

NORTEL PENSIONER AND FORMER EMPLOYEE NEWS BULLETIN

**THIS NEWS UPDATE IS PREPARED BY KOSKIE MINSKY LLP (KM)
IN THEIR CAPACITY AS REPRESENTATIVE COUNSEL**

August 18, 2010

Recent Developments Pertaining to the HWT

A motion relating to the distribution from Nortel's Health and Welfare Trust ("HWT") is scheduled for the end of September, which will include consideration of a proposal by the Monitor. Materials will be filed in Court by the end of August.

We recently informed you that because there is uncertainty in the wording of trust documents relating to Nortel's HWT, each of the two groups represented by Koskie Minsky have sought independent legal advice with respect to the allocation of the HWT assets. Donald Sproule, David Archibald and Michael Campbell (the "Representatives") have retained Mr. William Pepall of Lerner LLP to advise the Representatives and to represent the pensioner and former employee group on the HWT distribution. The disabled employee group has retained independent counsel, Sack Goldblatt Mitchell LLP, to advise and represent them on the HWT distribution. Koskie Minsky will not represent any parties for the allocation and distribution of the HWT.

Although an allegation of conflict of interest was recently raised in motion materials served by Rochon Genova LLP, KM had already taken steps to address any possibility of a conflict of interest between the pensioner and disabled employee groups. The Representatives and KM will do their best to protect the pensioners and former employees from the unnecessary costs and delays that would be associated with the motion being proposed by Rochon Genova.

Although KM will not represent the Representatives for the purpose of the allocation and distribution of the HWT assets, they will continue to represent the pensioners and former employees with respect to all other matters pertaining to Nortel's CCAA proceedings until any further Order of the Court.

Upcoming Webcasts

The next pensioner and former employee webcast has been scheduled for **September 1, 2010 from 3:00-5:00 p.m.** Details on how to participate in the webcast will be posted on the KM and NRPC websites as they become available. There will be an audio dial in option which will provide individuals who do not have access to the internet with the opportunity to listen to the webcast. Individuals who wish to register for this option must contact KM and register by telephone 1.866.777.6344.