

Media Release: to be distributed June 9 at 10:30am

Ottawa: The Supreme Court of Canada issued a decision earlier today in respect of Nortel's Health and Welfare Trust (HWT). A small group of 36 dissenting LTD beneficiaries have been denied leave to appeal from a decision of the Ontario Court of Appeal dated January 7, 2011. The Ontario Court of Appeal Decision denied leave to appeal a decision of the Ontario Superior Court of Justice dated November 9, 2010, which approved the allocation of the assets of the HWT. According to the approved allocation there are approximately 360 employees on LTD and each will receive 34% of the actuarial value of his/her disability income benefits.

The court-appointed representative for the Nortel LTD employees, Sue Kennedy, believes that the decision to deny the leave to appeal is the best outcome under the circumstances. Ms. Kennedy affirmed that "having examined all options put forward for consideration for the allocation of the HWT assets, I firmly believe that the HWT allocation that was approved by Justice Morawetz in November 2010 is the most appropriate allocation given current legislation, the history of the Trust and the wording of the Nortel HWT Document."

This decision will allow the Monitor (Ernst & Young) to complete the distribution of the remaining HWT and ensure that the disabled employees receive the remainder of their share of the assets in a timely fashion. Two interim distributions have already been made to provide some funds to the LTD employees while this case has been before the courts.

This decision also allows the Nortel insolvency process to move forward, especially once the auction for Nortel's Intellectual Property is conducted on June 20th, that signals the completion of the corporate asset disposal process. The disabled employees also have claims on the Nortel Canadian Estate for the remainder of their Disability Income Benefits and other employee-based claims.

As the Court-appointed representative of the Nortel disabled employees, and as an individual dealing with the impact of the loss of disability income and benefits on her own family, Ms. Kennedy hopes that the Government will introduce legislation to ensure that no other disabled employees in Canada have to go through this excruciating process.

Today's Supreme Court of Canada decision and information concerning further distributions from the Health and Welfare Trust may be found on the Monitor's web-site at [www.ey.com/ca/nortel](http://www.ey.com/ca/nortel)

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