



To our valued Customers regarding Nortel's recent filing for Chapter 11 Bankruptcy protection:

Nortel's January 14, 2009 announcement that it had filed for Chapter 11 bankruptcy protection in the United States and seeks creditor protection under the Companies' Creditor Arrangement Act (CCAA) in Canada has many Customers and Partners questioning Nortel's actions and rightly so.

As a Nortel Elite Partner and Strategic VAR, Integrated Technology is uniquely positioned and has the ability to converse with Nortel senior management and we feel it imperative to relay the information we receive to our valued customers to address the situation.

What is CCAA/Chapter 11:

- **A solution – not a problem**
- **Legal process that allows a company to continue to operate its business while it restructures its debts and reorganizes**
- **No impact expected on day-to-day operations (including service, support and R&D.)**
- **Nortel plans to emerge from this process more focused, financially sound and competitive**

What CCAA/Chapter 11 is not:

- **A problem**
 - *It's a solution to a problem*
- **Indictment or punishment for wrong-doing**
 - *Nortel chose this solution as its best path forward*
- **Sign of failure**
 - *It's a process designed to help Nortel succeed*
- **The end of the line**
 - *Will jumpstart its continued transformation*

It is extremely important to keep in mind that the following companies also sought Chapter 11 protection and emerged successfully:

Harley Davidson
United Airlines
7-11
Chiquita
Texaco
Toys-R-Us
Delta Airlines
Continental Airlines
Greyhound

Day's Inn Macys

Nortel's message includes these points:

- This process will put Nortel on sound financial footing once and for all.
- Nortel acted now as it has sufficient liquidity to run its operations and restructure its business while continuing to deliver innovation for its customers.
- Nortel took this action to address its business and financial challenges, to emerge from this process as a more focused, financially sound and competitive company.
- Throughout this process, Nortel will remain focused on driving value for customers worldwide.
- Nortel believes the inherent strengths of Nortel –unyielding focus on delivering value and innovation to its customers, its continuing investment in R&D, its hard-working, dedicated employees, its base of loyal customers – combined with a strengthened balance sheet and an optimized business structure, will ensure the long-term competitiveness and success of Nortel.

Upon the announcement Nortel CEO, Mike Zafirovski stated:

“These actions are imperative so that Nortel can build on its core strengths and become the highly focused and financially sound leader in the communications industry that its people, technology and customer relationships show it ought to be. I am confident that the actions we're announcing today will be the fastest, most effective means to translate our improved operational efficiency, double-digit productivity, focused R&D and technology leadership into long-term success. I want to reaffirm Nortel's dedication to delivering world-class solutions and services to customers.”

To Customer and Partners the message was clearly defined:

- This process is expected to have no impact on Nortel's day-to-day operations.
- Nortel will continue to be focused on meeting the needs of its customers across all of its divisions, segments and geographies.
- Nortel will continue with R&D investments and support of its product portfolio to fulfill customer needs, and Nortel will remain focused on driving value for you.
- Nortel's high quality services and support will continue.
- This process demonstrates Nortel's commitment to its future and its unyielding focus on delivering value and innovation to its customers.
- Nortel will be more focused and competitive at the end of the process.

It is widely known now that Nortel had an interest payment of approximately \$107 million dollars that was due soon and this undoubtedly influenced the decision and enabled Nortel to reorganize their global enterprise in such a way as to retain control over that process. We at Integrated Technology believe that this move, in conjunction with the \$2.4 billion in cash that Nortel has, will enable Nortel to remain healthy, stay in business and support both customers and partners while capital restructuring takes place. This restructuring will help maintain that cash and enable R&D and increased customer support through the divestiture of the burden of debt.

Also, it is important to note that Nortel is a multinational business with annual sales of almost \$10 billion and that many of its affiliates in Latin America, Asia and its Government Solutions business remain unaffected.

As is the case in situations like this, there is a great deal of mistruths, speculation and rhetoric being published on the internet, on numerous forums and blogs and by our competitors. It is our belief that in the short term and on the surface this may be disconcerting – but the long term and deeper result will provide us and our customers a stronger and more competitive Nortel that will not only continue to provide leading edge products but will be able to provide a more compelling story and increased customer satisfaction.

The success of your business is of utmost value to both Integrated Technology and Nortel. I want to personally thank you for your support and patience throughout this process. As important developments arise, we will endeavor to keep you informed via your Sales Executive and through our web site at www.integratedtechnology.com. In addition, Nortel has created a dedicated web portal for important information about its restructuring at www.nortel.com/restructuring.

Sincerely,

Joseph A. LaRusso
President
Integrated Technology