

January 15, 2009

Dear our partners

Today Nortel Networks issued a press release indicating that it is filing for creditor protection in the US, Canada and Europe. First, and most importantly, I want you to know that LG-Nortel is a separate legal entity from Nortel, and is not part of today's filing.

With respect to Nortel, it has assured us that it expects its day-to-day operations to continue without interruption. It will continue to conduct business, honor its commitments to us, invest in leading-edge innovation and R&D, and do everything it normally does for the benefit of its customers and partners, including LG-Nortel.

Ultimately, Nortel is determined to build a more focused, financially sound and competitive company that delivers value to all its customers and partners. It decided to act now, and act proactively, as it has sufficient cash on hand to carry out its customer and partner commitments as well as undertake restructuring actions to meet its long-term objectives.

In the near future, Nortel will work to restructure its business for the future. It will seek ways of reducing its financial burdens and at deleveraging a highly encumbered balance sheet that has hindered its performance. In short, it will attempt, through this process, to once and for all put its financial issues behind it. Nortel expects to emerge from this process a more effective and valuable partner for us for the long term.

Throughout this process, open and transparent communication with you will be our hallmark. I do not expect this process to impact the normal, day-to-day operations of LG-Nortel.

Nortel has assured us that the success of LG-Nortel as a partner is critical to our shared customer base, and it will remain focused on driving value for all its customers and partners.

I will be contacting you shortly to discuss this situation in more detail, and I pledge to provide you with regular updates as Nortel moves through this process.

Thank you for your business and ongoing support.

Sincerely,



JR Lee  
CEO  
LG-Nortel