



## UBS ANNOUNCES SECOND QUARTER RESULTS

**Toronto, Canada (April 20, 2006)** – Unique Broadband Systems, Inc. (TSX Venture: UBS) today reported its financial and operating results for the period ended February 28, 2006.

Revenue for the three and six months ended February 28, 2006 was \$7.9 million and \$16.2 million compared with comparatives of \$9.7 million and \$19.7 million a year ago. Gross margin was \$4.7 million and \$9 million for the three and six month periods ended February 28, 2006 compared with gross margin of \$4.9 million and \$9.6 million in the periods in 2005. The decline in revenue was the result of a lower subscriber base while the improved margins were driven by continuing reductions to Look's telecommunications costs and programming fees.

EBITDA (earnings before interest, financing charges, income taxes, depreciation and amortization\*) for the three months ended February 28, 2006 was \$123,000 compared to a negative EBITDA of (\$714,000) for the previous year's quarter ended February 28, 2005. For the six months ended February 28, 2006, EBITDA was \$341,000 compared with a negative EBITDA in 2005 of (\$1.8 million). The positive improvement in EBITDA of \$2.2 million is primarily attributable to lower marketing activity and the continuing restructuring of the Company.

The net income for Quarter 2, 2006 was \$1.9 million, or \$0.02 per share, compared to a net loss of (\$1.6) million or (\$0.01) per share in Quarter 2, 2005. Net income for the six months in fiscal 2006 was \$1.4 million or \$0.01 per share compared to the net loss in fiscal 2005 of (\$2.8 million) or \$0.03 per share. The improvement in both the three and six month periods ended February 28, 2006 was primarily due to the full and final repayment of a loan, plus interest, of \$2.4 million. This loan and interest, previously provided for in full, was included as income from discontinued operations in the quarter.

“We are pleased with our restructuring efforts that have allowed us to focus on the development of our M<sup>3</sup> network. Mobile Multi Media developments around the world related to Mobile TV are developing quickly and we continue to be even more convinced that our M<sup>3</sup> - Mobile Multi Media strategy is exactly what customers want to have available for their convenience. During April, in conjunction with Look Communications Inc, we launched our mobile TV demonstration sites in Milton and are very excited about the results” said Gerald McGoey, Chairman and CEO of UBS.

The Company continues to have discussions with potential financial partners, distributor partners and supplier partners for the build out of the M<sup>3</sup> network.

The following table reconciles the Company's net loss from continuing operations to EBITDA for the respective periods as determined under Canadian Generally Accepted Accounting Principles (GAAP):

(\$ in thousands)	3 months ended		6 months ended	
	February 28, 2006	February 28, 2005	February 28, 2006	February 28, 2005
Loss from continuing operations	(477)	(1,553)	(990)	(2,782)
Non-controlling interest	(693)	(1,164)	(1,355)	(2,561)
Amortization of capital assets	1,258	1,966	2,572	3,300
Amortization of deferred charges	23	22	47	44
Net interest and financing charges	3	1	13	17
Accretion charges on liability component of convertible debentures	8	1	56	134
(Recovery)/provision for income taxes	1	13	(2)	28
<b>EBITDA*</b>	<b>\$123</b>	<b>(\$714)</b>	<b>\$341</b>	<b>(\$1,820)</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, invests 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.

#### **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 Look Communications, 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 Communications' 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 shares are listed on the TSX Venture Exchange under the symbols "lok.sv and lok.mv". The Company's web site may be found at [www.look.ca](http://www.look.ca).

The corporate information contained in this release contains forward-looking statements regarding future events and the future performance of the Company that involve 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 the Company 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 April 13, 2006, containing its Q2, 2006 results.

# UNIQUE BROADBAND SYSTEMS, INC.

Unaudited Consolidated Balance Sheets

*In thousands of dollars*

	February 28, 2006	August 31, 2005 Restated
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,986	7,520
Restricted cash	1,111	1,170
Accounts receivable	1,797	975
Inventory	183	182
Prepaid expenses and deposits	457	525
	<u>12,534</u>	<u>10,372</u>
Capital assets	19,897	22,268
Deferred charges	181	229
	<u>\$ 32,612</u>	<u>\$ 32,869</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 10,095	\$ 9,969
Accrued liabilities	2,619	3,107
Unearned revenue	1,129	1,353
Current portion of obligation under capital leases	58	67
Mortgage payable	1,200	-
Current portion of liability component of convertible debentures	28	69
	<u>15,129</u>	<u>14,565</u>
Obligation under capital leases	30	1,253
Liability component of convertible debentures	922	1,060
Non-controlling interest	9,423	10,501
Shareholders' equity:		
Share capital	58,139	58,139
Contributed surplus	827	642
Deficit	(51,858)	(53,291)
	<u>7,108</u>	<u>5,490</u>
	<u>\$ 32,612</u>	<u>\$ 32,869</u>

# UNIQUE BROADBAND SYSTEMS, INC.

Unaudited Consolidated Statements of Operations and Deficit

Three months and six months ended February 28, 2006 and 2005

*In thousands of dollars, except shares and per share amounts*

	Three months ended February 28		Six months ended February 28	
	2006	2005 Restated	2006	2005 Restated
Service and sales revenue	\$ 7,850	\$ 9,671	\$ 16,210	\$ 19,737
Carrier charges and cost of sales	3,138	4,794	7,172	10,124
Gross margin	4,712	4,877	9,038	9,613
Expenses:				
Marketing and sales	218	606	401	1,846
Customer care	830	899	1,699	2,042
Engineering and operations	1,223	1,308	2,490	2,800
General and administration	2,318	2,778	4,107	4,745
Amortization of capital assets	1,258	1,966	2,572	3,300
Amortization of deferred charges	23	22	47	44
	5,870	7,579	11,316	14,777
Interest expense	(1,158)	(2,702)	(2,278)	(5,164)
Accretion charges on liability component of convertible debenture	(53)	(43)	(104)	(91)
Interest income	(8)	(1)	(56)	(134)
	50	42	91	74
Loss before income taxes and non-controlling interest	(1,169)	(2,704)	(2,347)	(5,315)
Income taxes recovery/(provision)	(1)	(13)	2	(28)
Non-controlling interest	693	1,164	1,355	2,561
Loss from continuing operations	(477)	(1,553)	(990)	(2,782)
Income from discontinued operations	2,423	-	2,423	-
Income/(Loss) for the period	1,946	(1,553)	1,433	(2,782)
Deficit, beginning of period as previously reported	(53,741)	(50,063)	(53,176)	(48,818)
Change in accounting policy	(63)	(20)	(115)	(36)
Deficit, end of period	\$(51,858)	\$(51,636)	\$(51,858)	\$(51,636)
Basic and diluted (loss) per share – continuing operations:	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Basic and diluted income/(loss) per share	\$ 0.02	\$ (0.01)	\$ 0.01	\$ (0.03)
Weighted average number of outstanding shares in thousands:				
Basic and diluted	102,748	102,748	102,748	102,748

# UNIQUE BROADBAND SYSTEMS, INC.

Unaudited Consolidated Statements of Cash Flows

Three months and six months ended February 28, 2006 and 2005

*In thousands of dollars*

	Three months ended February 28		Six months ended February 28	
	2006	2005 Restated	2006	2005 Restated
<b>Cash flows from/(used in) operating activities:</b>				
Loss for the period	\$ (477)	\$ (1,553)	\$ (990)	\$ (2,782)
Non-controlling interest	(693)	(1,164)	(1,355)	(2,561)
Amortization of capital assets	1,258	1,966	2,572	3,300
Amortization of deferred charges	23	22	47	44
Amortization of stock based compensation	141	135	231	190
Accretion on liability component of convertible debenture	12	7	56	134
Change in non-cash operating working capital	232	(436)	(1,151)	1,650
Cash flows from/(used in) continued operations	496	(1,023)	(590)	(25)
Cash flows (used in) discontinued operations	(129)	(97)	(198)	(603)
Cash flows from/(used in) operating activities	367	(1,120)	(788)	(628)
<b>Cash flows from/(used in) financing activities:</b>				
Repayment of Loan	2,423	-	2,423	-
Interest on convertible debentures	-	(8)	(4)	(13)
Repayment of obligations under capital leases	(8)	(14)	(23)	(21)
Cash flows from/(used in) financing activities	2,415	(22)	2,396	(34)
<b>Cash flows from/(used in) investing activities:</b>				
Restricted cash	185	-	59	(18)
Purchase of short-term investments	-	-	-	(490)
Redemption of short term investments	-	1,000	-	1,000
Purchase of capital assets	(92)	(436)	(201)	(667)
Cash flows from/(used in) investing activities	93	564	(142)	(175)
Increase/(decrease) in cash and cash equivalents	2,875	(578)	1,466	(837)
Cash and cash equivalents, beginning of period	6,111	4,661	7,520	4,920
Cash and cash equivalents, end of period	\$ 8,986	\$ 4,083	\$ 8,986	\$ 4,083