



**This is the script of the Management Reviews**  
**From the Annual and Special Meeting of Shareholders**  
**Held on February 17, 2005.**

## 1. FINANCIAL STATEMENTS REVIEW

*Presented by Malcolm Buxton-Forman, Chief Financial Officer*

As announced in June 2004, Unique Broadband Systems and our subsidiary, Look Communications, changed their respective year-ends to August 31 in order to standardize financial reporting periods. This change has resulted in fiscal 2004 for UBS covering a period of 15 months ended August 31, 2004. The comparative for fiscal 2003 is the 12-month period ended May 31, 2003 and because of these different time periods, comparisons for operations will not be drawn.

In addition to the change of year-end, two other significant events occurred in fiscal 2004 that have impacted further the presentation of the consolidated financial statements of the Company:

1. In October 2003 the engineering and manufacturing business was sold and as a result the Company reclassified its reporting into continuing operations and discontinued operations; and
2. Effective November 30, 2003 UBS acquired a 51% controlling interest in Look and commenced consolidating Look's results from that date. Up until this date, UBS had accounted for its investment in Look using the equity method.

Our consolidated balance sheet for 2004 reflects total assets of \$40.2 million, a third of which is in current assets.

On the liabilities and equity side, we have total liabilities of \$15.4 million, non-controlling interest in Look of \$15.1 million representing the minority share at 49%, and shareholder's equity of \$9.7 million. The decline in equity of \$13.5 million relates to the net loss in 2004.

Revenue for the 15 months in 2004 was \$32.5 million, representing Look's revenue from sales and services from November 30, 2003, the date we commenced consolidating Look.

At the end of August 2004, Look had 108,000 subscribers, consisting of 36,000 digital television subscribers, 60,000 Internet subscribers and 12,000 Hosting customers.

Cost of sales for fiscal 2004 was \$14.1 million and includes the benefits from renegotiating contracts. The gross margin of \$18.3 million or 56.5% reflects the successful move from fixed to variable costs and the focus on wireless services.

Operating expenses, amounting to \$25.8 million, include sales and marketing costs, customer service, network and spectrum management, administration and amortization of assets. These costs have been controlled through numerous cost-cutting initiatives and reduced headcounts.

The loss from continuing operations for the 15 months in 2004 was \$5.1 million and the total loss from discontinued operations was \$8.6 million. Included in discontinued operations is the operating loss for Quarter 1, the sale of the engineering business and the provision for the proceeds from this sale. These proceeds, amounting to \$2 million plus interest at 8% per annum, will only be recognised when the payment is actually received. The total net loss for the 15 months in 2004 was \$13.7 million, or 13 cents per share.

In cash flow terms, although the net loss was \$13.7 million, cash used in operations for the 15 months was \$10.8 million, down from the \$16.8 million used in operating activities for the 12 months in 2003. This improvement was due largely to the discontinued operations. Cash used in investing activities amounted to \$740,000 and was the result of four major items. Cash flowed into the Company from the release of restricted funds and cash acquired on consolidation of Look. Offsetting these inflows was cash used to purchase capital assets and short-term investments.

In February 2004, Look raised \$10.6 million of capital by way of convertible debentures. Of this amount, UBS invested \$5.4 million to maintain its 51% shareholding in Look on a fully diluted basis, and other shareholders invested \$5.2 million. After repaying term loans and interest on debentures, the net cash from financing activities amounted to \$4.9 million in 2004. As of August 31, 2004, the Company had cash, including short-term investments, of \$7.4 million.

#### KEY CORPORATE GOALS ACHIEVED

Finally, some comments on our performance against our 2004 strategic objectives. UBS achieved four major milestones that will position the Company better to capitalize on the expanding wireless market in Canada:

1. We restructured UBS. We closed the US operations and sold the engineering and manufacturing business in October 2003.
2. We repositioned UBS. We acquired a controlling interest in Look through 3 separate transactions, starting in January 2003 and culminating at the end of 2003 with the exercise of an option to acquire the controlling position.
3. We restructured Look. We renegotiated many of its contracts, which enabled Look to convert over 90% of its cost of sales from fixed to variable costs.
4. We have started to reposition Look as a Mobile Multimedia Broadband Service Provider.

## 2. FUTURE PROSPECTS

*Presented by Gerald McGoey, Chairman and Chief Executive Officer*

While I have reported to you previously, this is my first report to you as both CEO of UBS and CEO of our major asset, Look Communications. It comes at a most interesting time in the development of our Company and in a rapidly changing market. Our Company has gone through significant change over the past 15 months. As a result of the restructuring and repositioning of both UBS and Look, the Company has improved its cash flow and management is totally focused on maximizing the outstanding opportunity in **MOBILE MULTIMEDIA BROADBAND SERVICES** that we recently announced.

Over the past year, UBS and Look have achieved a number of significant milestones. The following are a few examples:

1. We were successful in obtaining the renewal of Look's broadcast and spectrum licenses for a further seven years to August 2011.
2. We continue to renegotiate contracts, whereby today approximately 90% of all cost of sales was moved from fixed to variable costs in order to protect margins.
3. We have expanded our network to include two-way high-speed wireless data at speeds of up to 4Mb.
4. We have reduced costs and have improved the quality of our subscriber base.

And **MOST IMPORTANTLY**, we are now working together with Look to build a **MOBILE MULTIMEDIA BROADBAND NETWORK** that will enable us to offer consumers live television, audio, two-way high-speed data, telephony and photography, anywhere and with almost unlimited capacity.

To understand the future prospects better, it is important to understand where Look is at today and where we are going.

Look started out in 1998 as a wireless digital video distributor, having obtained a license for the use of spectrum in the 2.5 – 2.7 Ghz band and broadcast licenses. Look has had exclusive use of these frequencies since it received licenses from the CRTC as a "broadcast distribution undertaking" in August 1997 for Southern Ontario and in 1998 for Quebec and Eastern Ontario. It then added dial-up Internet access and until 2002 was focused on acquiring video and dial up subscribers. This model was not sustainable and Look restructured its business.

In 2003, UBS acquired control of Look and the focus was redirected towards high-speed Internet access for small and medium size businesses, where average revenues per subscribers were double the dial-up revenues. We also began working together with Look to explore ways of optimizing the use of the Company's combined assets: spectrum, broadcast licences, intellectual property, and network experience.

Today we stand on the threshold of what we see as an exceptional opportunity to satisfy a growing consumer need and to create significant shareholder value by repositioning Look as a Mobile Multimedia Broadband service provider.

Mobile Multimedia is here today – it is happening all around us, and the following are just a few recent events taking place in the world today:

1. Mobile video trials in Korea in a joint venture between SK Telecom and Toshiba;
2. Mobile video beta testing by Nokia and other service providers in Europe and North America;
3. Mobile video trials are taking place in Oxford England;
4. DVB-H Digital Video Broadcasting for Handhelds is in place. These handheld devices support 24 – 30 frames per second. MmO2, Vodafone, Broadcast Australia subsidiary, The Bridge Networks and Crown Castle in the US are trialing DBV-H. Nokia plans to sell DVB-H mobile phones in 2006; and
5. Nokia, Siemens, Motorola, Sony Ericsson and NEC are developing standards for mobile TV services through the Open Mobile Alliance standards group.

Closer to home:

1. Sprint has launched its MobiTV service;
2. Smart Video Technologies announced deals to deliver both live and pre-recorded TV programs from ABC News, CNBC, MSNBC and the weather channel to cell phones;
3. “NBC Mobile” will update newscasts for mobile TV’s small screen;
4. Sirius Satellite Radio will be delivering live video to cars as a companion to its premium satellite radio service;
5. Qualcomm is developing a wireless chip and investing \$800 million to launch a national mobile TV service; and
6. In December 2004, the TTC announced plans to be the first public transit system in North America to bring television and digital advertising onto its underground platforms and into its subway trains.

We believe that Mobile Multimedia Broadband, which allows modern handsets to function as digital cameras, music players, radios, game consoles, messaging devices, phones and mobile videos, is now on our doorstep.

What does this mean to Canada and to UBS and its shareholders?

The shape of the industry in Canada continues to see significant and rapid change. Ten years ago, wireless was a small component of the communications market. Today, it is the force driving nearly all-Canadian growth in this market. Wireless mobile subscribers have increased from 10% of a 19 million subscriber base in 1994 to 38% of a 33 million subscriber base 10

years later. It is important to note that traditional wireline subscriber numbers have remained flat throughout the period of this high growth in wireless mobile.

We believe that consumers will increasingly use MOBILE devices to access live multimedia through the use of broadband. Our Company is extremely well positioned to benefit from the next stage of broadband growth. The mobile handheld services that can be provided include live video, audio, two way high-speed data access, IP telephony and photography. Existing networks and their spectrum (3G, analog and digital broadcast) cannot support live broadband entertainment and information technically at prices consumers will find attractive.

MOBILE BROADBAND is the next stage in the expansion of the wireless market.

Our Company is well positioned to capitalize on this rapid evolution in the wireless market. At Look, we enjoy major competitive advantages with our spectrum and broadcast licenses, both of which have recently been renewed until August, 2011 and at UBS we have the intellectual property and expertise having developed, designed and built the network deployed by XM Radio Inc. across the USA and the live television network in Singapore's over 2,000 public transportation vehicles.

The explosive growth of cellular phones has paved the way for this mobile multimedia opportunity. Broadband has opened a whole new world that did not exist 10 years ago. Mobile broadband is the next stage in the expansion of the wireless market and it will drive subscriber growth in the next decade. The evolution of broadband has been driven by a multiplicity of services, but the experience for consumers has been fragmented. Wireless technology enables the convergence of broadband applications, while mobility enables broadband ubiquity.

Our new mission is to become a Mobile Entertainment and Information Service Provider across Ontario and Quebec and we will achieve this by optimizing the use of our licensed wireless services in the 2.5 to 2.7 GHz spectrum band and the experience within UBS.

Mobility is the unique selling proposition and we are the only ones in Ontario and Quebec who can currently capitalize on this advantage.

The Mobile Broadband Video Network (MBVN) will first be launched in Toronto and then Montreal and will eventually cover the population-dense corridor from Windsor to Quebec City. The MBVN will provide over 80 channels of live video, data carousel broadcasting channels and over 100 channels of digital audio broadcasting. New handheld devices, the size of a normal PDA, have been developed and will be in beta tests in mid-2005, with the service launch planned for 2006. We will then expand our network across the Windsor to Quebec corridor to support this multimedia opportunity.

We are very excited by the opportunity to bring mobile video and data to the market. No longer will consumers have to be connected by wires or cable to meet their video or data communications and information needs.

Handheld mobility allows customers to 'cut loose' and to personalize their needs. The expertise in our group of companies will permit the years of experience and technological know-how to offer customers the freedom of mobility with the access of broadband so they can benefit from all the flexibility that mobile broadband offers.

We recently held focus group research and are currently in discussions with potential investors, suppliers, distributors and partners regarding the build out of the network and we are working hard to deliver beta testing of the new device around midyear.

We began the process with a head start over our competitors because Look has the spectrum and the broadcast licenses, which no one else in Ontario and Quebec has, and through UBS, we have the technology and the know-how required to successfully deliver what the future holds and customers are demanding.

What took the cellular market 20 years and \$10 billion to create can be done in 20 months with less than \$1 billion with mobile broadband networks. The explosive growth of mobile voice will be nothing compared with the explosive growth of mobile MULTIMEDIA broadband.

To conclude:

1. We have the spectrum and broadcast licenses;
2. We have the intellectual property and expertise to install a mobile broadband network, and
3. On February 16, 2005 Look's shareholders voted in favour of a new share capital structure, which provides management additional flexibility to accomplish its goal of attracting suitable partners.

We are very excited about moving ahead into this next wave of mobile MULTIMEDIA broadband.