
Management's Discussion and Analysis of Financial Condition
and Results of Operations of

UNIQUE BROADBAND SYSTEMS, INC.

Unaudited three months ended November 30, 2008 and 2007

UNIQUE BROADBAND SYSTEMS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In thousands of Canadian dollars, except shares, per share amounts and per subscriber amounts)
For the three months ended November 30, 2008 and 2007

January 27, 2009

1. INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") relates to the unaudited consolidated financial condition of Unique Broadband Systems, Inc. (the "Company") at November 30, 2008 and the consolidated results of operations for the three months ended November 30, 2008 and 2007. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for fiscal 2008 ended on August 31, 2008 and the Company's 2008 MD&A and the audited consolidated financial statements of Look Communications Inc. ("Look") for fiscal 2008 ended August 31, 2008 and Look's 2008 MD&A.

These interim unaudited consolidated financial statements have been prepared by management, on a going concern basis, in accordance with Canadian generally accepted accounting principles with respect to the preparation of interim financial information. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company will need to raise cash in order to meet the needs of its existing operations beyond fiscal 2009. This requirement and timing for capital may be adversely impacted by, amongst other things, a lack of available financing through traditional banking sources, the outcome of the contingencies, a faster rate of decline in subscribers than experienced during fiscal 2008 and negative pressure on average revenue per user. In order to alleviate this cash requirement, the Company will continue to seek any and all ways to obtain financing through, amongst other things, partnering arrangements, debt and equity partners, the sale of certain subscribers, arrangements involving some or all of the Company's spectrum and rights offerings to existing shareholders. The outcome of these matters cannot be predicted at this time.

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these consolidated financial statements (See the sections entitled "Liquidity and Capital Resources", "Commitments and Contingencies" and "Operating Risks and Uncertainties – Economic Dependence". There is no certainty that these and other strategies will be sufficient to permit the Company to continue beyond August 31, 2009.

Notwithstanding the above, the interim unaudited consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying value and balance sheet classifications of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Unless specifically stated, the references to “UBS” include Unique Broadband Systems, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. (“UBS Wireless”), 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 and information concerning the future performance of the Company, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations. The Company cautions that all forward-looking statements and information are inherently uncertain and actual results may differ materially from the assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future performance will be affected by a number of factors including economic conditions, technological change, regulatory change, and competitive factors, many of which are beyond the Company's control. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or the effect that they may have on the Company. Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to all aspects of the wireless communications, broadcast television, and Internet services industries. These risks and uncertainties include, but are not restricted to: (i) the continued operation of the Company as a going concern, (ii) the ability of the Company to raise adequate and suitable financing or obtain infrastructure assistance, (iii) the outcome of litigation, (iv) changes in spectrum allocation, (v) other risk factors related to the Company's business and (vi) other risk factors related to the Company's industry. For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see the sections entitled “Overview – Significant Current Events”, “Liquidity and Capital Resources”, and "Operating Risks and Uncertainties" below.

Therefore, future events and results may vary significantly from what the Company currently foresees. Readers are cautioned that the forward-looking statements and information made by the Company in this MD&A are stated as of the date of this MD&A, are subject to change after that date, and are provided for the purposes of this MD&A and may not be appropriate for other purposes. We are under no obligation to update or alter the forward-looking statements whether as a result of new information, future events, or otherwise, except as required by National Instrument 51-102, and we expressly disclaim any other such obligation.

3. OVERVIEW

Significant Current Events

(a) Plan of Arrangement

On December 1, 2008, Look announced that it would apply to the Ontario Superior Court of Justice for an Interim Order under the Canada Business Corporations Act (Section 192) permitting it to hold a special meeting of shareholders to approve a plan to permit the orderly sale of some or all, in whole or in part, of its assets. The Ontario Superior Court of Justice granted the Interim Order permitting Look to hold the aforementioned special meeting on January 14, 2009.

At the meeting, shareholders were asked to approve (by 66 2/3% of the votes cast in person or by proxy) both the sales process and the arrangement, as set forth in the Plan of Arrangement, to permit the orderly sale of some or all, in whole or in part, of Look's assets to maximize shareholder value.

Look's assets include:

- 1) Spectrum – Approximately 100 MHz of contiguous licensed spectrum in Ontario and Quebec covering approximately 18 million people (1.8 billion MHz/Pops);
- 2) Broadcast License – A Canadian Radio-television and Telecommunications Commission ("CRTC") mobile broadcast license which has been renewed by the CRTC to August 2011;
- 3) Subscribers – Approximately 30,000 broadcast and Internet subscribers;
- 4) Network – A network consisting of two network operating centers (Toronto, Ontario and Montreal, Quebec), 26 one-way broadcast sites and 10 two-way broadcast sites; and
- 5) Tax Attributes – Approximately \$300 million in tax attributes.

On January 21, 2009, the Ontario Superior Court of Justice granted the Sales Process Order permitting Look to commence a sales process for some or all, in whole or in part, of its assets. The Court also appointed Grant Thornton Limited to work with Look's Board of Directors and act as Monitor to conduct and manage the sales process.

At the special meeting, shareholders overwhelmingly approved, by approximately 94%, the aforementioned sales process and the arrangement resolutions, as set forth in the Plan of Arrangement. Look has disclosed all publicly-available documents related to its intent to sell some or all, in whole or in part, of its assets on its website www.look.ca/en/maximizingshareholdervalue.

(b) Sale of Web Hosting and Domain Name Business

On October 17, 2008, Look executed an Asset Purchase Agreement (the "Agreement") for the sale of its web hosting and domain name business. The Agreement, which closed on November 1, 2008, requires the following:

- 1) Consideration in the amount of approximately \$3,800 payable to Look, subject to potential post-closing adjustments, and;
- 2) A 40-month Shared Hosting Marketing and Licensing Agreement whereby the EasyHosting brand will be jointly promoted and the revenue generated therefrom will be shared.

Look recorded a gain on the sale of the business of \$4,200 and was relieved of its obligation to certain subscribers to provide future services which lead to a decline of \$507 in unearned revenue. An amount payable for services provided to Look of \$331 was offset against consideration to be received from the sale. At November 30, 2008 Look had collected cash of \$2,150 and had recorded \$1,212 as a net amount receivable. At November 30, 2008, Look had collected \$193 from subscribers after the closing of the sale, which has been included in restricted cash.

(c) WiMAX Test Network

On November 3, 2008 Look and Motorola announced that they had commenced a WiMAX IEEE 802.16e Wave2 trial in Milton, Ontario, using Motorola, Inc.'s latest WiMAX equipment. Look's WiMAX system utilizes the latest in 4G (Fourth Generation) technologies, offering a wide variety of mobile services such as high quality Broadcast Television, High Speed Internet and VoIP.

To date, WiMAX has been deployed in more than 100 countries around the globe with great success. In Canada, Look is one of the first to offer a completely mobile WiMAX trial network capable of delivering an experience and speeds equivalent to land-based DSL and cable internet connections. No existing 3G cellular network in Canada can match this consumer experience.

Current WiMAX devices include, amongst others, mobile handhelds, computer hardware including PCMCIA cards and USB dongles, and laptop computers with embedded WiMAX chips. This breadth of devices allows consumers to customize their mobile requirements whether they are at home, at the office, at the cottage or on the road.

Rather than being constrained by the geographic limitations of WiFi, WiMAX allows operators to blanket an entire city or region to offer completely seamless connectivity.

Look can demonstrate this disruptive technology using a state of the art WiMAX demonstration vehicle located at its head office in Milton, Ontario. Passengers can view high quality television with an interactive guide, view video on demand (VOD), place voice calls, browse the Internet, and achieve Internet speeds capable of 6 Megabits per second while traveling at highway speeds.

Other devices such as handhelds and WiMAX embedded laptops are also available for demonstration.

Look believes that WiMAX will give consumers an unparalleled experience that is currently not offered by any mobile or cellular operator in Canada. Look's unique combination of its mobile broadcast licence, along with its approximately 100 MHz of spectrum in the 2.6 to 2.7GHz band, allows Mobile WiMAX to become a reality in Canada today.

(d) Corporate Reorganization Plan

In December 2007, Look implemented the reorganization plan (the "Plan") approved on October 10, 2007, by transferring certain assets of Look to an entity that is 100 per cent controlled by Look. The purpose of the Plan is to utilize certain of Look's non-capital losses, which would have otherwise expired, to reduce future taxable income.

Our Company

UBS (TSX Venture: UBS) is a publicly listed Canadian company that has a 51.8% equity interest, on a fully diluted basis, in Look (TSX Venture: LOK and LOK.A) and other assets. With licenced spectrum and broadcast licences held through its subsidiary Look, the Company is a Canadian digital television broadcaster and broadband wireless service provider.

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 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.

Look's mission has been to be an M3 - Mobile Multi Media – communications, entertainment and information service provider in Ontario and Québec. Look currently delivers a full range of communications services including high-speed and dial-up Internet access, digital television distribution, and superior customer service to both the business and residential markets. Look provides its digital television distribution and wireless Internet services using its approximately 100 MHz of Multipoint Distribution System spectrum in the 2.5 to 2.7 GHz frequency band covering approximately 18 million people (1.8 billion MHz/Pops) in the provinces of Ontario and Québec. Look's shares are listed on the TSX Venture Exchange under the symbols "LOK" for Multiple Voting Shares and "LOK.A" for Subordinate Voting Shares.

The UBS head office is located in Milton, Ontario and UBS currently has nine employees. Look's registered office is located in Toronto, Ontario and its main operations are in Montreal, Québec and Milton, Ontario. As at November 30, 2008, Look had 60 full-time and part-time employees.

Our Strategy

On December 8, 2004, Look and UBS announced that they had signed a Memorandum of Understanding whereby they plan to jointly launch hand-held mobile video services in Ontario and Québec. A mobile television demonstration network was completed in Milton, Ontario in April 2006 and is fully operational. On November 3, 2008, the Company announced that it had launched its Mobile Multi Media WiMAX trial in Milton, Ontario (See the section entitled "Overview – Significant Current Events – WiMAX Test Network"). The commercial launch of the M³ network is, however, dependent upon the Company obtaining adequate financing arrangements with financial partners and other suppliers for the development and build-out of the network and various subscriber devices.

An M³ platform brings together communications, information, and entertainment, delivered to the consumer's hand rather than to a geographically defined location – the home or the office. It is designed to give consumers personalization and mobility in voice, television, data, and Internet, and it allows these applications to be further delineated into specific services such as text messaging, pictures, video, conferencing, and caller identification. Mobile video is fast becoming a reality in a number of countries, most notably in Korea and Japan, as well as across Europe and the United States.

The Company will seek to optimize profitability within Ontario and Québec from its existing operations while implementing its strategy designed to maximize cash flow and return on the Company's existing assets.

The key elements of the Company's existing strategy are as follows:

1. Maximize shareholder value through the Plan of Arrangement (See the section entitled "Overview – Significant Current Events – Plan of Arrangement");
2. Continue to seek any and all opportunities to obtain financing (See the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business");
3. Resolve the dispute with Bell Canada to continue servicing existing subscribers; and
4. Continue to re-negotiate supplier contracts and focus on efficiency improvements.

The Company's ability to achieve its strategy is dependent upon a number of factors including, amongst others, those discussed in the section entitled "Caution Regarding Forward-Looking Statements".

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 at the end of December 2003. Look, on a fully diluted basis, is currently a 51.8%-owned subsidiary of UBS and is consolidated for financial reporting purposes. UBS' share ownership in Look will fluctuate as convertible debentures previously issued by Look are converted into multiple and subordinate voting shares and interest obligations in connection with these convertible debentures are settled in subordinate voting shares.

If all debentures are converted, UBS will have the ability to control at least 51% of Look by the conversion of its debentures. As the Company has the ability to maintain control by converting these securities at any time, UBS continues to consolidate its interest in Look.

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 as "Discontinued Operations" in the Consolidated Statement of Operations and Deficit and the Consolidated Cash Flow Statement.

During the first quarter of fiscal 2009, Look sold its web hosting and domain name business. As a result, Look segregated the results of operations in respect of this business for the first quarter of fiscal 2008 to present the contribution from this segment of its business in "Discontinued Operations" in the Consolidated Statement of Operations and Deficit and Consolidated Cash Flow Statement.

Consolidated Financial Statements

The consolidated financial statements include the accounts of UBS' controlled subsidiary, Look, and UBS' wholly-owned subsidiary, UBS Wireless. All significant inter-company transactions and balances have been eliminated.

These consolidated financial statements have been prepared by management, on a going concern basis, in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

In accordance with the CICA Handbook Section 1600, *Consolidated Financial Statements*, when the losses applicable to the non-controlling interest in Look exceed the non-controlling interest's carrying value in Look, which occurred during the third quarter of fiscal 2008, the excess and any further losses will be fully absorbed by the Company. Subsequent earnings, if any, recorded by Look, will be allocated entirely to the Company's interest until such previously fully absorbed losses are recovered.

5. RECENT WIRELESS INDUSTRY TRENDS

The Canadian Market

The Canadian wireless market is dominated by three incumbents, which collectively provide service to approximately 96 per cent of Canadian subscribers. A number of other industry players have indicated an interest in entering the Canadian wireless market, suggesting that they see a potential for considerable market growth. Industry and business analysts suggest this will happen, with new products and innovations helping to drive demand. Demand is also expected to be fuelled by a growing mobile workforce. [source: The wireless wars, Erik Heinrich, Canadian Business, September 5, 2007; Quebecor, MTS form wireless alliance to battle giants. Bid for fourth network, Paul Vieira and Peter Nowak, Financial Post (National Post), May 11, 2007; MTS courts partners in bid to go national, Catherine McLean, Globe and Mail, June 13, 2007]

2008 Spectrum Auction

The Canadian Advanced Wireless Services (“AWS”) auction commenced on May 27, 2008 with twenty-seven qualified participants and concluded after 331 rounds on July 21, 2008 with gross proceeds of \$4.26 billion, far in excess of analyst expectations, indicating significant interest in mobile spectrum from both new entrants and incumbents as can be seen from the following chart (in millions of dollars except \$/MHz/POP):

\$millions	Advanced Wireless Services						PCS	L-Band	Total	MHz/Pop (millions)	
	Open	New Entrants Set Aside				Open		Open			Open
	Block Size	A 20MHz	B 20MHz	C 10MHz	D 10MHz	E 10MHz	F 20MHz	G 10MHz			I 5MHz
Rogers	\$952				\$0	\$47	\$0	\$0	\$999	600	
Telus	\$32				\$162	\$686	\$0	\$0	\$880	484	
Bell	\$15				\$311	\$414	\$0	\$1	\$741	397	
Total Incumbents	\$999	\$0	\$0	\$0	\$473	\$1,147	\$0	\$1	\$2,620		
Videotron	\$0	\$228	\$115	\$207	\$5	\$0	\$0	\$0	\$555	381	
Globalive	\$0	\$279	\$89	\$52	\$20	\$0	\$1	\$1	\$442	334	
DAVE	\$0	\$0	\$161	\$82	\$0	\$0	\$0	\$0	\$243	174	
Shaw	\$0	\$134	\$14	\$25	\$17	\$0	\$0	\$0	\$190	188	
MTS	\$0	\$39	\$0	\$0	\$0	\$0	\$1	\$1	\$41	39	
Others	\$0	\$48	\$26	\$15	\$2	\$0	\$73	\$0	\$164		
Total New Entrants	\$0	\$728	\$405	\$381	\$44	\$0	\$75	\$2	\$1,635		
Total	\$999	\$728	\$405	\$381	\$517	\$1,147	\$75	\$3	\$4,255		
\$/MHz/POP	\$1.67	\$1.21	\$1.35	\$1.27	\$1.72	\$1.91	\$0.25	\$0.02	\$1.35		

The overall \$/MHz/POP of \$1.55 for AWS (90 MHz of spectrum) is significantly higher than the total opening reserve bid at \$0.19/MHz/POP, and exceeds the 2001 Personal Communications Services (“PCS”) auction (\$1.29/MHz/POP) by approximately 20%. Consistent with the 2001 PCS auction, spectrum in Look’s service areas was the most expensive where eight of the top ten high bids were for licences in Ontario and Québec:

Rank	Block	Service Area	High Bid (in millions)	Size (MHz)	Price/MHz/POP
1	F	Toronto	\$314	20	\$2.79
2	B	Southern Ontario	\$279	20	\$1.58
3	A	Toronto	\$235	20	\$2.08
4	F	Montreal	\$234	20	\$3.09
5	A	Montreal	\$192	20	\$2.54
6	B	Southern Québec	\$168	20	\$1.63
7	C	Southern Ontario	\$131	10	\$1.49
8	E	Montreal	\$128	10	\$3.38
9	A	Vancouver	\$117	20	\$2.53
10	F	Vancouver	\$117	20	\$2.53

6. OVERVIEW OF GOVERNMENT REGULATION AND REGULATORY DEVELOPMENTS

Industry Canada

The awarding of spectrum and licences for data services in Canada are under the jurisdiction of Industry Canada, a department of the Government of Canada. Industry Canada is responsible for telecommunications policy in Canada and has specific jurisdiction under the Radio Communication Act (Canada) to establish radio licensing policy and award radio licences for radio frequencies that are required to operate wireless communications systems.

In May 2004, Industry Canada issued a discussion paper on the re-farming of the Multipoint Communications System (MCS) and Multipoint Distribution System (MDS) spectrum in the 2500 – 2690 MHz band. The purpose of the paper was to solicit input from the Company and others who are interested in the future uses of this band for both digital broadcasting and broadband wireless access. At approximately the same time, the Federal Communications Commission in the United States issued a Report and Order that substantially restructured this band in the United States. The Company responded to the Industry Canada discussion paper and recommended that Canada adopt a policy that would provide alignment with the United States spectrum allocations and uses.

On March 30, 2006, Industry Canada published Gazette Notice DGTP-002-06 – Policy Provisions for the Band 2500 – 2690 MHz to Facilitate Mobile Services. In the notice, Industry Canada reconfirmed its allocation of mobile services to the band and stated that it would harmonize the spectrum with the United States band plan at some future date. In the period up to August 2011, Look may continue to operate its video and Internet services. Look may, at any time, also apply to Industry Canada for permission to use two-way mobile broadband services in the band. This will require Industry Canada to implement the new band plan and Look would have to return 31 MHz of spectrum (2657 – 2686 and 2688 – 2690 MHz) to Industry Canada. The new policy clearly confirms Look’s position as an MDS Broadcaster and provides additional options for the future development of Look, if it so chooses.

In June 2007, Industry Canada released a new Spectrum Policy Framework, the policy foundation for the management of spectrum. It provided the following overview of spectrum:

“The radio frequency spectrum is a unique resource from which all aspects of society benefit. It provides access for Canadians to a range of private, commercial, consumer, defence, national security, scientific and public safety applications. The radio frequency spectrum is divided into different bands which are used by a variety of communications services including - broadcasting, cellular, satellite, public safety, and two-way radio. It is the only resource that can support practical wireless communications in every day situations. The Department recognizes that there are a number of factors, such as rapidly evolving technology, changing market demands, globalization, and an increased focus on public safety and security, which need to be taken into account in an effective spectrum management program.”

The Framework was based upon “the importance of relying on market forces in spectrum management, to the maximum extent feasible”, a principle that the Company endorses.

Canadian Radio-television and Telecommunications Commission (CRTC)

Canadian broadcast undertakings, including Look, are regulated by the CRTC pursuant to and in accordance with requirements of the Broadcast Act (Canada) (the "Act"). Under the Act, the CRTC regulates all broadcasters in Canada, including over-the-air broadcasters, MDS providers such as Look, cable TV operators and satellite TV operators. Look's licence was extended in August 2004 for another seven years to 2011. Its coverage areas in Ontario and Québec include the major metropolitan markets of Toronto, Montreal, Hamilton, Trois-Rivières, Ottawa, and many other cities from London to Québec City.

As a follow-up announcement to the Industry Canada Notice published on March 30, 2006, on April 12, 2006 the CRTC confirmed in its Notice 2006-47 entitled "Regulatory Framework for Mobile Television Broadcasting Services" that Mobile TV services can be offered by Look under its existing licence. The CRTC went on to request comments on its proposed exemption from regulation relating to any broadcasting to any mobile devices.

7. SIGNIFICANT ACCOUNTING POLICIES

Management's discussion and analysis of operating results and financial condition are made with reference to the Company's interim unaudited consolidated financial statements and notes thereto, which have been prepared in accordance with Canadian GAAP.

The Company has identified the accounting policies and estimates in note 2 to its 2008 annual audited consolidated financial statements and notes 1 and 2 to its interim unaudited consolidated financial statements for the three months ended November 30, 2008 as critical to the understanding of its business operations. Where deemed significant, the impact and any associated risks related to these policies on its business operations are discussed throughout this MD&A.

The Audit and Corporate Governance Committee of the Board of Directors reviews the Company's accounting policies as well as all quarterly and annual filings and recommends the eventual approval of the Company's quarterly and annual financial statements to the Company's Board of Directors.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, the AcSB confirmed in February 2008 that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. As the Company will be required to report its results in accordance with IFRS starting in 2011, the potential impacts of this changeover are currently being assessed and, accordingly, a plan is being developed.

Changes in Accounting Policies

(i) Financial instruments – presentation and disclosures:

In December 2006, the CICA issued Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, which supersedes Section 3861, Financial Instruments - Disclosure and Presentation. Section 3862 places an increased emphasis on disclosures about the risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

Section 3862 requires disclosures, by class of financial instrument that enables users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value.

In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how net income and other comprehensive income would have been affected by reasonably possible changes in the relevant risk variable. Section 3863, Financial Instruments - Presentation, carries forward the existing requirements on presentation of financial instruments.

These new standards were adopted by the Company on September 1, 2008 and did not have a material impact on the classification and valuation of the Company's financial instruments. These new disclosures are included in note 16 to the interim unaudited consolidated financial statements for the three months ended November 30, 2008.

(ii) Capital disclosures:

In December 2006, the Accounting Standards Board ("AcSB") issued Section 1535, Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed. This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The Company adopted this standard on September 1, 2008, and the resulting disclosures are included in note 15 to the interim unaudited consolidated financial statements for the three months ended November 30, 2008.

(iii) Inventory:

In June 2007, the AcSB issued Section 3031, Inventories, which replaces Section 3030, Inventories. The standard revises guidance on the determination of cost, recognition and subsequent measurement and disclosures of inventory. The Company adopted this standard on September 1, 2008 without a material impact to its financial statements.

8. KEY PERFORMANCE INDICATORS

The Company measures the success of its strategies using a number of key performance indicators, as outlined below:

Subscriber Counts

The Company determines the number of subscribers of its services based on active subscribers at reporting dates. When subscribers are deactivated either voluntarily or involuntarily for non-payment, they are considered to be deactivations in the period the services are discontinued.

The Company reports subscribers in three categories: Broadcast Services, Internet Services, and Other Services. Broadcast Services include customers subscribing to the provision of digital television services. Internet Services include Dial-Up and High Speed wireline and wireless Internet access. Other Services include hosting and co-location. The Company monitors the number of subscribers of its services as an indicator of future revenue to be used in fiscal planning (See the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business").

Subscriber Churn

Subscriber churn is calculated on a monthly basis. For any particular month, subscriber churn represents the number of subscribers deactivated in the month divided by the aggregate number of subscribers at the beginning of the month. When used or reported for a period greater than one month, subscriber churn represents the monthly average of the subscriber churn for each of the months in the period. The Company uses subscriber churn as a measure of its success in retaining its subscriber base. The churned subscribers resulting from the sale of the web hosting and domain name business are excluded from the Other Services churn calculation (See the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business").

Service Revenue

Service revenue is total revenue less revenue received from the sale and installation of equipment. The sale of such equipment does not materially affect the Company's operating income as the Company generally sells equipment to its subscribers at a price approximating its cost to facilitate competitive pricing. Accordingly, the Company believes that service revenue is a more meaningful metric to examine fluctuations in gross margin.

Average Revenue per User (ARPU)

ARPU is calculated on a monthly basis. For any particular month, ARPU represents monthly network revenue divided by the average number of subscribers during the month. ARPU, when used in connection with a particular type of subscriber, represents monthly service revenue generated from these subscribers divided by the average number of these subscribers during the month. When used or reported for a period greater than one month, ARPU represents the monthly average of the ARPU calculations for each of the months in the period. The Company believes that ARPU helps indicate whether the Company has been successful in attracting and retaining higher value subscribers.

Carrier Charges and Cost of Sales

Carrier charges and cost of sales include the costs of programming for Broadcast Services, distribution costs for programming to transmitter sites, data distribution on common carriers (telephone companies) for Internet Services, Other Services, customer premise equipment, and installation costs. Programming costs include the service fees paid to networks and other distributors to obtain the video and audio signals for distribution to subscribers. While most of the cost of data distribution and Other Services vary with the number of subscribers, programming costs vary directly with both the number of channels carried and the number of subscribers receiving those channels.

Gross Margin Percentage

The Company calculates gross margin percentage by dividing gross margin, excluding equipment and installations, by service revenue. Service revenue is used in the calculation, instead of total revenue, because service revenue excludes the impact of the sale and installation of equipment, which is generally sold at a price that approximates cost. As a result, gross margin percentage better reflects the Company's core service activities.

Cost of Acquisition per Subscriber (COA)

COA, which is also often referred to in the wireless communications industry as "subscriber acquisition cost" or "cost per gross addition", is calculated by dividing total sales and marketing operating expenses for the period by the total number of gross subscriber activations. Subscriber activations include Broadcast Services, Internet Services, web-hosting, and co-location activations. The Company feels that COA is indicative of its ability to efficiently attract new customers.

Earnings Before Interest Expenses, Income Taxes, Depreciation, and Amortization (EBITDA)

EBITDA is defined by the Company as earnings from continuing operations before net interest expenses, income taxes, depreciation, amortization, and gain/loss on disposition of property and equipment. EBITDA is a common measure used in the communications industry to assist in understanding and comparing operating results and is often referred to by our peers and competitors as operating profit or OIBDA (operating income before depreciation and amortization). 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 and is unlikely to be comparable to similar measures presented by other issuers, it may not be considered in isolation of GAAP measures such as (1) loss and comprehensive loss, as an indicator of operating performance or (2) cash flows from operating, investing, and financing activities, as a measure of liquidity. We believe, however, that it is an important measure as it allows us to assess our ongoing business without the impact of depreciation or amortization expenses as well as non-operating factors. It is intended to indicate the Company's ability to incur or service debt and invest in property and equipment.

9. RESULTS OF OPERATIONS

Highlights of the results for the three months ended November 30, 2008 include the following:

- For the three months ended November 30, 2008, service revenue from continuing operations was \$3,537 compared to \$4,453 for the three months ended November 30, 2007. Gross margin from continuing operations decreased from 48.3% to 46.5% in the quarter partly as a result of non-recurring adjustments to telecommunications and programming-related costs and certain components of cost of sales that are fixed in nature.
- Overall ARPU increased by \$0.78 or 2.2% to \$36.66 during the three months ended November 30, 2008 relative to the same period in fiscal 2008.
- Look's subscriber base was 27,785 at November 30, 2008 compared to 47,881 at November 30, 2007. The decrease in subscribers resulted primarily from the sale of the web hosting and domain name business (See the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business").
- For the three months ended November 30, 2008, EBITDA was negative \$1,783 compared to EBITDA of negative \$1,485 for the comparable period ended November 30, 2007. (See the section entitled "Earnings Before Interest Expenses, Income Taxes, Depreciation, and Amortization ["EBITDA"]" for a reconciliation of EBITDA to loss from continuing operations).
- For the three months ended November 30, 2008, the Company recognized income and comprehensive income of \$1,549 or \$0.01 per share compared to a loss and comprehensive loss of \$1,295 or \$0.01 per share for the same period one year prior, mainly as a result of the gain on the sale of the web hosting and domain name business.

Continuing Operations

The loss from continuing operations for the quarter ended November 30, 2008 was \$2,982 or \$0.03 per common share, compared with the loss from continuing operations of \$1,584 or \$0.01 for the quarter ended November 30, 2007, mainly as a result of the Company absorbing all of Look's losses from continuing operations in the quarter (refer to the subsection on non-controlling interest below for more details).

The service and sales revenue, cost of sales and gross margin percentage by segment for the reporting periods are tabled below:

Service	Three months ended November 30, 2008			Three months ended November 30, 2007		
	Revenue	Cost of Sales	Gross Margin	Revenue	Cost of Sales	Gross Margin
Broadcast services	\$1,796	\$1,058	41.1%	\$2,356	\$1,372	41.8%
Internet services	1,702	823	51.6%	2,072	915	55.8%
Other services	39	10	74.4%	25	14	44.0%
Total service	3,537	1,891	46.5%	4,453	2,301	48.3%
Sales and installations	51	49		74	65	
Total	\$3,588	\$1,940		\$4,527	\$2,366	

Total Revenue and Gross Margin

Total revenue from continuing operations for the three months ended November 30, 2008 of \$3,588 was \$939 or 20.7% lower than the comparable period in fiscal 2008. This was due primarily to the net loss of Broadcast Services and Dial-Up subscribers.

Gross margin for the three months ended November 30, 2008 declined to 46.5% (2007 – 48.3%). This was due primarily to certain components of cost of sales that were fixed in nature and was partly offset by, amongst other things, timely fee increases and the cost savings obtained through the re-negotiation of certain supplier contracts.

Broadcast Services Revenue and Gross Margin

The decrease in Broadcast Services revenue for the three months ended November 30, 2008 of \$560 or 23.8% over the same period in fiscal 2008 was a result of a lower subscriber base. This was due largely to the very aggressive competition in this sector and a low level of marketing activity for new subscribers by Look. Gross margin for the three months ended November 30, 2008 decreased to 41.1% (2007 – 41.8%) due primarily to general increases in the cost of programming services.

Internet Services Revenue and Gross Margin

Internet Services revenue for the three months ended November 30, 2008 declined by \$370 or 17.9% over the comparable period ended one year prior due primarily to a decrease in the number of Dial-Up subscribers. Of the revenue from Internet Services, revenue from Dial-Up accounted for \$526 in 2008 (2007 - \$743) while revenue from High Speed was \$1,176 (2007 - \$1,329). The decrease in Internet Services revenue resulted from the continued migration of Dial-Up subscribers to High Speed products and the loss of some High Speed bundled subscribers who discontinued service as a result of the aggressive product bundling implemented by Look's competitors.

Internet Services gross margin for the three months ended November 30, 2008 declined to 51.6% (2007 – 55.8%) primarily as a result of the fixed nature of certain components of cost of sales which were partially offset by the Company's active management and renegotiation of supplier contracts.

Other Services Revenue and Gross Margin

Revenue from the continuing operation of Other Services for the three months ended November 30, 2008 increased by \$14, or 56% over the comparable period in fiscal 2008.

Sales and Installation Revenue

Revenue derived from Sales and Installations for the three months ended November 30, 2008 decreased by \$23, or 31.1%. This decline was the result of, amongst other things, a general reduction in new installations during the first quarter of fiscal 2009 relative to the same quarter one year prior.

Subscriber Statistics

	Three months ended November 30, 2008	Three months ended November 30, 2007	% Change
Broadcast Services			
Gross additions	351	1,096	(68.0%)
Net reductions	(761)	(843)	9.7%
Total subscribers	10,971	14,513	(24.4%)
ARPU	\$52.54	\$51.75	1.5%
Churn	3.2%	4.2%	1.0%
Internet Services			
High Speed Services			
Gross additions	277	571	(51.5%)
Net reductions	(329)	(795)	58.6%
Total subscribers	7,650	9,255	(17.3%)
ARPU	\$50.12	\$46.28	8.3%
Churn	2.6%	4.7%	2.1%
Dial-Up Services			
Gross additions	119	336	(64.6%)
Net reductions	(962)	(2,233)	56.9%
Total subscribers	9,160	12,993	(29.5%)
ARPU	\$18.21	\$17.92	1.6%
Churn	3.7%	5.9%	2.2%
Total Internet Services			
Gross additions	396	907	(56.3%)
Net reductions	(1,291)	(3,028)	57.4%
Total subscribers	16,810	22,248	(24.4%)
ARPU	\$32.51	\$29.52	10.1%
Churn	3.2%	5.4%	2.2%
Other Services			
Gross additions	275	644	(57.3%)
Net reductions	(10,634)	(78)	(13,533.3%)
Total subscribers	4	11,120	(~100.0%)
ARPU	\$129.02	\$21.10	511.5%
Churn	1.5%	2.2%	0.7%
Grand Total			
Gross additions	1,022	2,647	(61.4%)
Net reductions	(12,686)	(3,949)	(221.2%)
Total subscribers	27,785	47,881	(42.0%)
ARPU	\$36.66	\$35.88	2.2%
Churn	2.7%	4.4%	1.7%

See section 8 for an explanation of how the above statistics are calculated and utilized by the Company.

Total Subscribers and ARPU

The decrease in subscribers for the three months ended November 30, 2008 of 12,686 or 31.3% was driven primarily by the sale of the hosting and domain name business which accounted for a decline in excess of 10,000 subscribers (see the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business"). The remainder of the decrease was due largely to the continuing decline of our residential and business Dial-Up subscribers, the loss of video subscribers, and the loss of some High Speed subscribers due to the aggressive product bundling by Look's competitors. Look has also minimized the use of marketing campaigns that have historically proven to be very expensive and ineffective.

For the three months ended November 30, 2008, total ARPU was \$36.66 (2007 - \$35.88) representing an increase of 2.2%.

Broadcast Subscribers and ARPU

Broadcast subscribers totalled 10,971 at November 30, 2008 representing a decrease of 761 or 6.5% for the quarter. Of the 10,971 subscribers, 3,716 represented subscribers in multiple-unit dwellings and 7,255 were subscribers in single family homes. The number of subscribers continued to decline during the three months ended November 30, 2008 as a result of a low level of sales and marketing activities by Look and aggressive bundling campaigns by the competition. ARPU for the three months ended November 30, 2008, increased moderately to \$52.54 (2007 – \$51.75).

For the three months ended November 30, 2008, Broadcast Services subscriber churn was an average of 3.2% compared with 4.2% for the same period one year prior.

Internet Subscribers and ARPU

Internet subscribers totalled 16,810 at November 30, 2008 representing a decrease of 1,291 or 7.1% for the quarter. The decrease was primarily in the residential Dial-Up subscriber base which lost 961 subscribers in the quarter reflecting a continuous customer migration to higher speed products.

ARPU on Internet Services was \$32.51 for the three months ended November 30, 2008 (2007 - \$29.52) as a result of an increase in both Dial-Up and High Speed ARPU to \$18.21 (2007 - \$17.92) and \$50.12 (2007 - \$46.28) respectively. The increases in ARPU were driven both by price increases implemented during fiscal 2008 as well as a relative shift to higher value services.

Other Services Subscribers and ARPU

Other Services subscribers totalled four at November 30, 2008 representing a decrease of 10,634 or approximately 100% for the quarter due to the sale of the web hosting and domain name business (see the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business"). Look also recorded sales of 4,235 domain names during the quarter prior to the sale of the business (three months ended November 30, 2007 – 7,051).

ARPU on Other Services for the three months ended November 30, 2008 averaged \$129.02 (2007 - \$21.10). The increase in ARPU was attributable primarily to the higher-value product mix of co-location subscribers that remained once the web hosting and domain name business was sold.

Operating Expenses

	Three months ended November 30, 2008	Percentage of service revenue	Three months ended November 30, 2007	Percentage of service revenue
Marketing and sales	\$ 1	~0.0%	\$ 18	0.4%
Customer care	345	9.8%	402	9.0%
Engineering and operations	699	19.8%	733	16.5%
General and administration	2,386	67.5%	2,493	56.0%
Total before amortization of property and equipment and deferred charges	3,431	97.1%	3,646	81.9%
Amortization of property and equipment and deferred charges	1,156	32.6%	1,275	28.6%
Total operating expenses	\$4,587	129.7%	\$4,921	110.5%

Marketing and Sales

Marketing and Sales expenses include the costs of media and other advertising fees for direct sales agencies, direct marketing costs, costs of producing and distributing product media, and commissions on retail sales.

For the three months ended November 30, 2008, marketing and sales expenses were \$1 which was a negligible percentage of service revenue, compared to \$18, or 0.4% of service revenue for the comparable period one year prior as Look has limited the use of advertising campaigns and focused on the retention of its high-value subscribers.

For the three months ended November 30, 2008, the cost of acquisition per subscriber ("COA") was \$0.98 compared with \$6.80 for the three months ended November 30, 2007.

Customer Care

Customer care expenses are primarily salaries and benefits associated with the operation of the call center for both technical and service support.

For the three months ended November 30, 2008, customer care expenses declined by \$57 to \$345, or 9.8% of service revenue compared to \$402 or 9.0% of service revenue for the three months ended November 30, 2007.

As a percentage of revenue, customer care expenses increased slightly for the three months ended November 30, 2008 reflecting certain fixed components of maintaining a customer focus in Look's call centre operations relative to a declining service revenue base.

Engineering and Operations

Engineering and operations expenses in Look's digital broadcast television distribution activities include the costs associated with operating and maintaining the broadcast distribution head-end facilities where television and audio signals are received, digitally encoded, and distributed to transmission sites. These expenses also include costs related to the network and transmission towers through which digital signals are transmitted via microwave to subscribers and the costs of providing services to the subscribers.

Engineering and operations expenses in Look's Internet Services activities consist primarily of the costs of the telecommunications facilities necessary to provide service to subscribers and the operation and maintenance of network servers. Telecommunications facilities costs include: (i) the costs of providing local telephone lines into each Company-owned point of presence; (ii) the cost of leased lines into non-Company owned ports and related facilities charges; and (iii) the cost of connecting the Company's hub to the Internet backbone. Network server costs include the costs of contracts for software and hardware support with third parties.

For the three months ended November 30, 2008, engineering and operations expenses declined to \$699 or 19.8% of service revenue, compared to \$733 or 16.5% of service revenue for the three months ended November 30, 2007.

The reductions, totalling \$34, resulted primarily from efficiencies attained in servicing Look's existing subscriber base and the continued focus on cost management.

General and Administration

General and administration expenses include administrative salaries, human resources, general occupancy, information technology, professional fees and other administrative overheads for the Company. Costs relating to information technology, that comprise the development and maintenance of Look's customer service and billing systems, are also included. Some of these costs are variable and fluctuate with changes in the customer base.

A summary of the key components in general and administration expenses is set out below:

	Three months ended November 30, 2008	Three months ended November 30, 2007
Compensation and benefits	\$ 954	\$ 1,187
Professional fees	1,009	790
Office and general	423	516
Total general and administrative expenses	\$ 2,386	\$ 2,493

For the three months ended November 30, 2008, general and administration expenses were \$2,386 or 67.5% of service revenue, compared to \$2,493 or 56.0% of service revenue for the three months ended November 30, 2007. The total general and administrative expenses remained relatively stable with decreases in both office and general expenses and compensation costs being offset by an increase in professional fees related to, amongst other things, the action that Look is pursuing against Bell Canada (See the section entitled "Commitments and Contingencies") and Look's Plan of Arrangement (see the section entitled "Overview – Significant Current Events – Plan of Arrangement").

Amortization of Property and Equipment and Deferred Charges

For the three months ended November 30, 2008, amortization of property and equipment was \$1,147 (2007 - \$1,262) and amortization of deferred financing charges totalled \$9 (2007 - \$13).

Interest and Financing Charges

Three months ended November 30	2008	2007
Accretion charges on liability component of convertible debenture	\$ (30)	\$ (39)
Interest and finance charges	(51)	(50)
Interest received	36	98
Total	\$ (45)	\$ 9

For the three months ended November 30, 2008, \$30 (2007 – \$39) was recorded as the accretion on the liability component of the convertible debentures and \$51 (2007 – \$50) was recorded in interest expense on mortgage financing, supplier-financed credit facilities, other liabilities, capital lease obligations, and financing fees. The interest and financing charges were partially offset by \$36 (2007 – \$98) in interest income recognized on liquid assets. The decrease in interest income was driven primarily by a reduction in the principal amount of cash and by a lower overall rate of interest earned.

Non-controlling interest

Non-controlling interest in the consolidated balance sheets of the Company represents the non-controlling interest in the equity of Look and the non-controlling interest's equity component of convertible debentures in Look. Reported losses by Look are allocated to the non-controlling interest at 49% but are limited to the extent of any remaining non-controlling interest in the equity of Look. During the third quarter of fiscal 2008, the non-controlling interest in Look's equity was eliminated and the Company absorbed almost all of the losses incurred by Look in the third and fourth quarters, resulting in an increase of \$1,717 in the reported loss from continuing operations in fiscal 2008. Since the non-controlling interest in the equity of Look has been eliminated, subject to any further increases in the non-controlling interest in Look resulting from, amongst other things, conversions by Look's debenture holders and payment by Look of interest in subordinate voting shares, all future losses of Look will be fully absorbed by the Company. Subsequent earnings, if any, recorded by Look, will be allocated entirely to the Company's interest until such previously fully absorbed losses are recovered. In the first quarter of fiscal 2009, as a result of the sale of its web hosting and domain name business, Look made a profit of \$1,799, which was allocated in its entirety to the Company's interest in Look.

Discontinued Operations

During the quarter, Look sold its web hosting and domain name business. As a result, Look segregated the results of operations in respect of this business for the first quarter of fiscal 2008 to present the contribution from this segment of its business in discontinued operations. This amounted to \$331 and \$567 for the quarters ended November 30, 2008 and 2007, respectively. In addition, the gain on sale of the web hosting and domain name business totalling \$4,200 was included in discontinued operations. There were no transactions in either quarter related to the sale of the E&M Business.

Income/loss and comprehensive income/loss for the year

The income and comprehensive income for the three months ended November 30, 2008 amounted to \$1,549 or \$0.01 per share compared with a loss and comprehensive loss of \$1,295 or \$0.01 for the three months ended November 30, 2007. The income in the quarter is a result of the gain on the sale of the web hosting and domain name business. (see the sections entitled “Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business” and “Results of Operations – Service Revenue”).

11. EARNINGS BEFORE INTEREST EXPENSES, INCOME TAXES, DEPRECIATION AND AMORTIZATION (“EBITDA”)

The following table reconciles the loss from continuing operations to EBITDA, as defined in section 8, for the respective periods as determined under GAAP:

Three months ended November 30	2008	2007
Loss from continuing operations	\$ (2,982)	\$ (1,584)
Non-controlling interest, continuing operations	-	(1,167)
Amortization of property and equipment	1,147	1,262
Accretion on liability component of convertible debentures	30	39
Amortization of deferred charges	9	13
Net interest and financing charges	15	(48)
(Gain)/Loss on disposition of property and equipment	(2)	-
EBITDA*	\$ (1,783)	\$ (1,485)

*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) loss and comprehensive loss, as an indicator of operating performance or (2) cash flows from operating, investing, and financing activities, as a measure of liquidity. We believe, however, that it is an important measure as it allows us to assess our ongoing business without the impact of depreciation or amortization expenses as well as non-operating factors. It is intended to indicate our ability to incur or service debt and invest in property and equipment while allowing us to compare our business to our peers and competitors. This measure is not a defined term under Canadian GAAP and might not be comparable to similar measures presented by other issuers.

12. QUARTERLY FINANCIAL RESULTS

The key quarterly results for the last eight quarters set out in the table below have been reclassified as a result of the sale by Look of its web hosting and domain name business during the first quarter of fiscal 2009, as:

Fiscal Year	2007			2008			2009	
	Quarter ended	Feb 28	May 31	Aug 31	Nov 30	Feb 29	May 31	Aug 31
Service and sales revenue ¹	\$5,370	\$5,049	\$4,732	\$4,527	\$4,357	\$4,095	\$3,904	\$3,588
Gross Margin ¹	2,645	2,614	2,537	2,366	2,349	2,280	2,092	1,940
Operating expenses before amortization and impairment	(4,427)	(3,862)	(3,782)	(3,646)	(3,440)	(3,105)	(3,890)	(3,431)
Continuing Operations								
Income/(Loss) for the period ¹	(1,907)	(1,415)	73	(1,584)	(1,567)	(2,487)	(3,460)	(2,982)
Non controlling interest ¹	(372)	(618)	(3316)	(611)	(648)	(113)	101	-
Net interest, income taxes, depreciation, amortizations, and impairment	1,167	1,196	2,214 ²	1,266	1,347	1,386	1,281	1,199
EBITDA ¹	(1,112)	(836)	(1,028)	(929)	(869)	(1,214)	(2078)	(1,783)
Discontinued Operations								
Income for the period ¹	307	308	291	289	293	508	517	4,531 ³
Loss per share ⁴ – continuing operations	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.03)	(0.03)
Loss per share ⁴ – discontinued operations	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.04
Loss per share ⁴ – total	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.03)	0.01

¹ Revenue, carrier charges and cost of sales, gross margin, and income (loss) for the period include items from continuing operations only. Revenue, carrier charges and cost of sales and gross margins from discontinued operations are restated due to the sale by Look of its web hosting and domain name business during the first quarter of fiscal 2009 (See the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business").

² During the fourth quarter of Fiscal 2007, the Company recorded an impairment of its property and equipment in the amount of \$1,037.

³ The gain from the sale of the web hosting and domain name business of \$4,200 is included in discontinued operations.

⁴ Loss per share is basic and diluted.

Dial-Up revenue has declined significantly over the past year. For the three months ended November 30, 2007, Dial-Up revenue was \$743 and represented 16.7% of total service revenue from continuing operations of Look. For the three months ended November 30, 2008, Dial-Up revenue had declined to \$526 or 14.9% of total service revenue from continuing operations. Look is able to offer alternatives such as wireless access products and DSL to subscribers in Ontario and Québec and is therefore able to retain some subscribers wishing to migrate to high speed Internet access. Look, however, is not able to offer any alternative high speed products in Western Canada where Look has lost a significant number of migrating subscribers. Broadcast revenue has declined by \$560 or 23.8% relative to fiscal 2008 and now represents 50.8% of service revenue (2007 – 52.9% of service revenue) primarily as a result of a 24.4% decline in the subscriber base.

In order to align operating costs with declining subscriber numbers, all departments have been impacted by internal restructurings that have occurred from time to time over the past five years. Full-time equivalent employees have been reduced from 299 at August 31, 2003 to 68 at November 30, 2008 which, together with renegotiated contracts and reduced sales and marketing, are the key components of the reduction in operating expenses.

Income from discontinued operations represents the gross margin from the web hosting and domain name business.

13. LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of \$5,557 at November 30, 2008 compared with cash and cash equivalents of \$5,168 at August 31, 2008. Cash equivalents at November 30, 2008 amounted to \$844 (August 31, 2007 - \$1,454) and consisted of short-term guaranteed investment certificates and bankers acceptances with original maturities of less than 90 days.

The changes in cash and cash equivalents are summarized as follows:

Cash flows provided by (used in):	Three months ended November 30, 2008	Three months ended November 30, 2007
Operating activities – continuing operations	\$ (2,076)	\$ (1,017)
Operating activities – discontinued operations	507	(1,157)
Cash flows used in operating activities	(1,569)	(2,174)
Cash flows used in financing activities	-	(8)
Cash flows from investing activities	1,958	-
Increase/(decrease) in cash and cash equivalents	\$ 389	\$ (2,182)

Cash used in continuing operations for the three months ended November 30, 2008 was \$2,076 compared to \$1,017 for the comparative period in fiscal 2008. This was largely due to changes in operating working capital, the payments to Bell Canada (see section entitled “Contingencies”) and the Company’s negative EBITDA. The cash provided by discontinued operations pertained to the sale of the web hosting and domain name business. The cash used in discontinued operations in the first quarter of fiscal 2008 related to the settlement of the Danish claim.

There was no cash used in financing activities for the three months ended November 30, 2008, however, \$8 was used in the comparable period in fiscal 2008 related to the repayment of obligations under capital leases.

For the three months ended November 30, 2008, \$1,958 of cash was provided by investing activities. This resulted primarily from the proceeds of sale from the web hosting and domain name business of \$2,150 (see the section entitled “Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business”).

As at November 30, 2008, the Company had contractual obligations that require future payments as follows:

	Total	2009	2010	2011	2012	2013	Thereafter
Mortgage payable	\$1,791	1,791	-	-	-	-	-
Operating leases	\$1,799	401	503	411	355	129	-

The mortgage payable bears interest at 10.5% per annum and matures on August 21, 2009. The mortgage is collateralized by a general security agreement over the assets at Look's Milton, Ontario premises, and a first legal charge over the land and building of Look.

On May 19, 2004, UBS and Look entered into an agreement under which UBS is providing Look with a wide range of services designed to maximize Look's full commercial potential. Under the terms of the agreement, Look is required to pay UBS an annual fee of \$2,400. UBS received, in September 2007, in advance, an annual fee of \$2,400. On a 12-month rolling basis, Look has maintained this fee. Look may, from time to time, recognize the performance of UBS in the form of cash bonus payments, direct grant of treasury shares of Look, or options for the purchase of subordinate voting shares from treasury. All options shall conform to Look's stock option plan. Look shall also reimburse UBS for certain expenses and disbursements incurred in respect of the agreement and the services provided by UBS.

The initial term of the agreement is for a moving three-year period commencing on May 19, 2004 (the "execution date"). On each anniversary of the execution date, the term will automatically recommence unless, prior to an annual anniversary, Look's Board of Directors has communicated in writing to UBS its intent that the agreement not recommence, in which event, the agreement expires on the completion of the remaining term.

Pursuant to CRTC regulation, Look is required to make annual contributions to the Canadian Television Fund ("CTF"), which is a cable industry fund designed to foster the production of Canadian television programming. Contributions to the CTF are based on a formula, including gross broadcast revenue and the number of subscribers. Look may elect to spend a portion of the above amount for local television programming and may also elect to contribute a portion to another CRTC approved independent production fund. Look estimates that its total contributions to the CTF and CRTC for fiscal 2009 will amount to approximately \$350.

The environment in which the Company operates is characterized by continuing turmoil in the capital markets and continuing uncertainty in the telecommunications landscape in Canada, caused by, amongst other things, the AWS spectrum auction, which is likely to result in the introduction of new competitors, and the rapid technological changes. The Company expects that, over time as Look's subscriber base continues to decline, the fixed component of the costs associated with producing its various services will represent an ever increasing portion of its total costs. The Company expects that it will need to raise cash in order to meet the needs of its existing operations beyond fiscal 2009. This requirement and timing for capital may be adversely impacted by, amongst other things, a lack of available financing through traditional banking sources, the outcome of the contingencies (see section entitled "Commitments and Contingencies"), a faster rate of decline in subscribers than experienced during fiscal 2008 and negative pressure on ARPU. In order to alleviate this cash requirement, the Company will continue to seek any and all ways to obtain financing through, amongst other things, partnering arrangements, debt and equity partners, the sale of certain subscribers, arrangements involving some or all of Look's spectrum and rights offerings to existing shareholders. Significant external funds will, however, be required to rollout the M³ network to achieve Look's mission of being an M³ communications, information and entertainment service provider throughout the Windsor to Québec City corridor.

In order to maximize the value of Look's assets and, in turn, the value to the Company's shareholders, Look has commenced a process for the orderly sale of some or all, in whole or in part, of its assets (see the section entitled "Overview – Significant Current Events – Plan of Arrangement").

The Company's working capital deficiency at November 30, 2008 was \$10,775 compared with \$13,429 at August 31, 2008. The change in working capital deficiency is related to, amongst other things, the increase in cash and accounts receivable related to the sale of the web hosting and domain name business and the related relief of the unearned web hosting revenue (see the section entitled "Overview – Significant Current Events – Sale of Web Hosting and Domain Name Business"), which were partially offset by the negative EBITDA incurred by the Company in the quarter.

The foregoing includes forward looking information that is subject to risks and uncertainties described under the "Operating Risks and Uncertainties" section below. No assurance can be given that the Company will be able to achieve these results or raise capital given the existing market conditions in both Canada and the United States and the continuing restriction on foreign ownership.

14. SHARE CAPITAL

As at November 30, 2008 and 2007, UBS had issued 91,442,522 Common Shares and 11,305,332 Class A Non-Voting Shares for total issued shares of 102,747,854. As at November 30, 2008 there were options outstanding to acquire 16,224,000 Common Shares of UBS (August 31, 2008 - 15,974,000). There were no changes to the issued shares and options to acquire common shares at January 27, 2009.

During the three months ended November 30, 2008, UBS recorded stock based compensation expense of \$7 (2007 - Nil) related to options issued to employees and \$58 (2007 - \$225) related to options issued to non-employees, with a corresponding amount having been recorded in contributed surplus.

15. COMMITMENTS AND CONTINGENCIES

(a) Commitments:

- (i) Pursuant to CRTC regulation, Look is required to make annual contributions to the Canadian Television Fund ("CTF"), which is a cable industry fund designed to foster the production of Canadian television programming. Contributions to the CTF are based on a formula, including gross broadcast revenue and the number of subscribers. Look may elect to spend a portion of the above amount for local television programming and may also elect to contribute a portion to another CRTC-approved independent production fund. Look estimates that its total contributions to the CTF and CRTC for 2009 will amount to approximately \$350.

(b) Contingencies:

(i) Claim for damages against Inukshuk et al.:

On January 16, 2003, UBS Wireless entered into a signed Right of Use Agreement (the "Agreement") with Inukshuk Internet Inc. ("Inukshuk"), a subsidiary of Microcell Telecommunications Inc. ("Microcell"), which would allow UBS to use the Multipoint Communications Systems ("MCS") spectrum licences held by Inukshuk within certain licence service areas. In addition, the Agreement gave UBS Wireless the right to match any binding, written irrevocable offer that Inukshuk was prepared to accept for the remaining MCS spectrum licenced to Inukshuk.

On November 19, 2003, Allstream Inc., Inukshuk and a USA company, NR Communications, LLC announced a joint venture for the use and development of 60 MHz of MCS spectrum. This MCS spectrum is part of the 98 MHz of spectrum licenced to Inukshuk, which is the subject matter of the Agreement.

On April 21, 2004, after attempting unsuccessfully to resolve issues related to the Agreement, UBS commenced legal action against Allstream Inc. (now MTS Allstream Inc.), Microcell Telecommunications Inc., Microcell Solutions Inc. and Inukshuk (wholly-owned subsidiaries of Microcell and now of Rogers Communications Inc. ("Rogers"), following its acquisition of Microcell in September 2004) (collectively the "Defendants"). The damages claimed are for, amongst other things, specific performance, breach of contract, breach of confidence and breach of fiduciary duty. Damages totaling \$160,000 and disgorgement of profits are claimed against each of the defendants as a result of their actions involving the Inukshuk spectrum. Statements of defence have been filed by the Defendants.

On September 16, 2005, Rogers and Bell Canada announced an agreement to jointly build and manage a Canada-wide wireless broadband network using the Inukshuk spectrum. Pursuant to this agreement, Rogers and Bell Canada were to transfer, amongst other things, the Inukshuk spectrum in the 2.5 GHz frequency range to the Inukshuk Wireless Partnership (the "Inukshuk Partnership").

On March 30, 2006, Industry Canada confirmed in a letter to Rogers and Bell Canada that barring unforeseen circumstances approval would be given to transfer the MCS licences from Inukshuk to the Inukshuk Partnership.

During fiscal 2007, UBS Wireless commenced proceedings to bring a motion to add the Inukshuk Partnership as a defendant to the original lawsuit. This motion was withdrawn and on August 22, 2007 UBS Wireless filed a statement of claim against the Inukshuk Partnership.

The statement of claim seeks, amongst other things, a mandatory order requiring the Partnership to return to Fido Solutions Inc. ("Fido", formerly Microcell Telecommunications Inc.) any and all rights or licences to use or exploit the MCS spectrum and such other, interim, interlocutory or final relief as may be necessary to enable Fido to comply with any order requiring the specific performance of certain obligations to UBS Wireless.

On April 3 and 4, 2008, the Ontario Superior Court of Justice heard a motion brought by the Inukshuk Partnership, with Fido intervening in support, to dismiss the action against the Inukshuk Partnership filed by UBS Wireless on August 22, 2007. On May 1, 2008, the Ontario Superior Court of Justice dismissed this claim requiring the Inukshuk Partnership to return the MCS spectrum to the Rogers subsidiary if the Courts find in favour of UBS Wireless' claim in the 2004 litigation. UBS Wireless has commenced proceedings to appeal this decision by the Ontario Superior Court of Justice.

The assets and rights pursuant to the Agreement are significant to the Company's shareholders and as such UBS intends to vigorously pursue its rights.

(ii) Bell Canada:

In response to Bell Canada's April 10, 2007 "Notice of Intent to Disconnect" Look's services, on April 27, 2007, Look filed a statement of claim with the Ontario Superior Court of Justice against Bell Canada. Look claims damages in the aggregate amount of \$25,000 plus interest, costs, and any applicable taxes for, amongst other things, Bell Canada's breach of contract, misrepresentation, and unlawful interference with economic relations. Look is also seeking \$10,000 in aggravated and/or punitive damages.

On May 8, 2007, Look filed a notice of motion seeking Interim and Interlocutory Injunctions (the "Injunctions") preventing Bell Canada from terminating, reducing, restricting, or in any way interfering with the telecommunications services provided by Bell Canada to Look pending the final determination of the motion or until such other time as the Court may direct. The Injunctions were heard by the Ontario Superior Court of Justice on July 23, 2007 and granted on July 31, 2007. In light of the Injunctions granted, Look believes it will be able to carry on business in the normal course of operations.

The major Terms and Conditions of the Injunctions are as follows:

1. Look will pay Bell Canada \$360 per month from May 1, 2007;
2. Look may not encumber or transfer its spectrum licence without the consent of the Court; and
3. Bell Canada will pay Look's costs of the Injunctions.

Look is fully complying with the Terms and Conditions set forth by the Ontario Superior Court of Justice. Look will expeditiously continue to vigorously pursue its aforementioned statement of claim against Bell Canada.

On July 5, 2007, Bell Canada filed its statement of defence and counterclaim against Look claiming, amongst other things, damages for trade payables in the amount of \$13,689, damages in the amount of \$2,300 for credit notes improperly issued by Bell Canada, and \$1,000 in aggravated and/or punitive damages.

On March 18, 2008 Look was granted an Order from the Ontario Superior Court of Justice compelling Bell Canada to, amongst other things, deliver its Affidavit of Documents to Look by no later than October 1, 2008 (the "deadline"). Despite agreeing to a Court-imposed timetable on August 13, 2007 to exchange an Affidavit of Documents with Look by November 16, 2007, Bell Canada has failed to adhere to its obligations before the Ontario Superior Court of Justice prompting the action initiated by Look.

As such, Look obtained an Order from the Honourable Justice Spence that granted the following:

1. The Defendant, Bell Canada, deliver its sworn Affidavit of Documents by no later than the deadline;
2. Bell Canada is to continue reporting to the Ontario Superior Court of Justice on a monthly basis as to its progress in preparing its Affidavit of Documents, and that Bell Canada will provide the Corporation with a written report in advance of this monthly attendance outlining:
 - (a) The number of people who are reviewing the Bell Canada documents; and
 - (b) The number of documents reviewed during the month and the number of documents remaining to review; and
3. In the event that Bell Canada fails to deliver its Affidavit of Documents by the deadline, or if, in advance of the deadline, it is shown that the efforts Bell Canada is making will not likely allow it to meet the deadline, the Corporation may seek an order to reduce the \$360 per month payment to Bell Canada, or seek an order for such other relief as the Court may permit, after July 1, 2008 based on the reports from Bell Canada to that date and any other relevant material.

The legal outcome of the claims described herein may result in the obligation recognized as of November 30, 2008 being materially different, either positively or negatively, than the amount ultimately settled.

The hearing date for these actions has yet to be determined and the outcome of these actions cannot be predicted at this time.

These claims are significant to the Company's shareholders. In the Company's opinion, Bell Canada's counterclaim is without merit and Look intends to vigorously pursue its rights.

(iii) Craig Wireless International Inc.:

On February 19, 2004, Craig Wireless International Inc. ("Craig Wireless") filed a statement of claim against the Company before the Ontario Superior Court of Justice. In its action, Craig Wireless seeks numerous sanctions against the Company and other parties.

On May 4, 2004, the Company obtained an order from the Ontario Superior Court of Justice dismissing with prejudice the motion brought by Craig Wireless for, amongst other things, an injunction that would prevent UBS from voting its shares of Look and converting into common shares its convertible debentures pursuant to Look's February 2004 rights offering. At the same time, Craig Wireless also withdrew its challenge to the CRTC approval of UBS acquiring a controlling interest in Look.

Craig Wireless is still pursuing its claim that Look conducted its affairs in a manner that was oppressive and unfairly prejudicial to Craig Wireless and requests damages in the aggregate amount of \$12,000.

On October 27, 2006, the Ontario Superior Court of Justice heard a motion brought by Craig Wireless to amend its claim so as to add additional defendants. The Court denied Craig Wireless' motion on January 24, 2007 and awarded costs in favor of the Company. On October 31, 2008, the Company filed statements of defence. Subsequent to November 30, 2008, the Company consented to Craig Wireless filing an amended statement of claim against the Company.

The Company believes that the entire claim is unfounded and intends to vigorously defend itself. Accordingly, no accrual has been recorded in the accounts for this claim.

(iv) Border Broadcasters Inc. et al.:

On December 27, 2007, Border Broadcasters Inc. et al. ("Border Broadcasters") served a statement of claim against Look filed before the Federal Court. In its action, Border Broadcasters is seeking, amongst other things:

- (a) Payment of royalties due in the amount of \$4,500 for the retransmission of distant television signals pursuant to:
 - (i) The Statement of Royalties to be Collected for the Retransmission of Distant Radio and Television Signals in Canada in 1998 through to 2003 as certified by the Copyright Board of Canada, and
 - (ii) The Interim Tariffs for the Retransmission of Distant Radio and Television Signals in Canada for the period commencing January 1, 2004.

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- (b) Pre-judgment interest on unpaid royalties in the amount of \$2,500.

Look believes that all debts, including any royalties due up to and including February 11, 2002, were extinguished by virtue of the Plan of Implementation approved by the Court under the Plan of Arrangement effective February 11, 2002.

Look intends to vigorously defend itself and the outcome of this action cannot be predicted at this time.

- (v) Refer to the 2008 annual financial statements for the contingencies related to other litigation involving the Company.

The Company indemnifies its directors, officers and employees against claims reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

16. TRANSACTIONS WITH RELATED PARTIES

- (a) Management Services Agreement with Jolian Investments Ltd.:

Management service fees pursuant to the management service agreement between UBS and Jolian Investments Ltd., which is controlled by the Chairman and CEO of the Company, charged to general and administration expenses amounted to \$151 for the three months ended November 30, 2008 (2007 - \$143). As at November 30, 2008, amounts included in accrued liabilities and provisions related to the management service agreement totalled \$688 (August 31, 2008 - \$680).

- (b) Consulting Agreement with DOL Technologies Inc.:

Consulting fees pursuant to the consulting agreement between UBS and DOL Technologies Inc., which is controlled by Mr. Dolgonos, charged to general and administration expenses amounted to \$125 for the three months ended November 30, 2008 (2007 - \$119). As at November 30, 2008, amounts included in accrued liabilities and provisions related to Mr Dolgonos' consulting services totalled \$498 (August 31, 2008 - \$492).

17. OPERATING RISKS AND UNCERTAINTIES

Capital risk management:

The Company manages its capital to maximize value to shareholders and other stakeholders. The Company's capital structure includes cash and cash equivalents, long-term debt, convertible debentures, and equity consisting of share capital, contributed surplus, and deficit.

The Company manages, to the extent of its abilities, its capital structure to enable the continued operation of its business. The Company will need to raise cash in order to meet the needs of its existing operations beyond fiscal 2009. (See note 1 for a discussion of the requirement and timing of the need for capital). The Company will consider the appropriateness of all sources of capital including, but not limited to, new share issuances, the issue of debt, equity, or hybrid instruments along with other activities considered appropriate under the circumstances.

The Company is not subject to externally-imposed capital requirements and the Company's overall strategy with respect to capital risk management has not changed significantly from the year ended August 31, 2008.

Financial risk management:

(a) Overview:

The Company has exposure to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board reviews the Company's risk management policies from time to time on an as needed basis.

(b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable. The carrying amount of financial assets represents the Company's estimate of its maximum credit exposure.

The Company's exposure to credit risk with its subscribers is influenced mainly by the individual characteristics of each subscriber. All of the Company's subscribers are located in Canada and are either residential or commercial in nature. No individual subscriber's trade receivable poses a significant credit risk to the Company.

The Company establishes an allowance for doubtful accounts that represents its estimate of likely losses with respect to its trade receivables. This allowance is established based on historic trends and other information available to the Company.

As at November 30, 2008, Look had total past due accounts receivable of \$239 and an allowance for doubtful accounts of \$123 (August 31, 2008 - \$264 and \$147 respectively).

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its current liabilities when due.

Effective December 31, 2006, Look may redeem the convertible debentures in certain circumstances at a price equal to par plus accrued and unpaid interest up to, but not including, the date of redemption. Look has the option to settle its obligation and repay the principal by issuing shares of Look.

The mortgage payable bears interest at the rate of 10.5% per annum and matures on August 21, 2009.

The Company has incurred significant operating losses and negative cash flows from operations in recent years and has a working capital deficiency of \$10,775 (August 31, 2008 - \$13,429).

The Company will need to raise cash in order to meet the needs of its existing operations beyond fiscal 2009 and there is, significant doubt about the Company's use of the going concern assumption (See note 1).

As at November 30, 2008, the Company had financial assets held for trading of \$7,749 and financial liabilities of \$19,010 (2007 - \$5,984 and \$19,652 respectively). The Company manages its liquidity risk by monitoring forecasted and actual gross margin and cash flows from operations on an ongoing basis.

(d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. The Company's products and services are available solely in Canada and substantially all of the Company's financial assets and liabilities originate in Canadian dollars. The Company is, however, exposed to currency risk for purchases that are denominated in foreign currencies. The Company believes this risk is minimal and has not entered into any currency hedging transactions.

The Company is subject to interest rate risk on its cash and cash equivalents and restricted cash (see notes 4 and 17). The Company estimates that for each 1% decline in the interest rate earned on its cash holdings, interest income will decline by approximately \$40 per annum.

The Company may also be subject to interest rate risk on its mortgage payable which bears interest at the rate of 10.5% per annum and matures on August 21, 2009. A 1% increase or decrease in the interest rate charged on the mortgage is expected to impact net income, either positively or negatively respectively, by \$18.

Look's convertible secured debentures bear interest at a rate of 7% per annum and will mature on December 30, 2013. The interest on the debentures has historically been paid in shares.

Going Concern

The Company's ability to continue as a going concern is dependent upon achieving and maintaining profitable operations, the successful implementation of the Company's business strategy, the availability of financing alternatives, and an acceptable outcome to the Company's contingencies (See the sections entitled "Introduction", "Liquidity and Capital Resources", "Operating Risks and Uncertainties – Economic Dependence", "Commitments and Contingencies", and "Overview – Significant Current Events – Plan of Arrangement"). The outcome of these matters cannot be predicted at this time. The interim unaudited consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classifications of the assets and liabilities, and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Economic Dependence

Look purchases a significant portion of its telecommunications services from Bell Canada. These telecommunications services are not available from other service providers and, as a result, the provision of many of Look's service offerings to its subscribers and the revenue generated therefrom are dependent upon Bell Canada continuing to provide its network services to Look (refer to the "Commitments and Contingencies" section).

Financing Risks

The Company's M³ mission is dependent on raising sufficient capital or partnering with other service providers who can provide the necessary infrastructure and the capital requirements to design and develop the network in Toronto, Montreal and Ottawa first and then the corridor from Windsor to Québec City.

Given the existing market conditions in both Canada and the United States and the continuing restriction on foreign ownership, there is no guarantee that the Company will be able to obtain financing arrangements that are acceptable to the Company and therefore, there is no assurance that the network as outlined in the Company's strategy will be built.

Refer also to the comments in the "Liquidity and Capital Resources" section for a review of the Company's short-term financing requirements and risks and the section entitled "Overview – Significant Current Events – Plan of Arrangement".

Subscriber Retention

Look's ability to retain its profitable subscriber base is a prime determining factor in its long-term success. Look attempts to ensure retention of profitable subscribers by maintaining its infrastructure and technical and subscriber support capabilities. Look has also implemented targeted retention strategies designed to reduce the rate of subscriber attrition. However, it is easy for Look's subscribers to switch to competing Internet and television distribution service providers. Any significant loss of profitable subscribers due to, amongst other things, continuously-advancing technology and aggressive competition in the telecommunications industry, will adversely affect Look's business, financial condition, and results of operations in the future.

Subscriber Acquisition

Look's revenue depends on its ability to attract and retain new subscribers. However, the very strong competitive environment in which Look operates could adversely affect Look's business, financial condition, and results of operations in the future.

Regulatory Risks

As discussed in the section entitled "Overview of Government Regulation and Regulatory Developments", the Company's operations are subject to government regulation that could, and frequently do, impact the business. The Company continually monitors these developments and comments directly on those policies that affect it.

Technology Risks

The Company is pursuing a new strategy that will transition its network to M³ technology. The development and implementation of any new technology brings with it inherent uncertainties and risks related to the features included, the timing of implementation, and the cost and availability of equipment.

This implementation will rely, in part, on new and unproven technology. The Company cannot be certain that this new service can be implemented in the time frame and within the investment capital required to generate an appropriate risk related return for investors.

18. ADDITIONAL INFORMATION

Additional information regarding the Company's financial statements and activities is available at www.sedar.com.