This demonstration showcases the powerful potential of wireless operators to provide uninterrupted communications to subscribers using one device as they roam among 3G cellular, WiMAX and WLAN networks accessing services such as VoIP, video conferencing, mobile TV and multimedia. This innovative wireless triple play demonstration with BB Mobile is another example how the LGE-Nortel joint venture is focused on realizing the powerful potential of 3G technology and beyond, said Peter MacKinnon, president, GSM/UMTS, Nortel and chairman of the board for the LGE-Nortel Joint Venture. The combined strengths of the two companies will enable development and delivery of innovative solutions as we continue to focus on the evolution of wireless broadband and its role in meeting the communication requirements of service providers and their end customers, MacKinnon said. The BB Mobile, LGE and Nortel tests were conducted across BB Mobiles live trial HSDPA 3G cellular network and LGE and Nortels pre-WiMAX (802.16e) and WLAN networks in Japans Saitama prefecture, located northwest of Tokyo. The demonstration also included Nortels Multimedia Communication Server 5100, which delivers SIP-based multimedia and collaborative applications to end users. With its ability to support fixed and mobile wireless broadband connectivity, WiMAX helps make widespread wireless broadband triple play services a reality, said Jae Ryung Lee, executive vice president and director of the Mobile Communications Company Network Business Division, LG Electronics. Our demonstration clearly shows that emerging wireless broadband technologies can be economically harnessed to provide customers with uninterrupted access to a wide variety of high bandwidth applications. Earlier this year, Nortel and BB Mobile demonstrated Japan’s first UMTS/HSDPA wireless broadband transmission on the 1.7GHz radio frequency band. Nortel recently announced plans to offer fixed and mobile WiMAX products based on the latest industry standards, and to work with WiMAX partners in bringing these products to market. Based on its accumulated technologies in 3G wireless mobile systems, LG has made significant contribution to IEEE 802.16e and will unveil commercial WiBro products in the first half of 2006. Also, through the exchange and development of core technologies with Nortel, LG Electronics strives to jointly develop and supply commercial mobile WiMAX products, while testing the mobile WiMAX 802.16e to customers in the second half of 2006. Nortel has also significantly contributed to the 802.16 standard by helping develop underlying technologies like OFDM and MIMO for more than six years, and holds key patents in these areas. In March 2004, Nortel completed a MIMO/OFDM lab demonstration of large data transfers with peak data rates at 37 Mbps over a standard 5 MHz PCS band under conditions found on real-world cellular networks. Nortel is a member of the WiMAX Forum, an industry-led organization that promotes interoperability and certification of broadband wireless products for delivery of faster, more affordable data, voice and video services to businesses and consumers. Nortel is an industry innovator and at the forefront of all broadband access technologies, including wide area cellular, wireless and wireless LAN. Nortel has designed, installed and launched more than 300 wireless networks in over 70 countries. LGE and Nortel executed a joint venture agreement on August 17, 2005 to establish a joint venture company in the area of telecommunication infrastructure businesses. The joint venture company is scheduled to be established within this year, subject to fulfillment of certain conditions provided in the agreement. About LG Electronics LG Electronics is a global leader in providing cutting-edge convergent electronics, information and communications products designed to meet the diverse needs of fast-changing consumers. With consolidated sales of US$37.7 billion and overseas sales of US$32.6 billion (86 percent of total sales), LG Electronics employs more than 70,000 employees in 76 subsidiaries located in 39 countries and operates four business units including Mobile Communications, Digital Appliance, Digital Display and Digital Media. LG Electronics Mobile Communications Company is the world’s leading manufacturer of WCDMA (UMTS), CDMA and GSM handsets, and the fastest growing manufacturer of mobile phones worldwide. The company provides a total range of wired and wireless solutions, and is rapidly establishing a global presence as it cultivates international market share in 3G handsets. For more information please visit www.lge.com. About Nortel Nortel is a recognized leader in delivering communications capabilities that enhance the human experience, ignite and power global commerce, and secure and protect the worlds most critical information. Serving both service provider and enterprise customers, Nortel delivers innovative technology solutions encompassing end-to-end broadband, Voice over IP, multimedia services and applications, and wireless broadband designed to help people solve the worlds greatest challenges. Nortel does business in more than 150 countries. For more information, visit Nortel on the Web at www.nortel.com. For the latest Nortel news, visit www.nortel.com/news. Certain information included in this press release is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Factors which could cause results or events to differ from current expectations include, among other things: the outcome of regulatory and criminal investigations and civil litigation actions related to Nortel’s restatements and the impact any resulting legal judgments, settlements, penalties and expenses could have on Nortel’s results of operations, financial condition and liquidity, and any related potential dilution of Nortel’s common shares; the findings of Nortel’s independent review and implementation of recommended remedial measures; the outcome of the independent review with respect to revenues for specific identified transactions, which review will have a particular emphasis on the underlying conduct that led to the initial recognition of these revenues; the restatement or revisions of Nortel’s previously announced or filed financial results and resulting negative publicity; the existence of material weaknesses in Nortel’s internal control over financial reporting and
the conclusion of Nortel's management and independent auditor that Nortel's internal control over financial reporting is ineffective, which could continue to impact Nortel's ability to report its results of operations and financial condition accurately and in a timely manner; the impact of Nortel's and NNL's failure to timely file their financial statements and related periodic reports, including Nortel's inability to access its shelf registration statement filed with the United States Securities and Exchange Commission (SEC); ongoing SEC reviews, which may result in changes to Nortel's and NNL's public filings; the impact of management changes, including the termination for cause of Nortel's former CEO, CFO and Controller in April 2004; the sufficiency of Nortel's restructuring activities, including the work plan announced on August 19, 2004 as updated on September 30, 2004 and December 14, 2004, including the potential for higher actual costs to be incurred in connection with restructuring actions compared to the estimated costs of such actions; cautious or reduced spending by Nortel's customers; increased consolidation among Nortel's customers and the loss of customers in certain markets; fluctuations in Nortel's operating results and general industry, economic and market conditions and growth rates; fluctuations in Nortel's cash flow, level of outstanding debt and current debt ratings; Nortel's monitoring of the capital markets for opportunities to improve its capital structure and financial flexibility; Nortel's ability to recruit and retain qualified employees; the use of cash collateral to support Nortel's normal course business activities; the dependence on Nortel's subsidiaries for funding; the impact of Nortel's defined benefit plans and deferred tax assets on results of operations and Nortel's cash flow; the adverse resolution of class actions, litigation in the ordinary course of business, intellectual property disputes and similar matters; Nortel's dependence on new product development and its ability to predict market demand for particular products; Nortel's ability to integrate the operations and technologies of acquired businesses in an effective manner; the impact of rapid technological and market change; the impact of price and product competition; barriers to international growth and global economic conditions, particularly in emerging markets and including interest rate and currency exchange rate fluctuations; the impact of rationalization and consolidation in the telecommunications industry; changes in regulation of the Internet; the impact of the credit risks of Nortel's customers and the impact of customer financing and commitments; general stock market volatility; negative developments associated with Nortel's supply contracts and contract manufacturing agreements, including as a result of using a sole supplier for a key component of certain optical networks solutions; the impact of Nortel's supply and outsourcing contracts that contain delivery and installation provisions, which, if not met, could result in the payment of substantial penalties or liquidated damages; any undetected product defects, errors or failures; and the future success of Nortel's strategic alliances. For additional information with respect to certain of these and other factors, see the most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed by Nortel with the SEC. Unless otherwise required by applicable securities laws, Nortel disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. -end- "Nortel, the Nortel logo and the Globemark are trademarks of Nortel Networks. Use of the terms partner and partnership does not imply a legal partnership between Nortel and any other party.

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