



*Press release  
For immediate release*

## **UNIQUE BROADBAND SYSTEMS ANNOUNCES THIRD QUARTER RESULTS**

**Toronto, Canada (March 28, 2003)** – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its results for the third quarter of fiscal 2003, which ended February 28, 2003. The net loss for the quarter was \$3.9 million, or \$0.04 per common share, compared with a net loss of \$9.7 million, or \$0.09 per common share in the prior year. For the nine months ended February 28, 2003, the net loss was \$11.3 million, or \$0.11 per common share, compared to a loss of \$22.2 million, or \$0.22 per common share in the prior year. The prior year's loss included reorganization costs and other charges of \$4.4 million for the quarter and \$9.5 million for the nine-month period ended February 28, 2002.

Revenues for the nine months ended February 28, 2003 totaled \$3.6 million, and were primarily from the Company's sales of digital video broadcasting equipment, MMDS transmitters and waveguide passive components. In the prior year, the Company's revenues primarily reflected the contract with Hughes Network Systems for a digital audio broadcast (DAB) terrestrial network built for XM Radio in the USA. This contract was successfully completed in the third quarter of the last fiscal year.

In early January, UBS announced the purchase of a 20% ownership in Look Communications Inc. ("Look"). More recently, the Company announced that its wholly-owned subsidiary, UBS Wireless Services, Inc., concluded a voting agreement with Telesystem Ltd and its subsidiary Telesystem Financial Corporation which jointly own approximately 31% of the issued and outstanding shares of Look. Under this agreement UBS and Telesystem will vote their shares in common in order to elect a majority of the members of the Board of Directors of Look. Look is a communications company that has a large customer base and a stream of recurring revenues in areas where UBS' core expertise could contribute significant added value which will be beneficial to shareholders of both companies.

During the quarter, UBS began the process of realigning its operations. As part of this realignment, the Company stopped funding its Danish subsidiary and ceased its Danish operations. This move will have a positive impact on the Company's cash flow from operating activities and allows for the consolidation of the Company's operations, research and development capabilities and intellectual assets into one location in Toronto. UBS will continue to offer directly to all of its customers those products previously provided through the Danish operation.

The Company's product offering includes point-to-point microwave radios, point-to-multipoint wireless access radio systems, DAB & DVB-T digital radio and video broadcasting products, passive subsystems, components, military transceivers and instrumentation products. Our markets and customers include cellular operators, communication transport carriers, CLEC, ILEC, ISPs, private and enterprise service providers, and the military.

In addition, the Company continues to market its broadband fixed wireless access systems worldwide, targeted at small to mid-sized enterprises and service providers in the residential market. UBS offers a

complete line of indoor and outdoor, digital and analogue wireless video, voice and data systems focusing on the MMDS frequency bands, as well as DOCSIS based Point-to-Multipoint solutions. These systems are completely customizable, and provide the customer with an efficient and cost effective alternative to wired cable services, particularly in developing countries, which have little or no wired infrastructure.

The industry and economic environment in which the Company operates continues to be a difficult one, however, UBS is continuing to utilize its asset base of people, technology and financial liquidity for the benefit of all our shareholders.

#### About Unique Broadband Systems, Inc.

UBS designs, develops and manufactures high-speed mobile and fixed wireless solutions. These solutions target the markets for wireless Internet, voice, data, wireless fixed/mobile digital TV and digital audio radio. UBS also manufactures high-quality, reliable, passive components including custom filters, waveguide assemblies, couplers and filter combiner assemblies.

UBS broadcast technology includes systems based on COFDM, a robust and efficient RF modulation technology that provides superior coverage of digital video and audio broadcasting in non line-of-sight situations. Our wireless data systems utilizes frequency bands from 1.5 to 20.0 Ghz, including the MMDS frequency bands, as well as providing DOCSIS based Point-to-Multipoint solutions. For more information, please visit the Company's web site at: <http://www.uniquesys.com/>.

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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\$)	February 28, 2003	May 31, 2002
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 20,682	\$ 38,271
Accounts receivable	171	388
Inventory	1,523	913
Other assets	650	318
	23,026	39,890
Capital assets	2,559	1,807
Investment	2,995	—
Restricted cash	1,993	2,000
	\$ 30,573	\$ 43,697
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,568	\$ 4,388
Income taxes payable	144	240
	2,712	4,628
Shareholders' equity:		
Share capital	58,189	58,139
Contributed surplus	150	150
Deficit	(30,478)	(19,220)
	27,861	39,069
	\$ 30,573	\$ 43,697

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 Retained Earnings (Deficit)  
(unaudited)

(Thousands of CDN\$, except per share data)	Three months ended		Nine months ended	
	February 28,		February 28,	
	2003	2002	2003	2002
Sales	\$ 673	\$ 5,881	\$ 3,582	\$ 24,930
Cost of sales	174	6,249	1,244	23,276
Gross profit	499	(368)	2,338	1,654
Expenses:				
Selling and administrative	2,737	3,353	8,641	8,268
Research and development	1,603	1,425	4,969	6,057
Amortization	213	318	551	975
Other charges	–	2,030	–	6,035
Reorganization costs	–	2,403	–	3,494
	4,553	9,529	14,161	24,829
Loss before the undernoted items	(4,054)	(9,897)	(11,823)	(23,175)
Foreign exchange gain	(14)	–	36	–
Interest income	149	209	562	1,001
Loss before income taxes	(3,919)	(9,688)	(11,225)	(22,174)
Income taxes	11	–	33	–
Net loss	(3,930)	(9,688)	(11,258)	(22,174)
Retained earnings (deficit), beginning of period	(26,548)	(679)	(19,220)	11,807
Deficit, end of period	\$ (30,478)	\$ (10,367)	\$ (30,478)	\$ (10,367)
Net Income (loss) per common share:				
Basic	\$ (0.04)	\$ (0.09)	\$ (0.11)	\$ (0.22)
Diluted	\$ (0.04)	\$ (0.09)	\$ (0.11)	\$ (0.22)
Weighted average number of shares outstanding (000's):				
Basic	102,748	102,748	102,748	102,316
Diluted	102,748	102,748	102,748	102,316

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# UNIQUE BROADBAND SYSTEMS, INC.

## Consolidated Statements of Cash Flows

(unaudited)

(Thousands of CDN\$)	Three months ended		Nine months ended	
	February 28,		February 28,	
	2003	2002	2003	2002
<b>Cash flows from operating activities:</b>				
Net loss	\$ (3,930)	\$ (9,688)	\$(11,258)	\$ (22,174)
Items not involving cash:				
Amortization and other	239	318	601	975
Decrease (increase) in non-cash operating working capital	723	7,059	(2,245)	13,882
<b>Net cash flows used in operating activities</b>	<b>(2,968)</b>	<b>(2,311)</b>	<b>(12,902)</b>	<b>(7,317)</b>
<b>Cash flows from investing activities:</b>				
Restricted cash	(5)	–	7	–
Investment	(2,995)	–	(2,995)	–
Purchase of capital assets, net	(38)	(43)	(1,699)	(87)
<b>Net cash flows used in investing activities</b>	<b>(3,038)</b>	<b>(43)</b>	<b>(4,687)</b>	<b>(87)</b>
<b>Cash flows from financing activities:</b>				
Decrease in bank indebtedness	–	–	–	(3,129)
Decrease in long-term debt	–	(10)	–	(351)
Repayment of shareholder loan	–	874	–	874
Proceeds on issuance of share capital	–	(31)	–	371
<b>Net cash flows used in financing activities</b>	<b>–</b>	<b>833</b>	<b>–</b>	<b>(2,235)</b>
Decrease in cash and cash equivalents	(6,006)	(1,521)	(17,589)	(9,639)
Cash and cash equivalents, beginning of period	26,688	47,615	38,271	55,733
<b>Cash and cash equivalents, end of period</b>	<b>\$ 20,682</b>	<b>\$ 46,094</b>	<b>\$20,682</b>	<b>\$ 46,094</b>

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