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**CIRCULAR**  
November 8, 2006

**ANTICIPATED CONTRACT ADJUSTMENT  
Nortel Networks Corporation (NT)  
Reverse Stock Split**

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.**

The Bourse and CDCC wish to inform you that Nortel Networks Corporation (Nortel) announced on November 7, 2006 the planned consolidation of the company's common shares as approved at the company's annual and special meeting of shareholders held on June 29, 2006. The consolidation is expected to be effective on December 1, 2006 at a ratio of one consolidated share for every 10 pre-consolidation shares, as approved by the Board of directors.

The Bourse and CDCC will adjust all Nortel option contracts by reducing the number of deliverable shares to 10.

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC Clearing Members may contact the Operations Department.

Joëlle Saint-Arnault  
Vice-President, Legal Affairs and Secretary

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