



## UBS ANNOUNCES 2006 FISCAL RESULTS

**Toronto, Canada (November 17, 2006)** – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its financial and operating results for the year ended August 31, 2006.

### Highlights of the results for fiscal 2006 compared with fiscal 2005 (restated<sup>1</sup>):

- Sales and service revenue for 2006 was \$30 million compared with \$38 million a year ago;
- Gross margin for 2006 was \$16.8 million compared with \$18.3 million a year ago;
- Gross margin percentage on service revenue for 2006 was 57.8% compared with 49.5% a year ago;
- Operating expenses for 2006 were \$23.6 million compared with \$26.3 million a year ago;
- EBITDA (earnings before interest, financing charges, income taxes, depreciation and amortization) for 2006 was negative \$1.8 million compared with negative EBITDA of \$2.4 million for a year ago; and
- Loss for 2006 was \$2.4 million, or \$0.02 per share, compared to the loss of \$4.3 million or \$0.04 per share in 2005.

“During 2006, we continued to restructure our existing operations to improve efficiencies and reduce costs” said Gerald McGoey, Chairman and Chief Executive Officer. “At the same time, the Company has continued to develop its strategy of being a Mobile Multi Media (M<sup>3</sup>) service provider in Ontario and Quebec. Through Look’s unique combination of assets which include the single largest solely-owned amount of contiguous licensed spectrum in the biggest economic markets in Canada – approximately 100MHz of licensed spectrum – along with Canada’s only mobile broadcast license, the Company is well positioned to capitalize on the rapidly developing M<sup>3</sup> industry.”

The following table reconciles the loss for the years ended August 31, 2006 and 2005 to earnings before interest, financing charges, income taxes, depreciation and amortization:

|  | 2006             | 2005<br>(Restated <sup>1</sup> ) |
|--|------------------|----------------------------------|
| Net loss for the period  | (3,633)          | (4,554)                          |
| Non-controlling interest   | (3,249)          | (3,735)                          |
| Interest and finance charges, net                                  | (82)             | 94                               |
| Accretion charges on liability component of convertible debentures | 146              | 234                              |
| Amortization of capital assets and deferred charges                | 5,023            | 5,642                            |
| Income taxes   | (2)              | (36)                             |
| <b>EBITDA</b>  | <b>(\$1,797)</b> | <b>(\$2,355)</b>                 |

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

<sup>1</sup> The 2005 financial statements were restated because of the adoption of the change in accounting policy related to the accounting for convertible debentures.

#### About Unique Broadband Systems, Inc.

UBS is a publicly listed Canadian company that has a 51% economic interest in Look Communications Inc., intellectual property and other assets. With its licensed spectrum through its subsidiary, Look, UBS is a Canadian digital television broadcaster and broadband wireless service provider. The Company's web site may be found at [www.uniquebroadband.com](http://www.uniquebroadband.com).

#### About Look Communications Inc.

Look's mission is to be an M<sup>3</sup> - Mobile Multi Media - entertainment and information service provider in Ontario and Québec. The Company is developing an M<sup>3</sup> - Mobile Multi Media network and currently 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. Look's shares are listed on the TSX Venture Exchange under the symbols "LOK" and "LOK.A".

The corporate information contained in this release contains forward-looking statements regarding future events and the future performance of the Company that involves risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. The actual results achieved will vary from the information provided herein and the variations may be material. Consequently, there is no representation by UBS and Look that actual results achieved will be the same in whole or in part as those forecasted.

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

Readers of this press release are referred to Look's press release, of November 17, 2006, containing its 2006 results.

**UNIQUE BROADBAND SYSTEMS, INC**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**

August 31  
(in thousands of dollars)

|   | 2006            | 2005<br>(Restated) |
|---|-----------------|--------------------|
| <b>ASSETS</b>                                 |                 |                    |
| Total current assets                          | \$11,192        | \$10,372           |
| Capital assets, net                           | 18,091          | 22,268             |
| Deferred charges                              | 196             | 229                |
|   | <b>\$29,479</b> | <b>\$32,869</b>    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                 |                    |
| Total current liabilities                     | \$15,643        | \$14,565           |
| Long-term debt                                | 1,814           | 1,253              |
| Liability component of convertible debentures | 793             | 1,060              |
| <b>Total liabilities</b>                      | <b>18,250</b>   | <b>16,878</b>      |
| <b>Non controlling interest</b>               | <b>7,752</b>    | <b>10,501</b>      |
| <b>Shareholders' equity</b>                   |                 |                    |
| Share capital                                 | 58,139          | 58,139             |
| Contributed surplus                           | 1,041           | 642                |
| Deficit                                       | (55,703)        | (53,291)           |
| <b>Total shareholders' equity</b>             | <b>3,477</b>    | <b>5,490</b>       |
|   | <b>\$29,479</b> | <b>\$32,869</b>    |

# UNIQUE BROADBAND SYSTEMS, INC

## CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Years ended August 31, 2006 and 2005  
(in thousands of dollars, except shares and per share amounts)

|  | 2006               | 2005<br>(Restated) |
|--|--------------------|--------------------|
| <b>Service and sales revenue</b>                           | <b>\$29,877</b>    | <b>\$37,956</b>    |
| Carrier charges and cost of sales                          | 13,116             | 19,609             |
| <b>Gross margin</b>  | <b>16,761</b>      | <b>18,347</b>      |
| <b>Operating Expenses</b>                                  | <b>23,581</b>      | <b>26,344</b>      |
| Loss before the following:                                 | (6,820)            | (7,997)            |
| Interest and finance charges, net                          | 82                 | (94)               |
| Accretion on liability component of convertible debentures | (146)              | (234)              |
| Loss before income taxes and non controlling interest      | (6,884)            | (8,325)            |
| Income taxes recovery                                      | 2                  | 36                 |
| Non controlling interest                                   | 3,249              | 3,735              |
| <b>Loss from continuing operations</b>                     | <b>(3,633)</b>     | <b>(4,554)</b>     |
| Income from discontinued operations                        | 1,221              | 224                |
| Loss for the period  | (2,412)            | (4,330)            |
| Deficit, beginning of year, restated                       | (53,291)           | (48,854)           |
| Capital re-organization costs                              | -                  | (107)              |
| <b>Deficit, end of year</b>                                | <b>\$(55,703)</b>  | <b>\$(53,291)</b>  |
| <b>Basic and diluted loss per share</b>                    | <b>\$(0.02)</b>    | <b>\$(0.04)</b>    |
| <b>Weighted average number of shares outstanding</b>       | <b>102,747,854</b> | <b>102,747,854</b> |

# UNIQUE BROADBAND SYSTEMS, INC

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended August 31, 2006 and 2005  
(in thousands of dollars)

|  | 2006            | 2005<br>(Restated) |
|--|-----------------|--------------------|
| <b>Cash flows from/(used in) operating activities:</b>     |                 |                    |
| Loss from continuing operations                            | \$ (3,633)      | \$ (4,554)         |
| Non-controlling interest                                   | (3,249)         | (3,735)            |
| Amortization of capital assets                             | 4,948           | 5,547              |
| Non cash gain on settlement of liabilities                 | -               | (323)              |
| Amortization of deferred charges                           | 75              | 95                 |
| Amortization of stock based compensation                   | 451             | 385                |
| Accretion on liability component of convertible debentures | 146             | 234                |
| Change in non-cash operating working capital               | (172)           | 4,574              |
| Cash flows from/(used in) continued operations             | (1,434)         | 2,223              |
| Cash flows used in discontinued operations                 | (398)           | (463)              |
| <b>Cash flows from/(used in) operating activities</b>      | <b>(1,832)</b>  | <b>1,760</b>       |
| <b>Cash flows from/(used in) financing activities:</b>     |                 |                    |
| Interest on convertible debentures                         | (9)             | (13)               |
| Increase in mortgage payable                               | 600             | -                  |
| Share issuance costs                                       | -               | (10)               |
| Repayment of obligations under capital leases              | (67)            | (44)               |
| <b>Cash flows from/(used in) financing activities</b>      | <b>524</b>      | <b>(67)</b>        |
| <b>Cash flows from investing activities:</b>               |                 |                    |
| Proceeds from the repayment of loan receivable             | 2,423           | -                  |
| Restricted cash  | 659             | (678)              |
| Redemption of short-term investments                       | -               | 2,510              |
| Purchase of capital assets                                 | (771)           | (896)              |
| Deferred charges   | (42)            | (29)               |
| <b>Cash flows from investing activities</b>                | <b>2,269</b>    | <b>907</b>         |
| <b>Increase in cash and cash equivalents</b>               | <b>961</b>      | <b>2,600</b>       |
| Cash and cash equivalents, beginning of period             | 7,520           | 4,920              |
| <b>Cash and cash equivalents, end of period</b>            | <b>\$ 8,481</b> | <b>\$ 7,520</b>    |