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Avaya Announces Agreements to Purchase Nortel's Enterprise Solutions Business

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Basking Ridge, N.J. – [Avaya](#) today announced that it has signed agreements to purchase Nortel's enterprise solutions business for US\$475 million. Avaya believes the agreements are a significant step in strengthening its leadership in business communications and positioning the company to effectively deliver industry leading enterprise communications solutions to customers around the globe.

"The addition of Nortel Enterprise Solutions will increase Avaya's global scale, expand our channel partner network, and strengthen our world-class portfolio of products and services," said Kevin Kennedy, president and CEO, Avaya. "This is a strategic opportunity to acquire talent and complementary assets that position the combined company for growth and success. We are committed to protecting the communications investments of the customers of Avaya and Nortel, and to effectively executing the integration of Nortel Enterprise Solutions and Avaya."

"As the largest reseller of Avaya and Nortel equipment to Canadian business, Bell believes Avaya's history of leadership in enterprise communications makes it an ideal candidate for this proposed transaction," said Stéphane Boisvert, President of Bell Business Markets. "Bell was the first major service provider to standardize on both Avaya and Nortel IP telephony solutions, and we are confident Avaya will continue to provide partners and customers with innovative business communications technologies and responsive customer support going forward."

The proposed acquisition includes the Nortel Enterprise Solutions voice, data and government systems businesses.

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"Avaya's proposed acquisition of Nortel Enterprise Solutions is good news for our customers, who would benefit from the broadened range of compelling solutions," said Hanif Lalani, CEO, BT Global Services. "BT and Avaya have been working closely, and successfully, over the last couple of years. Building on our success, BT has plans to expand this engagement with Avaya over the next year to offer a full unified communications portfolio. Today's news strengthens this expansion plan."

The transaction is subject to a competitive bidding process and requires the approval of the United States Bankruptcy Court for the District of Delaware and the Ontario Superior Court of Justice. Avaya expects that hearings before those courts to approve bidding procedures will be held within the next couple of weeks, followed by an auction, with hearings for approval of the ultimate sale to be held thereafter.

In EMEA, Avaya has entered into an agreement with the Joint Administrators, on behalf of the EMEA entities for which they have been appointed and the transaction is subject to information and consultation with employee representatives and approval of the courts in France and Israel. The transaction is also subject to customary closing conditions, including receipt of necessary regulatory approvals.

About Avaya

Avaya is a global leader in enterprise communications systems. The company provides unified communications, contact centers, and related services directly and through its channel partners to leading businesses and organizations around the world. Enterprises of all sizes depend on Avaya for state-of-the-art communications that improve efficiency, collaboration, customer service and competitiveness. For more information please visit www.avaya.com.

Forward-Looking Statements

Certain statements contained in this press release are forward looking statements. These statements may be identified by the use of forward looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "should" or "will" or other similar terminology. We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Some of the key factors that could cause actual results to differ from our expectations include: our ability to develop

and sell advanced communications products and services, including unified communications and contact center solutions; our ability to develop our indirect sales channel; economic conditions and the willingness of enterprises to make capital investments; the market for advanced communications products and services, including unified communications solutions; our ability to remain competitive in the markets we serve; our ability to manage our supply chain and logistics functions; the complexity of our IT infrastructure; the ability to protect our intellectual property and avoid claims of infringement; our ability to effectively integrate acquired businesses into ours; our ability to maintain adequate security over our information systems; environmental, health and safety laws, regulations, costs and other liabilities; the ability to retain and attract key employees; risks relating to the transaction of business internationally; pension and post-retirement healthcare and life insurance liabilities; and liquidity and our access to capital markets. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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