



UBS ANNOUNCES FIRST QUARTER RESULTS

Toronto, Canada (October 10, 2003) – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its results for the first quarter of fiscal 2004, which ended August 31, 2003. The net loss for the quarter was \$3.0 million, or \$0.03 per common share, compared with a net loss of \$3.1 million, or \$0.03 per common share in the prior year.

Revenues for the three-month period totaled \$0.8 million, down from \$1.8 million a year ago. Sixty percent of the first quarter's sales included the passive component product line, with broadcasting equipment and point-to-point product lines comprising the balance.

Restructuring initiatives previously implemented have helped contribute to the reduction in the cash burn rate incurred by the Company in the first quarter to approximately \$900,000 per month. Subsequent to the end of the first quarter, the Company announced further reductions in its workforce and the divestiture of its legacy equipment business. These actions will lead to further decreases in the Company's cash burn rate. About 67% of the cash burn rate was comprised of personnel costs. Upon completion of these restructuring activities in the second quarter, the cash burn for the second half of the fiscal year will be less than \$2 million. The accounting impact of the divestiture will be a one-time loss of approximately \$4 million (primarily non-cash) and will be reflected in the second quarter results.

UBS was incurring a very significant level of costs in its equipment division and, given ongoing weakness in wireless equipment markets, chose instead to divest the business. The Company did not believe it could have achieved the necessary level of technological advancement required for future growth and instead implemented further significant reductions in staffing and R&D in the division. The decision to divest this business will allow UBS to focus on its investment in Look Communications

UBS owns 29.9% of Look as well as an assignable option to acquire up to 51% ownership. The Company expects to receive the necessary regulatory approvals to permit it to exercise its option during the second quarter of the fiscal year.

Look delivers a full range of communications services, including high-speed and dial-up Internet access, Web applications, digital television distribution and superior customer service to both the business and residential markets across Canada. Look provides Internet access services to more than 1,300 businesses and leads the Canadian web hosting market with the product Look EasyHosting™ (www.easyhosting.com) servicing more than 11,000 businesses. Look is also one of Canada's top domain name providers having registered more than 200,000 domain names since 2000. The Company offers all high-speed business customers the option to purchase their value added services such as email, Web Hosting, FTP, E-commerce, virus scanning and more at a 15% discount off their unbundled rates providing a complete Business Internet Solution to the Canadian SME marketplace.

Subsequent to the quarter end, UBS and Look announced they are partnering to provide next generation broadband service to small and medium sized businesses (SME) in five areas of the Greater Toronto

Area. The new offerings, which include cost-effective symmetrical and “broadband on demand” services, have already been launched in Vaughan/Concord, where numerous SMEs are already benefiting from significantly increased upload speeds. The remaining four areas are scheduled to be launched throughout the early fall of 2003. As part of this partnership, UBS has sold to Look the equipment necessary to deploy the high-speed broadband network for \$1.5 million. Consideration received for the sale is a secured promissory note, payable on the earlier of 15 days after Look completes a public financing in the amount of at least \$1.5 million, or December 31, 2004. Look has the right to prepay the note at any time.

About Unique Broadband Systems, Inc.

UBS is a publicly listed Canadian company that has investments in a technology company, licensed spectrum and a 51% equity investment in Look Communications Inc. (TSX Venture: LOK). With its licensed spectrum through its affiliate, Look Communications, UBS is a Canadian digital television broadcaster and broadband wireless service provider. The Company's web sites may be found at www.uniquesys.com and www.look.ca.

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For more information, contact:

Peter Block
Investor and media relations
(416) 586-0180
E-mail: investorrelations@uniquesys.com

No stock exchange or regulatory authority has reviewed or accepts responsibility for the adequacy or accuracy of this release.

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Balance Sheets

(unaudited)

(Thousands of CDN\$)	August 31, 2003	May 31, 2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,353	\$ 11,505
Accounts receivable	759	269
Inventory	2,227	1,848
Prepaid expenses and other assets	687	638
	14,026	14,260
Capital assets	2,333	2,463
Restricted cash	—	1,989
Investment in Look Communications Inc.	7,256	7,874
	\$ 23,615	\$ 26,586
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,142	\$ 3,192
Income taxes payable	197	185
	3,339	3,377
Shareholders' equity:		
Share capital	58,255	58,222
Contributed surplus	150	150
Deficit	(38,129)	(35,163)
	20,276	23,209
	\$ 23,615	\$ 26,586

These interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Operations and Deficit
(unaudited)

(Thousands of CDN\$, except per share data)	Three months ended	
	August 31,	
	2003	2002
Sales	\$ 777	\$ 1,770
Cost of sales	294	725
Gross profit	483	1,045
Expenses:		
Selling, production and administrative	1,718	2,819
Research and development	1,016	1,399
Amortization	155	132
	2,889	4,350
Loss before the undernoted items	(2,406)	(3,305)
Equity interest in losses of Look Communications Inc.	(618)	–
Foreign exchange gain	13	20
Interest income	57	208
Loss before income taxes	(2,954)	(3,077)
Income taxes	12	11
Net loss	(2,966)	(3,088)
Deficit, beginning of period	(35,163)	(19,220)
Deficit, end of period	\$ (38,129)	\$ (22,308)
Net loss per common share:		
Basic and diluted	\$ (0.03)	\$ (0.03)
Weighted average number of shares outstanding:		
Basic and diluted	102,748	102,748

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UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Cash Flows

(unaudited)

(Thousands of CDN\$)	Three months ended	
	August 31,	
	2003	2002
Cash flows from operating activities:		
Net loss	\$ (2,966)	\$ (3,088)
Items not involving cash:		
Amortization and other	188	132
Equity interest in losses of Look Communications Inc.	618	–
Increase in non-cash operating working capital	(956)	(1,758)
Net cash flows used in operating activities	(3,116)	(4,714)
Cash flows from investing activities:		
Restricted cash	1,989	19
Purchase of capital assets	(25)	(1,368)
Net cash flows from (used in) investing activities	1,964	(1,349)
Decrease in cash and cash equivalents	(1,152)	(6,063)
Cash and cash equivalents, beginning of year	11,505	38,271
Cash and cash equivalents, end of period	\$10,353	\$ 32,208

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