



NORTEL TO CUT 3,200 JOBS

Nortel Networks, which filed for bankruptcy protection last month, will eliminate 3,200 jobs, forgo employee bonuses for 2008, and end stock-based compensation. Nortel cut thousands of jobs over the past few years to cope with weak growth, and filed for bankruptcy protection in January. The latest job reductions will put Nortel's workforce under 30,000. The company may also sell some business units as part of its bankruptcy reorganization. Nortel will not pay any bonuses for 2008 authorized by the company's annual incentive plan, although it will issue some grants in 2009. The company plans to award such bonuses on a quarterly instead of an annual basis to employees who achieve "critical shorter-term objectives" such as retaining key customers. Nortel plans to end equity-based compensation such as stock options. Nortel Networks Corporation, formerly known as Northern Telecom Limited, is a multinational telecommunications equipment manufacturer headquartered in Toronto, Ontario.

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