

Exhibit No. _____

Cross Examination Exhibit

Henry J. Roth

Nortel Networks Discontinuance of Manufacture-
XA-Core Pack NTLX02CA (12-31-03)

December 31, 2003

Discontinuance of Manufacture – XA-Core Circuit Pack NTLX02CA

Dear Customer,

In keeping with Nortel Networks commitments to continually evolve our products, we are announcing the manufacture discontinuance (MD) of the Extended Architecture Core (XA-Core) Rhino Processor Element (PE), NTLX02CA. The replacement to be delivered with new XA-Core offices will be the NTLX02DA Atlas PE. The NTLX02CA circuit pack, used in existing XA-Core offices, continues to be supported and repair service is available.

The introduction of the NTLX02DA Atlas PE was in October 2002. The Atlas PE replacement is approximately 65% faster than the Rhino PE, such that smaller Atlas PE configurations support similar capacity compared to Rhino PE configurations. For example, a 2+1 Atlas PE configuration delivers about 15% more capacity than a 3+1 Rhino PE configuration.

Office Configurations – Mixing and Upgrades

Mixing the Rhino PE and Atlas PE in an XA-Core office is not supported. The cold spare for the office should match the PE type in the operating shelf.

Offices on active software loads that support the Atlas PE have the option of upgrading their Rhino NTLX02CA PEs to Atlas NTLX02DA. While the upgrade option is available, it is not required. The upgrade is based on simple circuit pack replacement procedures. During the upgrade procedure switch performance is not affected; offices maintain their ability to support engineered capacity.

Last Order Information

A last time buy is available for this circuit pack. All orders should be into Nortel Networks by November 30, 2004. To ensure production quantities are available, bulk orders of 10 or more packs must be in place 2 months in advance of the ship date and no later than October 30, 2004.

Replacement Information

The replacement pack is the Atlas PE, NTLX02DA. This pack delivers over 65% capacity increase compared to the Rhino NTLX02CA. As such, a 3+1 Atlas configuration provides an additional 65% capacity compared to 3+1 Rhino. As well, fewer PEs are required with an Atlas PE configuration to deliver equivalent capacity to a Rhino PE configuration. NTLX02DA has been available since October 2002.

Manufacture Discontinue Definition

This MD notice serves as formal communication to customers documenting the effective change of status date and the resultant cessation in accepting new orders. The MD of these circuit packs should not be interpreted as the discontinuance of any Nortel Networks agreements to support the existing field population. Services to the existing product base will continue to be provided until the forecasted End of Life date of the PEC.

Manufacture Discontinue Schedule

Following list of Nortel Networks PEC codes are affected:

PEC to MD	CPC	Description	Replacement PEC	CPC	Description
NTLX02CA	B0254159	Processor Element PPC604 256MB PCP	NTLX02DA	B0259558	Processor Element MPC7410 512MB PCP

Effective Date

This MD is effective December 31, 2004. Orders should be in to Nortel Networks by November 30, 2004. Bulk orders must be placed at least 2 months prior to ship (October 30 for shipment by year end 2004).

Forecasted End of Life (EOL) Date

The Rhino NTLX02CA continues to be supported on all active XA-Core software loads. There is no planned EOL at this time. Plans will be guided by contractual commitments.

Additional Information

For further information please contact your Nortel Networks sales representative or call 1-800-4NORTEL to obtain a sales contact.