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## Despite Loss, Nortel Sticks With Outlook

By REUTERS

TORONTO (Reuters) — [Nortel Networks](#) posted a bigger first-quarter loss Friday as a series of charges weighed on results, but the company reassured investors that it still expected to meet its full-year targets.

Nortel, which makes telecommunications equipment, reported a loss of \$138 million, or 28 cents a share, compared with a loss of \$103 million, or 23 cents a share, a year earlier.

The latest results included \$88 million in restructuring charges, a charge of \$12 million related to a patent lawsuit settlement and a \$19 million currency exchange loss.

Revenue was \$2.76 billion, up 11.1 percent. Contributing to the increase was a release of deferred revenue related to the completion of a big contract in Nortel's joint venture with LG Electronics of South Korea that had been expected to happen in the second quarter, the company said.

"The financials were very much better than people expected," said Edward Snyder, principal analyst at Charter Equity Research.

Shares of Nortel, which is based in Toronto, fell 21 cents, to \$8.49, on the [New York Stock Exchange](#) on Friday.

Demand for the wireless technology products that Nortel makes has been tepid as carriers remained reluctant to spend on large-scale upgrades or expansions.

Despite the loss in the quarter, Nortel said it was pleased with the results and expected to achieve its full-year forecasts, including revenue growth in the low single digits.

The comparable 2007 quarter included special charges of \$80 million for restructuring.

Nortel has spent the majority of this decade trying to repair itself after the technology bubble burst in 2001, taking the company's fortunes with it. It has thus far failed to return to profitable growth, despite thousands of layoffs and the efforts of several management teams.

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