



## UBS ANNOUNCES SECOND QUARTER RESULTS

**Toronto, Canada (January 23, 2004)** – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its results for the second quarter of fiscal 2004, which ended November 30, 2003. The net loss for the quarter was \$7.4 million, or \$0.07 per common share, compared with a net loss of \$4.2 million, or \$0.04 per common share in the prior year. The change was primarily attributable to one-time charges of \$6.3 million resulting from the divestiture of the Company's engineering and manufacturing business. Approximately \$1.5 million of these one-time charges were cash with the remainder being non cash charges. The Company has reclassified its operations relating to this business as "Discontinued Operations" for all reporting periods in the consolidated financial statements ended November 30, 2003.

Effective November 30, 2003, the Company received regulatory approvals from the CRTC to permit the exercise of its fully funded option to purchase 6,207,427 shares of Look Communications Inc. (TSX Venture: LOK), conditional on changes to the Company's capital structure. The shareholders approved the necessary changes at the recent Annual and Special Meeting of Shareholders and, on December 30, 2003, UBS exercised its option and now holds the controlling interest in Look. As a result, the Company commenced consolidating the operations of Look on November 30, 2003. The operating results for Look from June 1, 2003 to November 30, 2003 were accounted for using the equity method.

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 its quarter-end, Look announced it was providing the next generation broadband service to small and medium sized businesses (SMEs) in seven 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. Service in the remaining areas is scheduled to be launched throughout 2004. During the quarter, UBS sold to Look the equipment necessary to deploy the high-speed broadband network. 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. The Company can now focus its full resources on Look to maximize its value for its customers, employees and shareholders.

About Unique Broadband Systems, Inc.

UBS is a publicly listed Canadian company that has investments in broadband assets, 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.uniquebroadband.com](http://www.uniquebroadband.com) and [www.look.ca](http://www.look.ca).

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*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\$)	November 30, 2003	May 31, 2003
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	9,519	11,505
Accounts receivable	3,601	269
Inventory	53	1,848
Prepaid expenses and other assets	1,603	638
	14,776	14,260
Capital assets	28,356	2,463
Restricted cash	868	1,989
Investment in Look Communications Inc.	–	7,874
	44,000	26,586
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	13,431	3,192
Unearned revenue	1,864	–
Income taxes payable	190	185
Current portion of long-term debt	121	–
	15,606	3,377
Long-term debt	1,000	–
Minority interest	14,461	–
Shareholders' equity:		
Share capital	58,288	58,222
Contributed surplus	150	150
Deficit	(45,505)	(35,163)
	14,933	23,209
	44,000	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		Six months ended	
	November 30, 2003	2002	November 30, 2003	2002
Administration expense	(558)	(230)	(611)	(386)
Equity interest in Look Communications Inc.	171	-	(447)	-
Income taxes	12	-	-	-
Loss from continuing operations	(375)	(230)	(1,058)	(386)
Discontinued operations:				
Loss on sale of E&M Business	(4,331)	-	(4,331)	-
Provision for secured loan	(2,000)	-	(2,000)	-
Loss from discontinued operations	(670)	(4,010)	(2,953)	(6,942)
Net loss	(7,376)	(4,240)	(10,342)	(7,328)
Deficit, beginning of period	(38,129)	(22,308)	(35,163)	(19,220)
Deficit, end of period	(45,505)	(26,548)	(45,505)	(26,548)
Net loss per common share:				
Basic and diluted	(0.07)	(0.04)	(0.10)	(0.07)
Weighted average number of shares outstanding:				
Basic and diluted	102,748	102,748	102,748	102,748

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**UNIQUE BROADBAND SYSTEMS, INC.**  
Consolidated Statements of Cash Flows  
(unaudited)

(Thousands of CDN\$)	Three months ended		Six months ended	
	November 30,		November 30,	
	2003	2002	2003	2002
Cash flows from operating activities:				
Loss from continuing operations	(375)	(230)	(1,058)	(386)
Equity interest in Look Communications Inc.	(171)	-	447	-
Decrease (increase) in non-cash operating working capital	(12)	-	-	-
Cash flows used by continuing operations	(558)	(230)	(611)	(386)
Cash flows used by discontinued operations	(2,172)	(4,990)	(5,235)	(9,548)
<b>Net cash flows used in operating activities</b>	<b>(2,730)</b>	<b>(5,220)</b>	<b>(5,846)</b>	<b>(9,934)</b>
Cash flows from investing activities:				
Restricted cash	-	(7)	1,989	12
Cash acquired on consolidation of Look	1,896	-	1,896	-
Purchase of capital assets	-	(293)	(25)	(1,661)
<b>Net cash flows from (used in) investing activities</b>	<b>1,896</b>	<b>(300)</b>	<b>3,860</b>	<b>(1,649)</b>
Decrease in cash and cash equivalents	(834)	(5,520)	(1,986)	(11,583)
Cash and cash equivalents, beginning of period	10,353	32,208	11,505	38,271
<b>Cash and cash equivalents, end of period</b>	<b>9,519</b>	<b>26,688</b>	<b>9,519</b>	<b>26,688</b>

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