



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation

CIRCULAR
November 24, 2006

FINAL 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 its 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 share consolidation will become effective on December 1, 2006, so that shareholders as of such date will hold one new Nortel common share for every ten Nortel common shares held prior to such time.

The new Nortel common shares will start trading on the Toronto Stock Exchange when the market opens on December 1, 2006. No fractional shares will be issued as a result of the consolidation.

CDCC - adjustment details:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Nortel options will be adjusted as follows:

- **EFFECTIVE DATE:** **December 1, 2006**

- **OPTION SYMBOL:** **NT becomes NTX**
 LNT becomes LXN
 ZNT becomes ZNX

- **NUMBER OF CONTRACTS:** **Unchanged**

Circular no.: 193-2006

- **NEW DELIVERABLE PER CONTRACT:** **10 Nortel common shares**
- **STRIKE PRICES:** **Unchanged**
- **MULTIPLIER:** **100**
- **POSITION AND EXERCISE LIMITS** **Effective December 1, 2006, Position and Exercise Limits will remain unchanged at 75 000 contracts**
- **NOTACUSIP :**

CDCC will not adjust any outstanding escrow receipts. Members who want to maintain margin relief for their entire position will be required to deposit additional escrow receipts.

The Bourse - adjustment details:

It is important to note that on the effective date, all open orders on this option class **will not be modified** to reflect the reverse stock split and will have to **be entered again** into the Montreal Automated System (SAM) by the approved participants.

At the opening of business on December 1, 2006 the strike prices on the adjusted NTX option class will remain unchanged as indicated below:

Nortel Networks Corporation		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 2.00	NT	NTX
\$ 2.50	NT	NTX
\$ 3.00	NT	NTX
\$ 3.50	NT	NTX
\$ 4.00	NT	NTX
\$ 5.00	NT	NTX
\$ 6.00	NT	NTX
\$ 7.00	NT	NTX
\$ 8.00	NT	NTX

Nortel Networks Corporation Long-Term Equity Options 2008		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 2.00	LNT	LXN
\$ 3.00	LNT	LXN
\$ 4.00	LNT	LXN
\$ 5.00	LNT	LXN
\$ 6.00	LNT	LXN

Nortel Networks Corporation Long-Term Equity Options 2009		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 2.00	ZNT	ZNX
\$ 3.00	ZNT	ZNX
\$ 4.00	ZNT	ZNX
\$ 5.00	ZNT	ZNX
\$ 6.00	ZNT	ZNX

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