News Release

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Nortel Networks Enables Faster, More Reliable, More Secure Internet User Experience

Software Equips Customers to Profit from Improved Streaming Media, Wireless Web Services

BOSTON – Wired and Wireless Internet users can expect a faster, more reliable, more secure Web experience with new software enhancements for service providers and enterprises introduced today by Nortel Networks [NYSE/TSE: NT].

Driving to improve performance of popular streaming media and wireless services over the Web, Nortel Networks* [NYSE/TSE: NT] announced the immediate availability of Alteon* Web Operating System (OS) 9.0, the latest version of its content networking software for Nortel Networks Alteon Web switches.

"There's nothing more frustrating for Internet users than slow or no performance," said Dominic Orr, president, Intelligent Internet Web Systems, Nortel Networks. "The latest version of our Web switching software positions our customers to improve the Web user experience by enhancing the speed, reliability and security of the most demanding and popular Internet services."

Streaming media – playing audio or video 'on demand' across the Internet without downloading large files – and wireless access to the Internet continue to increase in popularity among consumers and business professionals, and to grow as revenue opportunities for service providers.

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Worldwide, there were more than 155 million users of streaming media applications in 2000. IDC expects the market for content-intelligent streaming media devices to reach US$2.9 billion in 2004. By 2005, 20 percent of the U.S. population – approximately 56 million people – will regularly use the Wireless Internet, according to the Yankee Group.

By improving performance and availability of Web sites and e-commerce applications, Nortel Networks Alteon Web OS 9.0 unleashes the potential for service providers to profit and for enterprise customers to maximize their return on investment from the high-performance Internet. Alteon Web OS 9.0 also speeds and simplifies content and service provisioning for Web hosters and eBusiness customers.

"Alteon Web OS 9.0 builds on our leadership position in providing comprehensive, intelligent, integrated solutions for Web traffic management and control," Orr said. "Its robust support for new media applications enables our customers to aggressively pursue new opportunities in streaming, wireless and security markets."

Alteon Web OS 9.0 features optimized load-balancing algorithms for Real Time Streaming Protocol (RTSP), Wireless Application Protocol (WAP), and intrusion detection servers; enhanced layer 7 content switching; and improved security.

Using Alteon Web OS 9.0 and Nortel Networks Alteon Personal Content Cache, ISPs can offload streaming content to dedicated caches, improving network scalability. Less expensive than adding media servers, this solution can also drive lower service provider costs. Caching also maximizes availability of streaming content, improves performance and reliability for Web users, and simplifies configuration and management for ISPs and enterprises.

Alteon Web OS 9.0 enables network control and synchronization of all RTSP media streams to minimize network congestion and improve Quality of Service. This also allows customers to reserve network resources for pre-planned streaming distribution of programming such as training presentations for large corporations.

For Wireless Internet service providers and other mobile operators, Alteon Web OS 9.0 offers improved availability and performance of wireless services by load balancing WAP traffic and devices.

Using an Alteon Web switch as a front-end to a wireless gateway, content requests can be directed to the most appropriate servers based on attributes such as phone number, subscriber ID and device type. Web pages can be formatted to the requirements of the specific mobile phone, PDA (personal digital assistant), laptop computer or other device. Service providers can offer value-added, transaction-based services like usage discounts for participation in 'opt-in' advertising.

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Load balancing of intrusion detection servers gives Web users a higher degree of security. Alteon Web OS 9.0 also improves performance of intrusion detection servers by 'health checking,' and by enabling parallel operation of multiple intrusion detection servers.

Nortel Networks is a global Internet and communications leader with capabilities spanning Optical, Wireless, Local, Personal Internet and eBusiness. The Company had 2000 U.S. GAAP revenues of US$30.3 billion and serves carrier, service provider and enterprise customers globally. Today, Nortel Networks is creating a high-performance Internet that is more reliable and faster than ever before. It is redefining the economics and quality of networking and the Internet, promising a new era of collaboration, communications and commerce. Visit us at www.nortelnetworks.com.

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