Management's Discussion and Analysis of

UNIQUE BROADBAND SYSTEMS, INC

Third Quarter, 2005

Three months and nine months ended May 31, 2005

UNIQUE BROADBAND SYSTEMS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(in thousands of dollars, except shares and per share amounts)

Three months and nine months ended May 31, 2005

July 21, 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 May 31, 2005 and the consolidated results of operations for the three months ended May 31, 2005 and the three months ended May 31, 2004. This MD&A should be read in conjunction with the 2004 Annual Reports of UBS and Look Communications Inc (Look) and the Quarter 3 financial statements and MD&A of Look ended May 31, 2005.

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. As at May 31, 2005, the Company and Look had working capital deficiencies of $4,099 and $5,692 respectively.

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, 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 Multi Media (MMM) network and launch hand-held mobile video services in Ontario and Quebec. The MMM network will first be launched in Toronto and Montreal and will eventually cover the population-dense corridor from Windsor to Quebec City.

The MMM network 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), are in development and beta test sites will be completed in August 2005, with the service launch planned for 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 May 31, 2005 consolidates Look's Balance Sheet as at May 31, 2005 and its Statement of Operations and Deficit for the three months commencing March 1, 2005 and ending on May 31, 2005. The comparative 3 month period ending May 31, 2004 includes Look's Balance Sheet as at March 31, 2004 and its Statement of Operations and Deficit for the three months commencing January 1, 2004 and ending on March 31, 2004.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' economic interest in Look will fluctuate as convertible debentures issued by Look are converted into multiple and subordinate voting shares. If all debentures are converted and no new shares are issued, UBS will still have the ability to control at least 51% of Look by the conversion of its debentures, and as such, the Company will continue to consolidate its interest at 51% irrespective of its actual share holding at the end of each reporting period.

5. OPERATING RESULTS

The loss for the quarter ended May 31, 2005 was $975 or $0.01 per common share compared with the loss of $535 or $0.01 for the quarter ended May 31, 2004. The loss for the nine months ended May 31, 2005 was $3,716 or $0.04 per common share compared with the loss of $8,905 or $0.09 for the nine months ended May 31, 2004.

The comparative figures for the nine months ended May 31, 2004 represent Look's results for the period after its operations were consolidated from December 1, 2003. Prior to this date, there was no reported revenue because of:

(a) Look being accounted for using the equity method, and
(b) the divestiture of the E&M Business that resulted in the re-classification of this business as discontinued operations.

Quarter 3, 2005 consolidates nine months of revenue and expenses for Look compared with Quarter 3, 2004, which only consolidates six months of revenue and expenses for Look and accordingly management will not be commenting in detail on the operating results for the nine-month period.

Continuing operations

The loss from continuing operations for the three months ended May 31, 2005 was $975 or $0.01 per common share compared with the loss of $535 or $0.01 for the three months ended May 31, 2004. The loss from continuing operations for the nine months ended May 31, 2005 was $3,716 or $0.04 per common share compared with the loss of $1,904 or $0.02 for the nine months ended May 31, 2004.

Service and sales revenue consists of data services, broadcast distribution, storage services and equipment sales revenue. Data 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. 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 data 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.

Total gross margin percentage has dropped for both the three and nine month periods in 2005 compared with 2004 (50.1% vs. 53.9% and 49.2% vs. 53.7% respectively) largely because of the nature of data costs and the rate of subscriber churn in this category. Margins have improved in the broadcast distribution and storage categories mainly because of new supply agreements.

The service and sales revenue and cost of sales for the three and nine months ended May 31, 2005 consist of the following:

	Three months ended May 31, 2005		Three months ended May 31, 2004	
Major category	Revenues	Cost of Sales	Revenues	Cost of Sales
Data services	3,681	1,698	4,616	1,330
Broadcast distribution	3,966	2,286	5,210	3,387
Storage services	1,328	418	1,367	478
Services revenue	8,975	4,402	11,193	5,195
Sales and Installations	204	177	204	62
Total service and sales revenue	$9,179	$4,579	$11,397	$5,257

	Nine months ended May 31, 2005		Nine months ended May 31, 2004	
Major category	Revenues	Cost of Sales	Revenues	Cost of Sales
Data services	11,356	5,386	9,390	3,178
Broadcast distribution	12,811	7,277	10,835	6,433
Storage revenues	3,883	1,353	2,622	1,074
Services revenue	28,050	14,016	22,847	10,685
Sales and Installations	865	687	539	130
Total service and sales revenue	$28,915	$14,703	$23,386	$10,815

Total service and sales revenue decreased by $2,218 or 19.5% in the quarter compared with a year ago. Although, data service revenue in the quarter decreased by $935 or 20% over in the three months ended May 31, 2004, revenue in the high speed access segment has increased by 28.5%. The Dial Up access revenue has fallen by 40.4%, which was expected, given the objective of building a profitable subscriber base and the migration of these customers to high speed services. Revenue in the quarter from broadcast distribution declined by $1,244 or 24% over the 3 months a year ago, 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 (ARPU) from $29.87 per month in the quarter ended May 31, 2004 to $30.00 for the 3 months ended May 31, 2005 reflects Look's goal of continued activation and retention of higher value customers, increased penetration of enhanced services and the continued growth of wireless data revenues.

Look had 93,749 subscribers at May 31, 2005 compared with 116,987 subscribers at the end of May 2004, representing a decline of 23,238 or 20%. Data subscribers totaled 50,591 at the end of May 2005, (65,917 at May 31, 2004) comprising 37,739 residential dial-up subscribers (55,991 at May 31, 2004), 10,653 high speed residential subscribers (8,247 at May 31, 2004) and 2,199 high speed business subscribers (1,679 at May 31, 2004). Look had 30,056 television distribution subscribers (38,890 at May 31, 2004) and 13,102 business service subscribers (12,180 at May 31, 2004).

The decrease in subscribers for the three months ended May 31, 2005 reflects the expected decline in our residential and business dial-up customers (18,252 subscribers or 33%) due to customer migration to higher speeds, 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 increased by 2,926 subscribers or 29% compared with a year ago.

Subscriber churn for the quarter was 3.7% compared with 4.8% 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 May 31, 2005 because it eliminated the marketing campaigns launched with limited success during the first quarter of fiscal 2005 and focused on customer retention of its core broadband wireless access products. Cost of acquisition in the quarter was $99.49 per subscriber compared with $120.83 per subscriber in the quarter a year ago.

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 May 31, 2005 reflects the reduction in the number of employees to match the decrease in the subscriber numbers. Customer care expenses in the quarter represented 9.7% of service and sales revenue compared with 10.8% a year ago and was due largely to restructuring the call center without any decline in service levels to customers.

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 May 31, 2005, engineering and operations expenses decreased to $1,340 or 14.6% of revenue, compared with $1,703 or 14.9% of revenue, for the three month period ended May 31, 2004. The decrease in expenses in the quarter reflects the lower subscriber base in 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 May 31, 2005, general and administration expenses decreased to $2,125 or 23.2% of revenues, compared with $2,866 or 25.1% of revenues, for the three month period ended May 31, 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 loss from discontinued operations for the nine months ended May 31, 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)

The following table reconciles the loss from continuing operations to EBITDA for the respective periods as determined under GAAP:

	3 months ended		9 months ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004**
Loss from continuing operations	(975)	(535)	(3,716)	(1,904)
Non-controlling interest	(947)	(1,482)	(3,423)	(2,316)
Amortization of capital assets	1,646	1,343	4,946	2,822
Amortization of deferred charges	32	61	85	77
Net interest and financing charges	46	34	61	(39)
(Recovery)/provision for income taxes	(64)	18	(36)	33
EBITDA*	(262)	(561)	(2,083)	(1,327)

* 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.

** The 9 months ended May 31, 2004 only consolidates 6 months of Look's results.

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	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	(683)	(375)	(994)	(535)	(2,499)
- discontinued ops	(2,283)	(7,001)	-	-	715
Loss per share[3] – continuing ops	(0.01)	-	(0.01)	(0.01)	(0.02)
Loss per share[3] – discontinued ops	(0.02)	(0.07)	-	-	0.01
EBITDA[4]	-	-	(379)	(561)	(2,309)

2005 Fiscal - Quarter ended	Nov 30 2004	Feb 28 2005	May 31 2005
Revenue	10,066	9,671	9,179
Net loss	(1,204)	(1,538)	(975)
Loss per share	(0.01)	(0.02)	(0.01)
EBITDA	(1,106)	(714)	(262)

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
3. Loss per share is basic and diluted
4. EBITDA is included above from the time that Look was consolidated and the basis of the calculation is set out in section 6 of the MD&A.

8. LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2005, the Company had cash and short term investments of $5,566 compared with cash and short term investments of $7,430 at August 31, 2004.

The changes in cash and cash equivalents for the quarters ended May 31, 2005 and May 31, 2004 are summarized as follows:

	3 months ended		9 months ended	
	May 31, 2005	May 31, 2004	May 31, 2005	May 31, 2004
Operating activities – continuing operations	(112)	(1,190)	(117)	(1,017)
Operating activities – discontinued operations	(49)	499	(653)	(2,681)
Cash flows used in operating activities	(161)	(691)	(770)	(3,698)
Cash flows (used in)/from financing activities	(18)	(37)	(71)	5,042
Cash flows (used in)/from investing activities	162	(588)	(13)	(360)
(Decrease)/Increase in cash and cash equivalents	(17)	(1,316)	(854)	984

The negative impacts from lower revenue was offset by restructuring Look's cost base to align with lower subscriber numbers, resulting in a decrease in cash used in operating activities during the quarter compared with a year ago.

The cash flow from financing activities in the nine months ended May 31, 2004 was derived from Look's rights offering of convertible debentures.

Cash flow from investing activities for the three months ended May 31, 2005 was due to the redemption of short-term investments at Look, which more than offset the purchase of capital assets for the network and the transfer of additional funds to restricted cash.

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 Mobile Multi Media network.

9. SHARE CAPITAL

At May 31, 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 12,776,000 common shares of the Company (August 31, 2004 – 11,588,000).

As of July 21, 2005 the number of shares issued remained at 102,747,854 and there were 14,026,000 options outstanding to acquire common shares.

10. LITIGATION

On May 17, 2005 a proceeding was brought against UBS alleging damages of approximately $700 for repairs to premises under a lease. UBS has filed a third party claim against a sub-tenant for indemnification of any damages to the subleased premises. Management believes it has a good defence and intends to vigorously defend its position.

On June 8, 2005 an investment dealer filed a third party claim against UBS resulting from litigation against that investment dealer by two shareholders of UBS. The claim against the investment dealer, for $42,000, is for negligence and breach of contract pertaining to a secondary sale of UBS shares in 2000, on behalf of the two shareholders. The third party claim against UBS alleges that UBS indemnified the investment dealer against claims on the performance of the investment dealer with respect to this secondary sale of UBS shares. Management sees no merit in the third party claim and intends to vigorously defend its position.

11. RISKS AND UNCERTAINTIES

Customer Retention

Look's ability to retain its existing profitable subscriber base and add new subscribers is the prime determining factor in its long-term success. Look attempts to ensure such retention of profitable customers by investing in its infrastructure and technical and subscriber support capabilities. Look has also implemented targeted retention strategies designed to further reduce the rate of customer attrition. However, it is easy for Look's subscribers to switch to competing Internet and television distribution service providers. Moreover, churn of dial-up subscribers is, as expected, increasing as customers switch to high-speed Internet access. Consequently, Look's investments may not help subscriber retention. Any significant loss of profitable subscribers will adversely affect Look's business, financial condition and results of operations in the future.

Customer Acquisition

Look's revenue depends on its ability to attract and keep new subscribers. Look will aggressively pursue its targeted niche customers through its focused marketing approach. However, given the very strong competitive environment in which Look operates, there can be no assurance that it will be able to successfully continue the re-launch of its sales and marketing activities and to increase the rate of net subscriber additions. This could consequently adversely affect Look's business, financial condition and results of operations in the future.

Regulatory Risks

The Company's operations are subject to government regulations that could impact the business.