

**Nortel Networks Corporation
Senior Unsecured CDS**

Credit Event Auction Summary

February 10, 2009

Nortel Networks Corporation CDS
Final Price 12
Auction Date 10Feb09

Reference Data		Deliverable Obligations		
RED 6 :	6BBBBE	US656568AC66	US656569AK65	US656569AE06
RED 9 :	6BBBBEAD3	US656568AF97	USC65614AC08	USC65614AB25
Index Constituents of	*Markit CDX.NA.HY 1 to 11	US656568AE23	US656569AL49	USC65614AA42
	Markit CDX.NA.HY.B 1 to 9	US656568AD40	US656569AG53	US656569AB66
	Markit CDX.NA.HY.HB 10, 11	US656569AD23	USC65614AD80 - Red Preferred	

Trade Information Warehouse (DTCC)			
Gross Notional :	\$5,119,713,532	Contracts :	1,150
Net Notional :	\$520,147,826	Date as of:	2/6/2009

Auction Details			
Default Date	1/14/2009	Inside Market Quotation Amount	\$5 MM
EDD	1/14/2009	Bid-Offer Spread	2%
Auction Date	2/10/2009	Participating Bidders	11
Cash Settlement Date	2/18/2009	Adhering Parties	435
Event	Bankruptcy	Accrual Calculation Method	Normal

Initial Bidding Results

Inside Market Midpoint **12.125**
Net Open Interest **\$ 290.470 million to sell**

Adjustment Amount : None

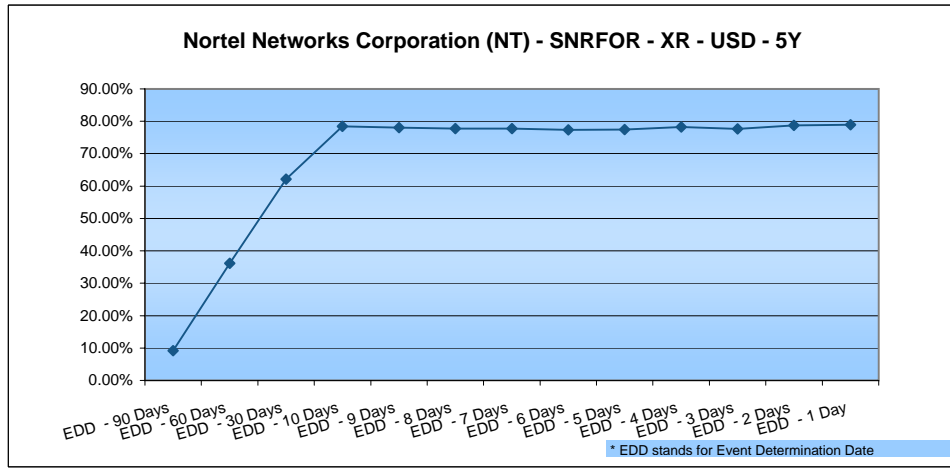
Sum of Buy Physical Requests	\$ 0.0 mm
Sum of Sell Physical Requests	\$ 290.470 mm

Final Bidding Results

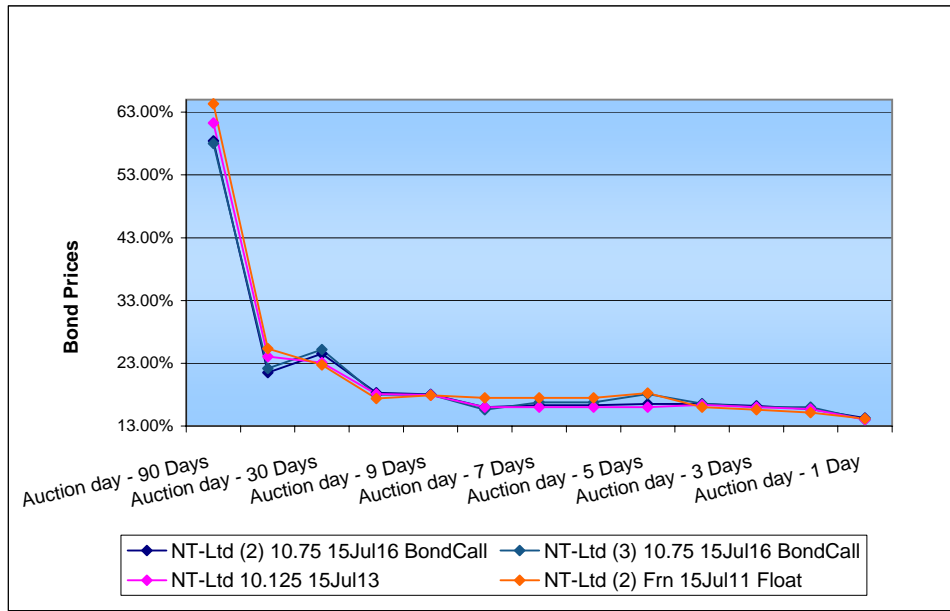
Final Price : 12

* See Appendix VI for details

CDS Upfronts



Bond Prices



Appendix

APPENDIX I

Initial Bidding Results

Inside Market Submissions

Dealers	Bid	Offer
Banc of America Securities LLC	12	14
Barclays Bank PLC	10.5	12.5
BNP Paribas	11.25	13.25
Citigroup Global Markets Inc.	11.5	13.5
Credit Suisse International	10	12
Deutsche Bank AG	12	14
Goldman Sachs & Co.	11.5	13.5
J.P. Morgan Securities Inc.	11.5	13.5
Morgan Stanley & Co. Incorporated	11	13
The Royal Bank of Scotland PLC	9.5	11.5
UBS Securities LLC	10	12

Physical settlement requests

Dealers	Type	Size
BNP Paribas	0	8.5
Banc of America Securities LLC	0	0
Barclays Bank PLC	0	20
Citigroup Global Markets Inc.	0	72.14
Credit Suisse International	0	15
Deutsche Bank AG	0	3
Goldman Sachs & Co.	0	17
J.P. Morgan Securities Inc.	0	0
Morgan Stanley & Co. Incorporated	0	33
The Royal Bank of Scotland PLC	0	8.5
UBS Securities LLC	0	113.33

APPENDIX II

Final Bidding Results

Limit Orders

Dealer	Bid	Size
Barclays Bank PLC	13.125*	15
Barclays Bank PLC	13.125*	5
Barclays Bank PLC	13.125*	5
Banc of America Securities LLC	13.125*	25
Goldman Sachs & Co.	12.5*	30
Deutsche Bank AG	12.5*	26
Banc of America Securities LLC	12.25*	20
Barclays Bank PLC	12.25*	10
Banc of America Securities LLC**	12.125*	5
Deutsche Bank AG**	12.125*	5
Barclays Bank PLC	12.125*	10
Barclays Bank PLC	12.125*	20
Goldman Sachs & Co.	12.125*	23
Morgan Stanley & Co. Incorporated	12.125*	70
Citigroup Global Markets Inc.	12.125*	7
UBS Securities LLC	12^	11.393
Banc of America Securities LLC	12^	15
Morgan Stanley & Co. Incorporated	12^	4
The Royal Bank of Scotland PLC	12^	5
J.P. Morgan Securities Inc.**	11.5	5
Goldman Sachs & Co.**	11.5	5
Citigroup Global Markets Inc.**	11.5	5
The Royal Bank of Scotland PLC	11.5	5
Goldman Sachs & Co.	11.5	30
Banc of America Securities LLC	11.5	20
BNP Paribas**	11.25	5
Morgan Stanley & Co. Incorporated	11.25	100
Barclays Bank PLC	11.25	5
Morgan Stanley & Co. Incorporated**	11	5
The Royal Bank of Scotland PLC	11	10
Barclays Bank PLC	11	5
Barclays Bank PLC	11	20
Barclays Bank PLC	10.75	5
J.P. Morgan Securities Inc.	10.75	50
Morgan Stanley & Co. Incorporated	10.75	120
Barclays Bank PLC**	10.5	5
The Royal Bank of Scotland PLC	10.5	5
Banc of America Securities LLC	10.5	50
Barclays Bank PLC	10.5	5
Goldman Sachs & Co.	10.5	30
Citigroup Global Markets Inc.	10.25	40
Barclays Bank PLC	10.25	5
Credit Suisse International**	10	5
UBS Securities LLC **	10	5
Goldman Sachs & Co.	10	2
Citigroup Global Markets Inc.	10	2
Goldman Sachs & Co.	10	10
Barclays Bank PLC	10	20
The Royal Bank of Scotland PLC	10	15
Credit Suisse International	10	10
Goldman Sachs & Co.	10	5
Barclays Bank PLC	10	5
J.P. Morgan Securities Inc.	9.875	50
Goldman Sachs & Co.	9.75	5
J.P. Morgan Securities Inc.	9.625	25
Deutsche Bank AG	9.625	10
The Royal Bank of Scotland PLC**	9.5	5
The Royal Bank of Scotland PLC	9.5	10
Goldman Sachs & Co.	9.5	30
Goldman Sachs & Co.	9.5	25
Citigroup Global Markets Inc.	9.25	25
J.P. Morgan Securities Inc.	9.125	25
Goldman Sachs & Co.	9	2
Citigroup Global Markets Inc.	9	2
BNP Paribas	9	8.5
The Royal Bank of Scotland PLC	9	20
J.P. Morgan Securities Inc.	8.875	50
J.P. Morgan Securities Inc.	8.625	25
Goldman Sachs & Co.	8.5	30
Citigroup Global Markets Inc.	8.375	25
Goldman Sachs & Co.	8.25	5
J.P. Morgan Securities Inc.	8.125	25
Goldman Sachs & Co.	8	20
Goldman Sachs & Co.	8	2

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Dealer	Bid	Size
Citigroup Global Markets Inc.	8	2
Citigroup Global Markets Inc.	7.625	10
J.P. Morgan Securities Inc.	7.625	10
UBS Securities LLC	7.625	15
Goldman Sachs & Co.	7.625	10
Goldman Sachs & Co.	7.5	30
Goldman Sachs & Co.	7.25	5
Goldman Sachs & Co.	7	2
Citigroup Global Markets Inc.	7	2
Citigroup Global Markets Inc.	6.625	50
Deutsche Bank AG	6.5	100
Goldman Sachs & Co.	6.25	5
Credit Suisse International	5.75	5
Goldman Sachs & Co.	5.25	5
UBS Securities LLC	5.25	5
Deutsche Bank AG	5	154
Morgan Stanley & Co. Incorporated	5	5
Credit Suisse International	5	25
UBS Securities LLC	3.125	290.46
Morgan Stanley & Co. Incorporated	2.5	10

** Limit Orders that were derived from inside markets.

* Limit Orders that were filled.

^ Limit Orders that were partially filled

APPENDIX III

CDS Upfronts

	<i>Date</i>	<i>CDS Upfront</i>
EDD - 90 Days	09/09/2008	9.21%
EDD - 60 Days	10/21/2008	36.11%
EDD - 30 Days	12/02/2008	62.15%
EDD - 10 Days	12/30/2008	78.41%
EDD - 9 Days	12/31/2008	78.00%
EDD - 8 Days	01/02/2009	77.72%
EDD - 7 Days	01/05/2009	77.73%
EDD - 6 Days	01/06/2009	77.40%
EDD - 5 Days	01/07/2009	77.49%
EDD - 4 Days	01/08/2009	78.25%
EDD - 3 Days	01/09/2009	77.70%
EDD - 2 Days	01/12/2009	78.76%
EDD - 1 Day	01/13/2009	78.96%

CDS Recovery Rate

	<i>Date</i>	<i>Rec. Rate</i>
Auction day - 90 Days	10/06/2008	32.00%
Auction day - 60 Days	11/17/2008	21.25%
Auction day - 30 Days	12/29/2008	10.70%
Auction day -10 Days	01/27/2009	18.25%
Auction day - 9 Days	01/28/2009	18.20%
Auction day - 8 Days	01/29/2009	18.03%
Auction day - 7 Days	01/30/2009	18.03%
Auction day - 6 Days	02/02/2009	18.03%
Auction day - 5 Days	02/03/2009	18.03%
Auction day - 4 Days	02/04/2009	18.03%
Auction day - 3 Days	02/05/2009	17.95%
Auction day - 2 Days	02/06/2009	17.93%
Auction day - 1 Day	02/09/2009	17.85%

APPENDIX IV

Bond Details

	<i>ISIN</i>	<i>CUSIP</i>	<i>Name</i>	<i>Coupon</i>	<i>Maturity</i>
Bond 1	US656568AC66	656568AC6	Nortel Corp.	1.75	04/15/12
Bond 2	US656568AF97	656568AF9	Nortel Corp.	1.75	04/15/12
Bond 3	US656568AE23	656568AE2	Nortel Corp.	2.125	04/15/14
Bond 4	US656568AD40	656568AD4	Nortel Corp.	2.125	04/15/14
Bond 5	US656569AD23	656569AD2	Nortel Limited	10.75	07/15/16
Bond 6	US656569AK65	656569AK6	Nortel Limited	LIBOR + 4.25	07/15/11
Bond 7	USC65614AC08	C65614AC0	Nortel Limited	LIBOR + 4.25	07/15/11
Bond 8	US656569AL49	656569AL4	Nortel Limited	10.75	07/15/16
Bond 9	US656569AG53	656569AG5	Nortel Limited	10.125	07/15/13
Bond 10	USC65614AB25	65614AB2	Nortel Limited	10.125	07/15/13
Bond 11	US656569AE06	656569AE0	Nortel Limited	10.125	07/15/13
Bond 12	USC65614AD80	65614AD8	Nortel Limited	10.75	07/15/16
Bond 13	USC65614AA42	65614AA4	Nortel Limited	10.75	07/15/16
Bond 14	US656569AB66	656569AB6	Nortel Limited	10.75	07/15/16

Bond Prices

	<i>Date</i>	<i>Prices</i>			
		US656569AD23	US656569AL49	US656569AG53	US656569AK65
Auction day - 90 Days	10/03/08	58.42%	58.00%	61.30%	64.33%
Auction day - 60 Days	11/18/08	21.50%	22.17%	24.08%	25.33%
Auction day - 30 Days	12/30/08	24.50%	25.17%	23.08%	22.75%
Auction day -10 Days	01/27/09	18.31%	18.00%	18.10%	17.38%
Auction day - 9 Days	01/28/09	18.06%	18.00%	17.95%	17.92%
Auction day - 8 Days	01/29/09	16.00%	15.63%	16.00%	17.50%
Auction day - 7 Days	01/30/09	16.31%	16.75%	16.00%	17.50%
Auction day - 6 Days	02/02/09	16.31%	16.75%	16.00%	17.50%
Auction day - 5 Days	02/03/09	16.50%	18.08%	16.00%	18.25%
Auction day - 4 Days	02/04/09	16.50%	16.58%	16.35%	16.00%
Auction day - 3 Days	02/05/09	16.19%	16.00%	16.00%	15.60%
Auction day - 2 Days	02/06/09	15.70%	16.00%	15.70%	15.13%
Auction day - 1 Day	02/09/09	14.30%	14.00%	14.00%	14.19%

APPENDIX V

Indices Affected

Old Index Name	Old RED Code	New Index Name	New RED Code
Dow Jones CDX.NA.HY.1-V6	2I65BRCA6	Dow Jones CDX.NA.HY.1-V7	2I65BRBY5
Dow Jones CDX.NA.HY.2-V7	2I65BRCB4	Dow Jones CDX.NA.HY.2-V8	2I65BRBZ2
Dow Jones CDX.NA.HY.3-V8	2I65BRCC2	Dow Jones CDX.NA.HY.3-V9	2I65BRCH1
Dow Jones CDX.NA.HY.4-V8	2I65BRCD0	Dow Jones CDX.NA.HY.4-V9	2I65BRCI9
Dow Jones CDX.NA.HY.5-V7	2I65BRCE8	Dow Jones CDX.NA.HY.5-V8	2I65BRCJ7
Dow Jones CDX.NA.HY.6-V5	2I65BRCF5	Dow Jones CDX.NA.HY.6-V6	2I65BRCK4
Dow Jones CDX.NA.HY.7-V4	2I65BRCG3	Dow Jones CDX.NA.HY.7-V5	2I65BRCL2
CDX.NA.HY.8-V4	2I65BRBR0	CDX.NA.HY.8-V5	2I65BRCM0
CDX.NA.HY.9-V5	2I65BRBX7	CDX.NA.HY.9-V6	2I65BRCN8
CDX.NA.HY.10-V2	2I65BRBV1	CDX.NA.HY.10-V3	2I65BRCO6
CDX.NA.HY.11-V2	2I65BRBW9	CDX.NA.HY.11-V3	2I65BRCP3
Dow Jones CDX.NA.HY.B.1-V4	2I65BSBI8	Dow Jones CDX.NA.HY.B.1-V5	2I65BSCH9
Dow Jones CDX.NA.HY.B.2-V4	2I65BSBJ6	Dow Jones CDX.NA.HY.B.2-V5	2I65BSCI7
Dow Jones CDX.NA.HY.B.3-V5	2I65BSBK3	Dow Jones CDX.NA.HY.B.3-V6	2I65BSCJ5
Dow Jones CDX.NA.HY.B.4-V3	2I65BSBL1	Dow Jones CDX.NA.HY.B.4-V4	2I65BSCK2
Dow Jones CDX.NA.HY.B.5-V3	2I65BSBM9	Dow Jones CDX.NA.HY.B.5-V4	2I65BSCL0
Dow Jones CDX.NA.HY.B.6-V2	2I65BSBN7	Dow Jones CDX.NA.HY.B.6-V3	2I65BSCM8
Dow Jones CDX.NA.HY.B.7-V1	2I65BSAL2	Dow Jones CDX.NA.HY.B.7-V2	2I65BSCN6
CDX.NA.HY.B.8-V2	2I65BSAR9	CDX.NA.HY.B.8-V3	2I65BSCO4
CDX.NA.HY.B.9-V3	2I65BSBH0	CDX.NA.HY.B.9-V4	2I65BSCP1
CDX.NA.HY.HB.10-V2	2I65BWBG3	CDX.NA.HY.HB.10-V3	2I65BWBJ7
CDX.NA.HY.HB.11-V2	2I65BWBH1	CDX.NA.HY.HB.11-V3	2I65BWBK4