



UNIQUE BROADBAND SYSTEMS ANNOUNCES FIRST QUARTER RESULTS

Company's rebuilding efforts on track

Toronto, Canada (October 30, 2002) – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its results for the first quarter of fiscal 2003, which ended August 31, 2002. Revenue in the quarter was \$1.8 million compared with \$12.0 million for the same period last year. The net loss for the quarter was \$3.1 million, or \$0.03 per common share on a diluted basis, compared with a net loss of \$4.7 million, or \$0.05 per diluted common share last year. The prior year's loss included \$3.5 million of restructuring and other charges.

UBS' first quarter revenue came primarily from the company's sales of digital video broadcasting equipment. The company continues to position itself as a leading supplier of COFDM technology, the heart of digital video broadcasting, which allows for the wireless transmission of TV signals and data in large volumes. Last year's first quarter revenue reflected the company's shipments under the contract with Hughes Network Systems with respect to the digital audio broadcast (DAB) terrestrial network built for XM Radio in the USA. This contract was completed in the third quarter of last year.

Technology equipment markets continue to remain soft with very little capital expenditures being undertaken by companies. The outlook for the year remains uncertain as the broadcast and wireless industries remain weak. The company recently announced the acquisition of assets from California-based BroadTel Communications, Inc. The acquisition added to the UBS' growing strength in the development of Point-to-Multipoint broadband wireless access systems for next generation networks targeted at small to mid-sized enterprises and residential customers. This was the third related strategic move on the part of UBS in this area, following an earlier announcement of the purchase of assets from SierraCom and a pending partnership with Look Communications.

"The necessary rebuilding efforts at UBS are progressing," said Gerry McGoey, Chairman and CEO of the company. "The board and management continue to look for appropriate alliances and acquisitions so that we can expand upon our core competency and target a broader market that offers recurring revenues to the company. While we are not yet at the point of having these recurring revenues, we continue to move in the right direction. We appreciate the patience of our shareholders as we continue to effect change in a very difficult environment".

UBS reported a cash balance at the end of August of \$32.2 million, with an additional \$2 million in restricted cash.

About Unique Broadband Systems, Inc.

UBS designs, develops and manufactures high-speed mobile and fixed wireless solutions, including systems based on COFDM, a robust and efficient RF modulation technology that provides superior coverage in non line-of-sight situations, digital video and audio broadcasting and line-of-sight, two-way, high-speed wireless Internet. UBS solutions target the markets for wireless Internet, wireless cable TV, digital radio, and other applications for wireless video, voice and data services. UBS offers a complete line of Point-to-Point and Point-to-Multipoint microwave radios covering the needs of cellular carriers and wireless ISP's. UBS also manufactures passive components including custom filters, waveguide assemblies, couplers and filter combiner assemblies. UBS has offices in Canada and Denmark. The company's web site is 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\$)	August 31 2002	May 31 2002
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,208	\$ 38,271
Accounts receivable	902	388
Inventory	1,555	913
Other assets	666	318
	35,331	39,890
Capital assets	3,043	1,807
Restricted cash	1,981	2,000
	\$ 40,355	\$ 43,697
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,093	\$ 4,388
Income taxes payable	281	240
	4,374	4,628
Shareholders' equity:		
Share capital	58,139	58,139
Contributed surplus	150	150
Deficit	(22,308)	(19,220)
	35,981	39,069
	\$ 40,355	\$ 43,697

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Operations and Retained Earnings (Deficit)
(unaudited)

(Thousands of CDN\$, except per share data)	Three months ended	
	2002	August 31 2001
Sales	\$ 1,770	\$ 12,047
Cost of sales	725	6,514
Gross profit	1,045	5,533
Expenses:		
Selling and administrative	2,819	3,200
Research and development	1,399	2,986
Amortization	132	334
Other charges	–	3,275
Reorganization costs	–	205
	4,350	10,000
Loss before the undernoted items	(3,305)	(4,467)
Foreign exchange gain (loss)	20	(99)
Interest income (expense)	208	(59)
Loss before income taxes	(3,077)	(4,625)
Income taxes	11	60
Loss for the period	(3,088)	(4,685)
Retained earnings (deficit), beginning of period	(19,220)	11,807
Retained earnings (deficit), end of period	\$ (22,308)	\$ 7,122
Net Income (loss) per common share:		
Basic	\$ (0.03)	\$ (0.05)
Diluted	(0.03)	(0.05)
Weighted average number of shares outstanding:		
Basic	102,748	101,779
Diluted	102,748	101,779

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Statements of Cash Flows

(unaudited)

(Thousands of CDN\$)	Three months ended	
	2002	August 31 2001
Cash flows from operating activities:		
Loss for the period	\$ (3,088)	\$ (4,685)
Items not involving cash:		
Amortization	132	334
Decrease (increase) in non-cash operating working capital	(1,758)	3,061
Net cash flows used in operating activities	(4,714)	(1,290)
Cash flows from investing activities:		
Restricted cash	19	–
Disposal (purchase) of capital assets	(1,368)	57
Net cash flows from (used in) investing activities	(1,349)	57
Cash flows from financing activities:		
Increase in bank indebtedness	–	2,041
Increase in long-term debt	–	179
Proceeds on issuance of share capital	–	93
Net cash flows from financing activities	–	2,313
Increase (decrease) in cash and cash equivalents	(6,063)	1,080
Cash and cash equivalents, beginning of period	38,271	55,733
Cash and cash equivalents, end of period	\$ 32,208	\$ 56,813