2,705	\$ 2,562	\$ 2,926	\$ 7,750	\$ 8,096

(b) Europe, Middle East and Africa

(c) Caribbean and Latin America

Network Solutions revenues

The following table summarizes Nortel's revenues by category of network solutions for each of the reportable segments for:

	Three months ended			Nine months ended	
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
Revenues					
Carrier Networks					
CDMA solutions	\$ 592	\$ 494	\$ 645	\$ 1,654	\$ 1,580
GSM and UMTS solutions	341	402	477	1,014	1,472
Circuit and packet voice solutions	147	162	215	479	618
	1,080	1,058	1,337	3,147	3,670
Enterprise Solutions					
Circuit and packet voice solutions	426	393	388	1,194	1,051
Data networking and security solutions	245	197	183	664	453
	671	590	571	1,858	1,504
Global Services					
	540	494	541	1,482	1,592
Metro Ethernet Networks					
Optical networking solutions	305	285	309	853	799
Data networking and security solutions	55	78	107	243	343
	360	363	416	1,096	1,142
Other	54	57	61	167	188
Total revenues	\$ 2,705	\$ 2,562	\$ 2,926	\$ 7,750	\$ 8,096

(a) Management EBT is a non-GAAP measure defined as operating margin less interest expense, other income (expense) – net, minority interests – net of tax and equity in net earnings (loss) of associated companies – net of tax. Management believes that this measure is a meaningful measurement of operating performance and provides greater transparency to investors with respect to performance and supplemental information used by management in its financial and operational decision making. This non-GAAP measure may also facilitate comparisons to Nortel's historical performance and Nortel's competitors' operating results. This non-GAAP measure should be considered in addition to, but not as a substitute for the information contained in Nortel's financial statements prepared in accordance with GAAP. This measurement may not be synonymous to similar measurement terms used by other companies.