Management’s Discussion and Analysis of

UNIQUE BROADBAND SYSTEMS, INC

Second Quarter, 2005

Three months and six months ended February 28, 2005

UNIQUE BROADBAND SYSTEMS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(in thousands of dollars, except shares and per share amounts)

Three months and six months ended February 28, 2005

April 22, 2005

1. INTRODUCTION

The following Management's Discussion and Analysis (MD&A) relates to the consolidated financial condition of Unique Broadband Systems, Inc. (the Company) at February 28, 2005 and the consolidated results of operations for the three months ended February 28, 2005 and the three months ended February 29, 2004. This MD&A should be read in conjunction with the consolidated financial statements and the notes to the consolidated financial statements contained in the August 31, 2004 Annual Report to shareholders. The Company's consolidated financial statements and the notes thereto have been prepared in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP) on a going concern basis and do not include any adjustments to the amounts and classifications of the assets and liabilities that would be necessary should the Company be unable to continue in business. The Company's ability to continue as a going concern is dependent upon achieving and maintaining profitable operations and successful implementation of the Company's business strategy. The outcome of these matters cannot be predicted at this time.

Unless specifically stated, the references to "UBS" include Unique Broadband Systems, Inc. and its wholly owned subsidiaries and references to the "Company" include UBS and Look Communications Inc, (Look) a company controlled by UBS.

2. CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A includes forward-looking statements concerning the future operations, financial performance and conditions of UBS and Look. When used in this MD&A, the words "intend", "project", "may", "will", "expect", "anticipate", "estimate", "plan", "continue", "believe", and similar or comparable terminology are intended to identify forward looking statements, although not all forward looking statements contain such words. The Company cautions that all forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks and uncertainties include but are not limited to the timing of acquisitions and expansion opportunities, technological change that may impact the Company's capital expenditures and results of operations, and competitive factors that may alter the timing and amount of the Company's capital expenditures. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise.

3. BUSINESS OVERVIEW

The Company (TSX Venture: UBS) is a publicly listed Canadian company that has investments in broadband assets and a 51.06% fully diluted equity interest in Look (TSX Venture: LOK.MV and LOK.SV). With licensed spectrum held through its subsidiary Look, UBS is a Canadian digital television broadcaster and broadband wireless service provider. The UBS head office is located in Milton, Ontario and UBS currently has seven employees.

Engineering and Manufacturing business

In October 2003, UBS sold its engineering and manufacturing business (E&M Business) to a new private company owned by a group of former UBS engineers. As a result of this divestiture, the Company reclassified its current and prior period results for the E&M Business as "Discontinued Operations" in its financial statements. This sale completed UBS' restructuring plan, designed to reduce costs, conserve cash and focus the resources of UBS on its investment in Look, the largest wireless broadband service provider in Canada.

Look Communications Inc.

Look currently delivers a full range of communications services to residential and business customers including wireless digital television distribution, dial-up and high-speed wireline and wireless Internet access and Web-related services, including Web hosting and domain name registration. Look markets its services through a regional network of over 100 dealer and retail locations across Ontario and Quebec and also offers products and services and customer service on its e-business Web site, www.look.ca.

Look provides its digital video and wireless Internet services using a Multipoint Distribution System (MDS) technology, operating with 90 MHz of capacity in the 2.5 – 2.7 GHz band. Look has exclusive use of these frequencies since it received licenses from the Canadian Radio-television and Telecommunications Commission (CRTC) as a "broadcast distribution undertaking" in August 1997 for Southern Ontario and in 1998 for Quebec and Eastern Ontario. Its coverage areas in Ontario and Quebec include the major metropolitan markets of Toronto, Montreal, Hamilton, Quebec City and Ottawa and many other cities from London to Trois-Rivières. Look's licenses were extended and merged into one renewed license in August 2004 for another seven years to 2011.

Look is also a major reseller of dial-up and high-speed wire line Internet Access through various contractual agreements with major telecommunications companies.

The Company has deployed the next generation of its digital wireless high speed network on the CN tower in Toronto, the Mont-Royal tower in Montreal and in Vaughan, Barrie and Aurora, Ontario using a DOCSIS® (Data Over Cable Service Interface Specification) system in the 2596-2686 and 2150-2160 MHz frequency bands. This new system expanded the network capacity and enhanced the quality of the wireless broadband high-speed Internet access.

Business Strategy

The sale of the E&M Business in October 2003 completed UBS' restructuring plan, designed to reduce costs, conserve cash and focus the resources of UBS on its investment in Look. The strategy of UBS is to work with Look to optimize the use of all the assets within the Company and, as announced on December 8, 2004, to jointly develop a new Mobile Broadband Video Network (MBVN) and launch hand-held mobile video services in Ontario and Quebec. The MBVN will first be launched in Toronto and 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 Personal Digital Assistant (PDA), have been developed and will be in beta tests in mid-2005, with the service launch planned for early 2006.

UBS developed, designed and built a mobile video network that operates in over 2,000 public transportation vehicles in Singapore. UBS was also contracted to develop, design and build the terrestrial network for deployment by XM Satellite Radio Inc. throughout the USA.

4. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Continuing Operations

Effective November 30, 2003 UBS received final approval from the CRTC to acquire control of Look, which it did by exercising its option at the end of December 2003. Look is now a 51.06%-owned subsidiary of UBS and is fully consolidated for financial reporting purposes, effective November 30, 2003. Up until this date, UBS accounted for Look on an equity basis.

Discontinued Operations

During the second quarter of fiscal 2004, UBS' divestiture of its E&M Business resulted in the reclassification of that business as "Discontinued Operations". Accordingly, all revenues and costs associated with that business and the divestiture have been reclassified from September 1, 2003 and for the comparative quarters as "Discontinued Operations" in the Consolidated Statement of Operations and Deficit and Cash Flow Statement.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the three months ended February 28, 2005 include Look's Balance Sheet as at February 28, 2005 and its Statement of Operations and Deficit for the three months commencing December 1, 2004 and ending on February 28, 2005. The Company accounted for Look using the equity method until November 30, 2003. Under this method, the investment in Look was carried at cost and adjusted to reflect UBS' proportionate share of Look's net loss.

UBS' common share interest in Look will fluctuate as convertible debentures issued by Look are converted into common shares. If all debentures are converted and no new common shares are issued, UBS will still have the ability to control at least 51.06% of Look by the conversion of its debentures, and as such, the Company will continue to consolidate its interest at 51.06% irrespective of its actual common share holding at the end of each reporting period.

5. OPERATING RESULTS

The net loss for the quarter ended February 28, 2005 was $1,538 or $0.02 per common share compared with the net loss of $994 or $0.01 for the quarter ended February 29, 2004.

The comparative figures for the six months ended February 29, 2004 represent Look's results for the period after its operations were consolidated from December 1, 2003. For the preceding three months, there was no reported revenue because of Look being accounted for using the equity method and the divestiture of the E&M Business that resulted in the re-classification of this business as discontinued operations. Accordingly, management will not be commenting on operating results for the six month period.

Continuing operations:

The net loss from continuing operations for the three months ended February 28, 2005 was $1,538 or $0.02 per common share compared with the net loss of $994 or $0.01 for the three months ended February 29, 2004.

Service and sales revenue consists of Internet services, broadcast distribution, storage services and equipment sales revenue. Internet services revenue is earned primarily from monthly and annual subscriptions from individuals and businesses for access to the Internet. Broadcast distribution revenue is earned from the provision of digital television services to residential and business customers. Storage revenue is earned by providing Web hosting and other value-added services such as domain name registration and Web server co-location and equipment sales revenue is earned from the sale of digital receivers and Internet equipment to customers.

Carrier charges and cost of sales includes the costs of data distribution on common carriers (telephone companies) for Internet services, programming for video services, Web-related services costs and customer premise equipment for re-sale to customers. Programming costs include the service fees paid to networks and other distributors to obtain the video and audio signals for distribution to subscribers. While the cost of data distribution and web related services vary with the number of subscribers, programming costs vary directly with the number of channels carried and the number of subscribers.

The service and sales revenue and cost of sales for the three and six months ended February 28, 2005 consist of the following:

Major category	Three months ended February 28, 2005 Revenues	Three months ended February 28, 2005 Cost of Sales	Three months ended February 29, 2004 Revenues	Three months ended February 29, 2004 Cost of Sales
Data services	3,984	1,776	4,774	1,848
Broadcast distribution	4,266	2,490	5,625	3,046
Storage revenues	1,253	439	1,255	596
Services revenue	9,503	4,705	11,654	5,490
Sales and Installations	168	89	335	68
Total service and sales revenue	$9,671	$4,794	$11,989	$5,558

Major category	Six months ended February 28, 2005 Revenues	Six months ended February 28, 2005 Cost of Sales	Six months ended February 29, 2004 Revenues	Six months ended February 29, 2004 Cost of Sales
Data services	7,975	3,688	4,774	1,848
Broadcast distribution	8,800	4,991	5,625	3,046
Storage revenues	2,524	935	1,255	596
Services revenue	19,299	9,614	11,654	5,490
Sales and Installations	438	510	335	68
Total service and sales revenue	$19,737	$10,124	$11,989	$5,558

Total service and sales revenue decreased by $2,318 or 19% in the quarter compared with a year ago. Although, data service revenues decreased by $790 or 16% in the three months ended February 28, 2005, revenue in the high speed access segment has increased by 6%. The Dial Up access revenues have fallen by 25%, which was expected, given the objective of building a profitable subscriber base and the migration of these customers to high speed services. Revenues from broadcast distribution declined by $1,359 or 24% over the 3 months ended February 29, 2004, largely because of stricter credit control procedures and the new requirement of pre-authorized payments for new subscribers.

The overall improvement in average revenue per user from $29.66 in the quarter ended February 29, 2004 to $31.45 for the 3 months ended February 28, 2005 reflects the continued activation and retention of higher value customers, increased penetration of enhanced services and the continued growth of wireless data revenues.

Look had 98,976 subscribers at February 28, 2005 compared with 125,326 subscribers at the end of February 2004, representing a decline of 21%. The Internet services subscribers totaled 54,571 at the end of February 2005, (71,600 at February 29, 2004) comprising 41,562 residential dial-up subscribers (61,500 at February 29, 2004), 10,744 high speed residential subscribers (8,500 at February 29, 2004) and 2,265 high speed business subscribers (1,600 at February 29, 2004). Look had 32,154 television distribution subscribers (41,462 at February 29, 2004) and 12,251 business service subscribers (12,264 at February 29, 2004).

The decrease in subscribers for the three months ended February 28, 2005 reflects the expected decline in our residential and business dial-up customers (8.4% or 3,814 subscribers), the aggressive bundling marketing campaigns of competitors and the longer selling cycle for Look's business services. However, within data services, high speed Internet access subscribers have increased by 4.7% or 589 reflecting the continuous migration of dial-up subscribers to high speed products. Year over year, high speed Internet access subscribers have increased by 31.1% or 3,083.

Subscriber churn for the quarter was 3.7% compared with 4.5% a year ago. This improvement was across all segments of the business reflecting management's strategy of delivering on customer expectations by improving reliability, network quality and customer service. It also reflects the focus on building a better quality subscriber base through the application of tighter credit controls for new and existing customers.

Marketing and sales expenses include Look's costs of media and other advertising fees for direct sales agencies, direct marketing costs, cost of producing and distributing product media and commissions on retail sales. Look spent less on marketing campaigns in the three months ended February 28, 2005 because it eliminated the aggressive marketing campaigns launched with limited success during the first quarter of fiscal 2005 and focused on customer retention.

Customer care expenses include salaries, benefits and other costs associated with the operation of Look's call centers for technical and service support. The decrease in these costs for the three months ended February 28, 2005 reflects the reduction in the number of employees to match the decrease in the subscriber numbers. However, on a percentage of revenues basis, the higher percentage (9.3% vs. 8.8%) reflects an increase in the number of employees in the call centre supporting business customers and confirms Look's continuous efforts to be more customer-oriented.

Engineering and operations expenses include Look's costs associated with operating and maintaining the broadcast distribution head-end facilities, the network and transmission towers by which digital signals are transmitted via broadband wireless links to customers, the costs of providing maintenance services to customers and the telecommunication facility costs for Internet services.

For the three months ended February 28, 2005, engineering and operations expenses decreased to $1,308 or 13.5% of revenues, compared to $1,565 or 13.1% of revenues, for the three month period ended February 29, 2004. The decrease in expenses in the quarter reflects the lower subscriber base in the broadcast distribution activities.

General and administration costs include administrative salaries, human resources, general occupancy, information technology and other administrative overheads. The comparative costs for 2003 include an allocation of salaries, consulting fees, bonuses, legal fees, accounting and audit fees and Board fees associated with the continuing business. For the three months ended February 28, 2005, general and administration expenses decreased to $2,778 or 28.7% of revenues, compared with $3,818 or 31.8% of revenues, for the three month period ended February 29, 2004. The decrease in expenses reflects Look's lower subscriber base.

Amortization of capital assets relates to amortization of Look's capital assets including buildings, headends and network equipment, customer connections, computer hardware and software and office equipment.

Amortization of deferred charges relate to the amortization of the CRTC license renewal, which is amortized over the life of the license, and the amortization, over three years, of financing costs associated with Look's rights offering.

Non-controlling interest is the allocation related to the outside shareholders' interest of 49% in Look's operating results.

Discontinued operations:

There were no charges against discontinued operations this quarter. The net loss from discontinued operations for the quarter ended February 29, 2004 was $7,001 or $0.07 per common share and related to the sale of the E&M Business in October 2003.

6. EARNINGS BEFORE INTEREST AND FINANCING CHARGES, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

EBITDA for the quarter was negative $714 compared with negative $379 for the quarter ended February 29, 2004. For the six months ended February 28, 2005, EBITDA was negative $1,820 compared with negative $766 for the six months ended February 28, 2004.

The following table reconciles EBITDA to net loss for the respective periods as determined under Canadian Generally Accepted Accounting Principles (GAAP):

	3 months ended		6 months ended	
	February 28, 2005	February 29, 2004	February 28, 2005	February 29, 2004
Net loss for the period	**(2,720)**	(1,828)	**(5,218)**	(2,203)
Amortization of capital assets	**1,966**	1,479	**3,300**	1,479
Amortization of deferred charges	**26**	16	**53**	16
Interest and financing charges (net)	**1**	(73)	**17**	(73)
Provision for Income taxes	**13**	27	**28**	15
EBITDA	**($714)**	($379)	**($1,820)**	($766)

*Management views EBITDA as an important measure of operating performance of the Company; however since EBITDA does not have any standardized meaning prescribed by Canadian GAAP, it may not be considered in isolation of GAAP measures such as (1) net loss, as an indicator of operating performance or (2) cash flows from operating, investing and financing activities, as a measure of liquidity.

7. QUARTERLY FINANCIAL RESULTS

The key lines in the quarterly results for the past eight quarters are set out in the tables below:

Quarter ended	May 31 2003	Aug 31 2003	Nov 30 2003[1]	Feb 29 2004[2]	May 31 2004	Aug 31 2004
Revenue	-	-	-	11,989	11,397	9,091
Net loss – continuing ops	(1,135)	(683)	(375)	(994)	(535)	(2,499)
- discontinued ops	(3,550)	(2,283)	(7,001)	-	-	715
Loss per share – continuing ops	(0.01)	(0.01)	-	(0.01)	(0.01)	(0.02)
Loss per share – discontinued ops	(0.04)	(0.02)	(0.07)	-	-	0.01

2005 Fiscal - Quarter ended	Nov 30 2004	Feb 28 2005
Revenue	10,066	9,671
Net loss	(1,204)	(1,538)
Loss per share	(0.01)	(0.02)

[1] The E&M Business was sold in this quarter
[2] The operations of Look were consolidated with effect from November 30, 2003 after UBS obtained the necessary control approvals

8. LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $4,083, in addition to short-term investments of $2,000, at February 28, 2005 compared with cash and cash equivalents of $4,920, in addition to short-term investments of $2,510, at August 31, 2004.

The changes in cash and cash equivalents for the quarters ended February 28, 2005 and February 29, 2004 are summarized as follows:

	3 months ended		6 months ended	
	February 28, 2005	February 29, 2004	February 28, 2005	February 29, 2004
Operating activities – continuing operations	(1,004)	731	(6)	173
Operating activities – discontinued operations	(97)	(1,008)	(603)	(3,180)
Cash flows used in operating activities	(1,101)	(277)	(609)	(3,007)
Cash flows (used in)/from financing activities	(41)	5,079	(53)	5,079
Cash flows (used in)/from investing activities	564	(1,668)	(175)	228
Decrease in cash and cash equivalents	$(578)	$3,134	$(837)	$2,300

Cash flow used in operating activities for the quarter ended February 28, 2005 was $1,101 compared with cash used of $277 for the comparative quarter ended in 2004. Lower revenues negatively impacted cash from operations during the three months ended February 28, 2005.

Cash flow used in financing activities for the three months ended February 28, 2005 was $41 compared with the inflow of $5,079 in 2004 arising from Look's issuance of convertible debentures.

Cash flow from investing activities for the three months ended February 28, 2005 was $564 compared with cash used of $1,668 in 2004. Cash from investing activities in 2005 was due to the redemption of short-term investments, while the outflow last year resulted from purchases of capital assets for the network.

The Company's financial instruments consist primarily of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. The Company has no off-balance sheet arrangements other than the operating leases in Look.

Cash required for the Company's contractual obligations, capital assets related to the existing network and customer premise equipment are expected to be funded by cash on hand and cash provided by operating activities. The Company is, however, seeking additional sources of funds to finance its new strategy and the development of the new MBVN.

9. SHARE CAPITAL

At February 28, 2005, UBS had issued 91,442,522 common shares (August 31, 2004 – 91,442,522) and 11,305,332 Class A non-voting shares (August 31, 2004 – 11,305,332) for total issued shares of 102,747,854 (August 31, 2004 - 102,747,854) and there were options outstanding to acquire 12,276,000 common shares of the Company (August 31, 2004 – 11,588,000).

As of April 22, 2005 the number of shares issued remained at 102,747,854 and there were 12,776,000 options outstanding to acquire common shares.

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