Management's Discussion and Analysis of Financial Condition and Results of Operations of

UNIQUE BROADBAND SYSTEMS, INC.

Unaudited three and six months ended February 29, 2008 and February 28, 2007

UNIQUE BROADBAND SYSTEMS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
of unaudited consolidated Financial Condition and consolidated Results of Operations
(In thousands of Canadian dollars, except shares and per share amounts)
For the three and six months ended February 29, 2008 and February 28, 2007

April 25, 2008

1. INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") relates to the unaudited consolidated financial condition of Unique Broadband Systems, Inc. at February 29, 2008 and August 31, 2007 and the consolidated results of operations for the three and six months ended February 29, 2008 and February 28, 2007. Unless specifically stated, the references to "UBS" include Unique Broadband Systems, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless"), and references to the "Company" include UBS and Look Communications Inc., a company controlled by UBS.

This MD&A should be read in conjunction with the Company's consolidated financial statements and the notes to the consolidated financial statements contained in the August 31, 2007 annual report to shareholders and the financial statements and the notes to the financial statements contained in the August 31, 2007 annual report to Look Communications Inc. ("Look") shareholders and that Company's MD&A.

These interim unaudited consolidated financial statements have been prepared by management, on a going concern basis, in accordance with Canadian generally accepted accounting principles with respect to the preparation of interim financial information. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

There is doubt about the Company's ability to continue as a going concern as it has incurred significant operating losses in recent years and has a working capital deficiency of $8,963 as at February 29, 2008 (August 31, 2007 - $7,555).

The Company's ability to continue as a going concern is dependent upon achieving and maintaining profitable operations, the successful implementation of the Company's business strategy, the availability of financing alternatives, and an acceptable outcome to the Company's contingencies (see sections 11, 13 and 15). The outcome of these matters cannot be predicted at this time.

The consolidated financial statements have been prepared on a going concern basis and do not reflect any adjustments to the amounts and classifications of the assets and liabilities and reported revenues and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

2. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements and information concerning the future performance of the Company, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations. The Company cautions that all forward-looking statements and information are inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking statements and information, and that actual future performance will be affected by a number of factors, including economic conditions, technological change, regulatory change and competitive factors, many of which are beyond the Company's control. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or the effect that they may have on the Company. Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to all aspects of the wireless communications, broadcast television and internet services industries. These risks and uncertainties include, but are not restricted to: (i) the continued operation of the Company as a going concern, (ii) the ability of the Company to raise adequate and suitable financing or obtain infrastructure assistance, (iii) the outcome of litigation, (iv) changes in spectrum allocation, (v) other risk factors related to the Company's business and (vi) other risk factors related to the Company's industry. For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see section 15 below.

Therefore, future events and results may vary significantly from what the Company currently foresees. Readers are cautioned that the forward-looking statements and information made by the Corporation in this MD&A are stated as of the date of this MD&A, are subject to change after that date, and are provided for the purposes of this MD&A and may not be appropriate for other purposes. We are under no obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, except as required by National Instrument 51-102, and we expressly disclaim any other such obligation.

3. OVERVIEW

Significant Current Events - Corporate Reorganization Plan

In December 2007, Look implemented the reorganization plan (the "Plan") approved October 10, 2007, by transferring certain assets of Look to a 100 per cent controlled entity. The purpose of the Plan is to utilize certain of Look's $315,815 of non-capital losses would have otherwise expired, to reduce future taxable income (See related press release dated October 10, 2007).

Our Company

UBS (TSX Venture: UBS) is a publicly listed Canadian company that has a 51.7% equity interest, on a fully diluted basis, in Look (TSX Venture: LOK and LOK.A) and other assets. With licenced spectrum and broadcast licences held through its subsidiary Look, the Company is a Canadian digital television broadcaster and broadband wireless service provider.

In October 2003, UBS sold its engineering and manufacturing business ("E&M Business") to a new private company owned by a group of former UBS engineers. As a result of this divestiture, the Company reclassified its prior period results for the E&M Business as "Discontinued Operations" in its financial statements. This sale completed UBS' restructuring plan, designed to reduce costs, conserve cash and focus the resources of UBS on its investment in Look.

Look's mission is to be an M3 - Mobile Multi Media - entertainment and information service provider in Ontario and Québec. Look is a multi media service provider currently delivering a range of communications services to residential and business customers including wireless digital television distribution, dial-up and high-speed wireline and wireless Internet access, co-location facilities and Web-related services, including Web hosting and domain name registration.

Look provides its digital video and wireless Internet services using a Multipoint Distribution System (MDS) operating with 92 MHz of spectrum in the 2.5 GHz band. Look has had exclusive use of these frequencies since it received licences from the Canadian Radio-television and Telecommunications Commission (CRTC) as a "broadcast distribution undertaking" in August 1997 for southern Ontario and in 1998 for Québec and eastern Ontario. Look's licences were subsequently converted to a single licence and were further extended in August 2004 for another seven years, to 2011. Its coverage areas in Ontario and Québec include the major metropolitan markets of Toronto, Montreal, Hamilton and Ottawa and many other cities from London to Québec City.

The UBS head office is located in Milton, Ontario and UBS currently has nine employees. Look's registered office is located in Toronto, Ontario and its main operations are in Montreal, Québec and Milton, Ontario. As at February 29, 2008, the Company had 85 full-time equivalent employees.

Our Strategy

On December 8, 2004, Look and UBS announced that they had signed a Memorandum of Understanding whereby they plan to jointly launch hand-held mobile video services in Ontario and Québec. Look's mobile television demonstration network was completed in Milton, Ontario in April 2006 and is fully operational. The commercial launch of the M^3 network is, however, dependent upon obtaining adequate financing arrangements with financial partners and other suppliers for the development and build-out of the network and various subscriber devices.

An M^3 platform brings together communications, information, and entertainment, delivered to the consumer's hand rather than to a geographically defined location – the home or the office. It is designed to give consumers personalization and mobility in voice, television, data and Internet, and it allows these applications to be further delineated into specific services such as text messaging, pictures, video, conferencing, and caller identification.

Mobile video is fast becoming a reality in a number of countries, most notably in Korea and Japan, as well as across Europe and the US. The Company has demonstrated expertise and technological know-how in offering consumers the freedom of mobility with the access of broadband. Not only has UBS developed, designed, and built a mobile video network in more than 2,000 public transportation vehicles in Singapore, it was also the Canadian contractor that developed, designed and built the terrestrial network for deployment by XM Satellite Radio Inc. throughout the US.

The Company will seek to achieve profitability within Ontario and Québec from its existing operations and its strategy is designed to maximize cash flow and return on Look's existing assets. The key elements of the Company's existing strategy are as follows:

1. Resolve the dispute with Bell Canada to continue servicing existing subscribers;
2. Maximize shareholder value through the strategic repositioning of Look's M^3 enabling assets;
3. Continue to re-negotiate supplier contracts and focus on efficiency improvements; and
4. Continue to seek any and all opportunities to obtain financing.

4. RECENT WIRELESS INDUSTRY TRENDS

The Canadian Market

According to Industry Canada, the Canadian wireless telecommunications market is expected to generate over $15 billion of revenue by 2009, representing an 11.5 percent compound five year growth from 2005 to 2009. The Canadian market is currently estimated to be about one-tenth of the US market, which currently stands at over US$122 billion, but the Canadian wireless market is growing at a faster pace than its US counterpart. [source: The Canadian Wireless Industry – Analysis, Positioning and Capabilities: 2006-09, Industry Canada publication, April 13, 2007]

However, wireless market penetration remains low in Canada – estimated by industry analysts at SeaBoard to be around 60 percent, second to last among member countries in the Organization for Economic Co-operation and Development and approximately 20 percent behind the US. SeaBoard believes relatively high cell phone prices in Canada suppress demand for wireless services. [source: Lament for a Wireless Nation - A Cross-National Survey of Wireless Service Prices: Canada, the United States and Europe, March 2007; Spectrum Policy Framework for Canada – Spectrum Management and Telecommunications, Industry Canada, June 2007]

The ongoing development of wireless data transmission technologies has led manufacturers to create wireless devices such as the Apple iPhone with increasingly advanced capabilities including access to e-mail and other information technology platforms, news, sports, financial information and services, shopping services, and other functions. Furthermore, analysts have said they expect Apple to sell 10 million iPhones by the end of 2008. Increased demand for sophisticated wireless services, especially data communications services, has led wireless providers to migrate towards the next generation of digital voice and data networks. These networks are intended to provide wireless communications with wireline quality sound, far higher data transmission speeds and video capability. These networks are expected to support a variety of data applications, including high-speed internet access, multimedia services, and seamless access to corporate information systems such as e-mail and purchasing systems.

Global growth in the wireless market continued unabated in the last year, and few, if any, are expecting this to change in the year ahead. More than 900 million cell phones are expected to sell worldwide during 2008 – making the cellular phone the fastest-selling single item of consumer electronics. There are more than 2.3 billion global cellular phone subscribers and one research firm forecasts that number to grow to close to 4 billion by the end of 2011, meaning that approximately 56 per cent of the Earth's population would have a cellular phone. [source: Wireless, Cellular & RFID Industry Trends, Plunkett Research, Ltd.; Portio Research]

As the number of cellular phones and subscribers increase, so too will the need for spectrum as users turn to their "phone" (or, more accurately, "mobile device") for a growing number of non-voice services. The Canadian Wireless Telecommunications Association believes Canadians will triple their use of wireless data in the next three years, following their rapid embrace of a range of mobile services including wireless e-mail, text messaging, and internet access. Currently, these services account for approximately 10 per cent of the average Canadian's cell phone plan, or more than $1 billion. [source: Wireless use to skyrocket 30%, top $3B by 2010, David George-Cosh, Financial Post (National Post) October 23, 2007; Wireless Data Usage Reaches New Heights in Canada, Spectrum Wireless, October 23, 2007]

The Canadian wireless market is dominated by three incumbents which collectively provide service to approximately 96 per cent of Canadian subscribers. A number of other industry players have indicated an interest in entering the Canadian wireless market, suggesting that they see a potential for considerable market growth. Industry and business analysts suggest this will happen, with new products and innovations helping to drive demand. Demand is also expected to be fuelled by a growing mobile workforce. [source: The wireless wars, Erik Heinrich, Canadian Business, September 5, 2007; Québecor, MTS form wireless alliance to battle giants. Bid for fourth network, Paul Vieira and Peter Nowak, Financial Post (National Post), May 11, 2007; MTS courts partners in bid to go national, Catherine McLean, Globe and Mail, June 13, 2007]

The Need for Spectrum

The requirement for additional spectrum may be addressed in part by the federal government's AWS spectrum auction, due to commence on May 27, 2008. The demand for spectrum is expected to be high. As The Honourable Maxime Bernier, former Minister of Industry explained at the June 2007 Canadian Telecom Summit:

1. Spectrum is not just about cellphones. New applications are being developed and commercialized every year. High-tech cars today come with satellite navigation systems, and this requires spectrum. Farmland irrigation systems are being switched on and off remotely, which requires spectrum. Bank cards and public transit passes will soon be able to communicate by using spectrum. The wireless transmission of energy is being developed. Imagine how revolutionary it would be if we did not need wires to transmit power;

2. There are dozens of other examples of wireless communication between people and machines. Wireless technology is like the electrical grid. At first, it was used mainly for lighting. Since then, all kinds of new electrical devices have been invented and connected to the wireline electrical network: ovens and refrigerators, hair dryers and washing machines;

3. As new devices are invented that communicate wirelessly using spectrum, they too will reshape society in unpredictable ways. This is why we must have an effective spectrum policy. The next wave of innovation depends on spectrum; and

4. Countries that have flexible spectrum policies will attract innovators, researchers and investments. Their citizens will have faster access to all these new products. Countries that slow down the adoption of technologies, or inhibit market forces, will fall behind. The most critical role of government is to allocate spectrum in a timely and efficient manner.

On October 31, 2007, the Minister of Industry, Jim Prentice, pledged to hold the AWS spectrum auction, an auction that could raise $1.7 billion, as soon as practical in 2008. Furthermore, in September 2007, Ted Rogers, President and Chief Executive Officer of Rogers Communications Inc., said that Rogers may bid between $500 million and $1 billion for new spectrum. [source: Canada to Hold Spectrum Auction as Soon as ‘Practical' in 2008, Alexandre Deslongchamps and Chris Fournier, Bloomberg, October 31, 2007]

The US FCC completed the auction of 90 MHz of AWS spectrum with no limitations on its use in September 2006, awarding 1,087 licences to 104 bidders for aggregate proceeds of US$13.9 billion. On March 18, 2008, the US FCC completed the auction of 62 MHz in the 700 MHz spectrum band for total proceeds of US$19.1 billion. Of the 214 qualified bidders, the largest purchasers were Verizon Wireless (US$9.4 billion at US$0.73/MHz POP), AT&T Wireless (US$6.6 billion at US$3.15/MHz POP) and the satellite TV operator DISH Network (US$0.8 billion at US$0.55/MHz POP), together representing approximately 93% of the total auction proceeds.

In the UK, the auction of 192 MHz of spectrum, situated around the frequency of 2.6 GHz, is expected to happen in Q3 2008.

2008 AWS Spectrum Auction

In February 2007, Industry Canada released a consultation paper entitled “Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services” (the “Consultation Paper”), which outlined the proposed rules and procedures governing the 2008 auction. In this Consultation Paper, the Government of Canada’s plans for the AWS spectrum auction for 90 MHz in the 1710 – 1755 and 2110 – 2155 MHz bands and 5 MHz in each of the 1670 – 1675, 1910 – 1915 and 1990 – 1995 bands would see 589 licences placed for bid with similar geographic distribution as the 2001 Industry Canada PCS auction. The Consultation Paper suggested that these licences would be divided into three tiers – 14 Tier 2 Provincial and large regional licences, 59 Tier 3 Smaller regional licences and 516 Tier 4 Local licences. The Consultation Paper initially outlined that the opening reserve bids for the AWS spectrum would be approximately $208,000. However, as noted below, these opening reserve bids were significantly increased in the final policy decisions announced on November 28, 2007, which saw opening reserve bids increase to over $500,000. In particular, in the geographic areas covered by Look’s spectrum and broadcast licences, namely Southern and Eastern Ontario and Québec, opening reserve bids increased from approximately $140,000 in the Consultation Paper to approximately $390,000 in the November 28, 2007 announcement.

On November 28, 2007, the Minister of Industry announced the final policy decisions for the 2008 AWS spectrum auction of 105 MHz, to commence on May 27, 2008, in a policy document entitled *"Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range"*. The Minister of Industry, the Honourable Jim Prentice, announced, amongst other things, the following significant policy decisions:

1. Mandatory roaming provisions;
2. Mandatory antenna tower and site sharing;
3. Binding arbitration for commercial negotiations;
4. A set aside of 40 MHz of AWS spectrum for new entrants;
5. 50 MHz of AWS spectrum, 10 MHz of spectrum as an extension to the existing PCS band and 5 MHz of spectrum as one way broadcast spectrum is available to all bidders; and
6. Minimum opening bids of approximately $500,000 for all geographic areas covered by AWS spectrum.

The Company believes the new policy decisions will foster better and more diverse services for consumers, on the assumption that the policies will encourage new entrants and the additional bandwidth will permit new services. In particular, the spectrum set aside, mandated roaming and antenna tower and site sharing, coupled with binding arbitration to conclude commercial agreements, are assumed to encourage increased competition and potentially lower prices in Canada's wireless industry, although the time frame for any reduction (or relative reduction) in consumer prices cannot be projected and may not even occur if these or other assumptions prove incorrect.

In the final policy decisions, Industry Canada has adopted the use of Tier 2 and Tier 3 service areas and eliminated the Tier 4 service areas initially proposed in the Consultation Paper. The licences to be auctioned will be divided into two Tiers - 28 Tier 2 Provincial and large regional licences (all of which have been set aside for new entrants) and 236 Tier 3 Smaller regional licences (available to all bidders).

On December 22, 2007, Industry Canada released Notice No. DGRB-011-07 – *Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range.* This notice outlines, amongst other things, the rules and requirements for the competitive bidding process established by the Minister, and the financial deposits that are required on application by bidders.

On February 29, 2008, Industry Canada responded to questions and comments submitted by interested parties on January 22, 2008 and February 7, 2008 and clarified the rules related to mandatory roaming, and mandatory tower and site sharing.

On March 31, 2008 Industry Canada released the final list of qualified bidders. In aggregate, twenty-seven participants qualified to bid in the auction after depositing approximately $2.6 billion. Some of the more notable potential new entrants include Shaw Communications Inc, Manitoba Telecom Services Inc et al, Videotron Ltee et al, and Globalive Wireless LP who submitted deposits of $400,640, $340,000, $317,000, and $235,000 respectively.

Other key events and dates in respect of the auction are as follows:
1. Industry Canada will hold a mock auction for qualified bidders on May 21-23, 2008; and
2. The AWS auction will commence on May 27, 2008.

5. OVERVIEW OF GOVERNMENT REGULATION AND REGULATORY DEVELOPMENTS

Industry Canada

The awarding of spectrum and licences for data services in Canada are under the jurisdiction of Industry Canada, a department of the Government of Canada. Industry Canada is responsible for telecommunications policy in Canada and has specific jurisdiction under the Radio Communication Act (Canada) to establish radio licensing policy and award radio licences for radio frequencies that are required to operate wireless communications systems.

In May 2004, Industry Canada issued a discussion paper on the re-farming of the Multipoint Communications System (MCS) and Multipoint Distribution System (MDS) spectrum in the 2500-2690 MHz band. The purpose of the paper was to solicit input from the Company and others who are interested in the future uses of this band for both digital broadcasting and broadband wireless access. At approximately the same time, the FCC in the US issued a Report and Order that substantially restructured this band in the US. The Company responded to the Industry Canada discussion paper and recommended that Canada adopt a policy that would provide alignment with the US spectrum allocations and uses.

On March 30, 2006, Industry Canada published Gazette Notice DGTP-002-06 – Policy Provisions for the Band 2500 – 2690 MHz to Facilitate Mobile Services. In the notice, Industry Canada reconfirmed its allocation of mobile services to the band and stated that it would harmonize the spectrum with the US band plan at some future date. In the period up to August 2011, Look may continue to operate its video and internet services. Look may, at any time, also apply to Industry Canada for permission to use two-way mobile broadband services in the band. This will require the Department to implement the new band plan and Look would have to return 31 MHz of spectrum (2657 – 2686 and 2688 – 2690 MHz) to the Department. The new policy clearly confirms Look's position as an MDS Broadcaster and provides additional options for the future development of Look, if it so chooses.

In June 2007, Industry Canada released a new Spectrum Policy Framework, the policy foundation for the management of spectrum. It provided the following overview of spectrum:

> "The radio frequency spectrum is a unique resource from which all aspects of society benefit. It provides access for Canadians to a range of private, commercial, consumer, defence, national security, scientific and public safety applications. The radio frequency spectrum is divided into different bands which are used by a variety of communications services including - broadcasting, cellular, satellite, public safety and two-way radio. It is the only resource that can support practical wireless communications in every day situations. The Department recognizes that there are a number of factors, such as rapidly evolving technology, changing market demands, globalization and an increased focus on public safety and security, which need to be taken into account in an effective spectrum management program."

The Framework was based upon the "importance of relying on market forces in spectrum management, to the maximum extent feasible", a principle that the Company endorses.

Canadian Radio-television and Telecommunications Commission (the CRTC)

Canadian broadcast undertakings, including Look, are regulated by the CRTC pursuant to and in accordance with requirements of the Broadcast Act (Canada) (the "Act"). Under the Act, the CRTC regulates all broadcasters in Canada, including over-the-air broadcasters, MDS providers such as Look, cable TV operators and satellite TV operators. Look's licence was extended in August 2004 for another seven years to 2011. Its coverage areas in Ontario and Québec include the major metropolitan markets of Toronto, Montreal, Hamilton, Trois-Rivières, Ottawa and many other cities from London to Québec City.

As a follow-up announcement to the Industry Canada Notice published on March 30, 2006, on April 12, 2006, the CRTC confirmed in its Notice 2006-47 entitled "Regulatory Framework for Mobile Television Broadcasting Services" that Mobile TV services can be offered by Look under its existing licence. The CRTC went on to request comments on its proposed exemption from Regulation relating to any broadcasting to any mobile devices.

6. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Continuing Operations

Effective November 30, 2003, UBS received final approval from the CRTC to acquire control of Look, which it did at the end of December 2003. Look, on a fully diluted basis, is a 51.7%-owned subsidiary of UBS and is consolidated for financial reporting purposes. UBS' share ownership in Look will fluctuate as convertible debentures issued by Look are converted into multiple and subordinate voting shares. If all debentures are converted, UBS will have the ability to control at least 51% of Look by the conversion of its debentures. As the Company has the ability to maintain control by converting these securities at any time, UBS continues to consolidate its interest in Look.

Discontinued Operations

During the second quarter of fiscal 2004, UBS' divestiture of its E&M Business resulted in the reclassification of that business as "Discontinued Operations". Accordingly, all revenues and costs associated with that business and the divestiture have been reclassified from September 1, 2003 as "Discontinued Operations" in the Consolidated Statement of Operations and Deficit and Cash Flow Statement.

Consolidated Financial Statements

The consolidated financial statements include the accounts of UBS' controlled subsidiary, Look, and UBS' wholly-owned subsidiary, UBS Wireless. All significant inter-company transactions and balances have been eliminated.

In accordance with the CICA Handbook Section 1600, *Consolidated Financial Statements*, when the losses applicable to the non-controlling interest in Look exceed the non-controlling interest's carrying value in Look, the excess and any further losses should be fully absorbed by the Company. Subsequent earnings, if any, recorded by Look, should be allocated entirely to the Company's interest until such previously fully absorbed losses are recovered.

Significant Accounting Policies

Management's discussion and analysis of operating results and financial condition are made with reference to the Company's interim unaudited consolidated financial statements and notes thereto, which have been prepared in accordance with Canadian GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Company's financial statements, and the reported amount of revenues and expenses during the period. These estimates are based on management's historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported amounts of revenues, expenses, assets, and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

These interim unaudited consolidated financial statements should be read in conjunction with the recent annual audited consolidated financial statements and notes thereto, as at, and for the year ended August 31, 2007. Accounting policies and methods of their application followed in the preparation of these interim unaudited consolidated financial statements are consistent with those used in the most recent annual audited consolidated financial statements, except as described below.

(a) Changes in Accounting Policies

In 2006, the CICA issued Handbook Section 1506, Accounting Changes ("CICA 1506"). CICA 1506 prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates, and correction of errors. This new standard was adopted by the Company on September 1, 2007.

(b) Financial Instruments

Effective September 1, 2007, the Company adopted CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement, and Handbook Section 1530, Comprehensive Income. Handbook Section 3855 prescribes criteria for the classification of financial assets and liabilities and treatment of derivatives and embedded derivatives. Handbook Section 1530 prescribes the presentation and treatment of "other comprehensive income or loss" and "accumulated other comprehensive income or loss".

Under these standards, the Company's financial assets are classified as available-for-sale or loans and receivables. Financial assets classified as available-for-sale are carried on the balance sheet at fair value with changes in fair value recorded in "other comprehensive income or loss". Loans and receivables and all financial liabilities are carried at amortized cost using the effective interest method.

The Company has historically capitalized and amortized deferred financing charges. Effective September 1, 2007, the Company will net these costs against the liabilities they were incurred to establish. The impact of this application at September 1, 2007 is to decrease deferred financing charges by $20, the unamortized financing costs related to the mortgage, and to correspondingly decrease the long-term debt by $20. In accordance with Section 3855, comparative financial information was not restated.

The Company reviewed significant contracts and determined that there are no significant non-financial derivatives that require separate fair value recognition in the interim unaudited consolidated financial statements at February 29, 2008.

The Company has determined that it has no “other comprehensive income or loss” transactions during the period and no opening or closing balances in “accumulated other comprehensive income or loss”.

(c) Recent Accounting Pronouncements

The CICA recently issued Handbook Section 3031 – Inventories, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. Handbook Section 3031, replacing Section 3030 which also dealt with inventory, revises the determination of cost and subsequent measurement of inventory. Handbook Sections 3862 and 3863 carry forward the existing presentation requirements and expand the disclosure requirements to complement the changes in accounting policy made in accordance with Section 3855. All three sections will be adopted by the Company on September 1, 2008.

The Audit and Corporate Governance Committee of the Board of Directors reviews the Company's accounting policies as well as all quarterly and annual filings and recommends adoption of the Company's quarterly and annual financial statements to the Company's Board of Directors.

7. KEY PERFORMANCE INDICATORS

The Company measures the success of its strategies using a number of key performance indicators as outlined below.

Subscriber Counts

The Company determines the number of subscribers of its services based on active subscribers at reporting dates. When subscribers are deactivated either voluntarily or involuntarily for non-payment, they are considered to be deactivations in the period the services are discontinued. The Company reports subscribers in three categories: Broadcast Services, Internet Services, and Other Services. Broadcast Services include customers subscribing to the provision of digital television services. Internet Services include Dial-Up and High Speed wireline and wireless internet access. Other Services include hosting and co-location. The Company monitors the number of subscribers of its services as an indicator of future revenue to be used in fiscal planning.

Subscriber Churn

Subscriber churn is calculated on a monthly basis. For any particular month, subscriber churn represents the number of subscribers deactivated in the month divided by the aggregate number of subscribers at the beginning of the month. When used or reported for a period greater than one month, subscriber churn represents the monthly average of the subscriber churn for each of the months in the period. The Company uses subscriber churn as a measure of its success in retaining its subscriber base.

Service Revenue

Service revenue is total revenue less revenue received from the sale and installation of equipment. The sale of such equipment does not materially affect the Company's operating income as the Company generally sells equipment to its subscribers at a price approximating cost to facilitate competitive pricing. Accordingly, the Company believes that service revenue is a more meaningful metric to examine fluctuations in gross margin.

Average Revenue per User (ARPU)

ARPU is calculated on a monthly basis. For any particular month, ARPU represents monthly network revenue divided by the average number of subscribers during the month. ARPU, when used in connection with a particular type of subscriber, represents monthly service revenue generated from these subscribers divided by the average number of these subscribers during the month. When used or reported for a period greater than one month, ARPU represents the monthly average of the ARPU calculations for each of the months in the period. The Company believes that ARPU helps indicate whether Look bas been successful in attracting and retaining higher value subscribers.

Carrier Charges and Cost of Sales

Carrier charges and cost of sales include the costs of programming for Broadcast Services, distribution costs for programming to transmitter sites, data distribution on common carriers (telephone companies) for Internet Services, Other Services, customer premise equipment, and installation costs. Programming costs include the service fees paid to networks and other distributors to obtain the video and audio signals for distribution to subscribers. While most of the cost of data distribution and Other Services vary with the number of subscribers, programming costs vary directly with both the number of channels carried and the number of subscribers receiving those channels.

Gross Margin Percentage

The Company calculates gross margin percentage by dividing gross margin, excluding equipment and installations, by service revenue. Service revenue is used in the calculation instead of total revenue because service revenue excludes the impact of the sale and installation of equipment, which is generally sold at a price that approximates cost. As a result, gross margin percentage better reflects the Company's core service activities.

Cost of Acquisition per Subscriber (COA)

COA, which is also often referred to in the wireless communications industry as "subscriber acquisition cost" or "cost per gross addition", is calculated by dividing total sales and marketing operating expenses for the period by the total number of gross subscriber activations. Subscriber activations include Broadcast Services, Internet Services, web-hosting and co-location activations. The Company believes that COA is indicative of Look's ability to efficiently attract new customers.

Earnings Before Interest Expenses, Income Taxes, Depreciation, and Amortization (EBITDA)

EBITDA is defined as earnings before net interest expenses, income taxes, depreciation and amortization. EBITDA is a common measure used in the communications industry to assist in understanding and comparing operating results and is often referred to by our peers and competitors as operating profit or OIBDA (operating income before depreciation and amortization). 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 and is unlikely to be comparable to similar measures presented by other issuers, it may not be considered in isolation of GAAP measures such as (1) net income/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 the Company's ability to incur or service debt and invest in capital assets.

8. RESULTS OF OPERATIONS

Highlights of the results for the three and six months ended February 29, 2008 include the following:

- For the three months ended February 29, 2008, service revenues were $5,173 compared to $6,251 for the three months ended February 28, 2007. For the six months ended February 29, 2008, service revenues were $10,517 compared to $12,762 for the same period one year prior. Gross margins decreased from 53.1% to 50.3% during the respective six month periods as a result of non-recurring adjustments to telecommunications and programming costs and certain components of cost of sales that are fixed in nature.

- Overall ARPU increased by $2.57 or 7.5% to $36.90 during the quarter ended February 29, 2008 over the same quarter one year prior reflecting the continued activation and retention of higher-valued subscribers, the increased penetration of enhanced services, and timely price increases implemented by management.

- The Company's subscriber base was 45,608 at February 29, 2008 compared to 51,830 at August 31, 2007.

- For the three months ended February 29, 2008 EBITDA was negative $857 compared to EBITDA of negative $1,100 for the comparable period ended February 28, 2007 with loss from continuing operations of $1,274 or $0.01 per share and $1,600 or $0.02 per share respectively. EBITDA for the six months ended February 29, 2008 was negative $1,775 compared to negative $1,443 one year prior with loss from continuing operations of $2,569 or $0.02 per share and $2,438 or $0.02 per share respectively (refer to the "Earnings Before Interest Expenses, Income Taxes, Depreciation, and Amortization (EBITDA)" section below for a reconciliation of EBITDA to loss from continuing operations).

Continuing Operations

The loss from continuing operations for the three and six months ended February 29, 2008 was $1,274 or $0.01 per common share and $2,569 or $0.02 per common share respectively, compared with the loss of $1,600 or $0.02 and $2,438 or $0.02 for the comparable periods ended February 28, 2007.

The service and sales revenue, cost of sales and gross margin percentage by segment for the reporting periods are tabled below:

	Three months ended					
	February 29, 2008			February 28, 2007		
Service	**Revenues**	**Cost of Sales**	**Gross Margin %**	**Revenues**	**Cost of Sales**	**Gross Margin %**
Broadcast Services	**$ 2,258**	**$ 1,373**	**39.2%**	$ 2,827	$ 1,562	44.7%
Internet Services	**2,003**	**902**	**55.0%**	2,404	989	58.9%
Other Services	**912**	**326**	**64.3%**	1,020	388	62.0%
Total Service Revenue	**5,173**	**2,601**	**49.7%**	**6,251**	**2,939**	**53.0%**
Sales and Installations	**71**	**60**		95	80	
Total Service and Sales	**$ 5,244**	**$ 2,661**		**$ 6,346**	**$ 3,019**	

	Six months ended					
	February 29, 2008			February 28, 2007		
Service	**Revenues**	**Cost of Sales**	**Gross Margin %**	**Revenues**	**Cost of Sales**	**Gross Margin %**
Broadcast Services	**$ 4,614**	**$2,744**	**40.5%**	$ 5,779	$ 3,148	45.5%
Internet Services	**4,075**	**1,817**	**55.4%**	4,944	2,070	58.1%
Other Services	**1,828**	**666**	**63.6%**	2,039	762	62.6%
Total Service Revenue	**10,517**	**5,227**	**50.3%**	**12,762**	**5,980**	**53.1%**
Sales and Installations	**146**	**125**		220	181	
Total Service and Sales	**$10,663**	**$5,352**		**$ 12,982**	**$ 6,161**	

Total Revenue and Gross Margin

Total revenue for the three months ended February 29, 2008 of $5,244 was $1,102 or 17.4% lower than the comparable period in fiscal 2007. Total revenue for the six months ended February 29, 2008 of $10,663 was $2,319 or 17.9% lower than the comparable period in fiscal 2007. This was due primarily to the net loss of Broadcast Services and Dial-Up subscribers.

Gross margin for the six months ended February 29, 2008 was 50.3% compared to 53.1% for the same period one year prior. This was due primarily to certain components of cost of sales that were fixed in nature and was partly offset by, amongst other things, timely fee increases implemented by Look and the re-negotiation of certain supplier contracts.

Broadcast Services Revenue and Gross Margin

The decrease in Broadcast Services revenue for the three and six month periods ended February 29, 2008 of $569, or 20.1%, and $1,165, or 20.2%, respectively over the same periods in fiscal 2007 was a result of a lower subscriber base. This was due largely to the very aggressive competition in this sector and reduced marketing activity for new subscribers by Look.

Gross margin for the six months ended February 29, 2008 decreased to 40.5% (2007 – 45.5%) due primarily to non-recurring broadcast adjustments and general increases in the cost of programming services.

Internet Services Revenue and Gross Margin

Internet Services revenue for the three and six months ended February 29, 2008 declined by $401, or 16.7%, and $869 or 17.6% respectively over the comparable periods ended one year prior due primarily to a decrease in the number of Dial-Up subscribers. Of the revenue from Internet Services, revenue from Dial-Up accounted for $693 and $1,436 respectively for the three and six month periods ended February 29, 2008 (2007 - $923 and $1,937). Revenue from High Speed for the comparable periods in fiscal 2008 was $1,310 and $2,639 (2007 - $1,481 and $3,007). The decrease in Internet Services revenue resulted from the continuous migration of Dial-Up subscribers to High Speed products and the loss of some High Speed bundled subscribers who discontinued service as a result of the aggressive product bundling implemented by Look’s competitors.

Internet Services gross margin for the six months ended February 29, 2008 declined moderately to 55.4% (2007 – 58.1%) primarily as a result of the fixed nature of certain cost components which were partially offset by Look’s management of costs and renegotiation of supplier contracts.

Other Services Revenue and Gross Margin

Revenue from Other Services for the three and six months ended February 29, 2008 declined by $108, or 10.6%, and $211, or 10.3%, respectively over the comparable periods in 2007 due both to a slight decrease in the number of subscribers and a drop in ARPU. The decline was due mostly to the attrition of hosting subscribers, where revenue in the three and six month periods ended February 29, 2008 declined by $72 and $121 respectively relative to the three and six month periods ended February 28, 2007.

Gross margin increased slightly for the six months ended February 29, 2008 to 63.6% (2007 – 62.6%) due to the management of costs.

Sales and Installation Revenue

Revenue derived from Sales and Installations for the three and six month periods ended February 29, 2008 decreased by $24, or 25.3%, and $74, or 33.6%, respectively. This decline was the result, amongst other things, of a general reduction in new installations during fiscal 2008.

Subscriber Statistics

	Three months ended			Six months ended		
	February 29, 2008	February 28, 2007	% Change	February 29, 2008	February 28, 2007	% Change
Broadcast Services						
Gross additions	833	367	127.0%	1,929	907	112.7%
Net reductions	(717)	(1,126)	36.3%	(1,560)	(2,215)	29.6%
Total subscribers	13,796	18,168	(24.1%)	13,796	18,168	(24.1%)
ARPU	$53.49	$50.28	6.4%	$52.62	$49.68	5.9%
Churn	3.6%	2.6%	(1.0%)	3.9%	2.7%	(1.2%)
Internet Services						
High Speed Services						
Gross additions	402	571	(29.6%)	973	1,752	(44.5%)
Net reductions	(381)	(183)	(108.2%)	(1,176)	(544)	(116.2%)
Total subscribers	8,874	10,884	(18.5%)	8,874	10,884	(18.5%)
ARPU	$48.17	$44.89	7.3%	$47.22	$45.20	4.5%
Churn	2.9%	2.3%	(0.6%)	3.8%	3.4%	(0.4%)
Dial-Up Services						
Gross additions	246	379	(35.1%)	582	1,061	(45.1%)
Net reductions	(1,067)	(1,765)	39.5%	(3,300)	(3,859)	14.5%
Total subscribers	11,926	18,434	(35.3%)	11,926	18,434	(35.3%)
ARPU	$18.46	$15.92	16.0%	$18.19	$15.94	14.1%
Churn	3.5%	3.6%	0.1%	4.7%	4.0%	(0.7%)
Total Internet Services						
Gross additions	648	950	(31.8%)	1,555	2,813	(44.7%)
Net reductions	(1,448)	(1,948)	25.7%	(4,476)	(4,403)	(1.7%)
Total subscribers	20,800	29,318	(29.1%)	20,800	29,318	(29.1%)
ARPU	$30.95	$26.41	17.2%	$30.23	$26.30	14.9%
Churn	3.2%	3.2%	0.0%	4.3%	3.8%	(0.5%)
Other Services						
Gross additions	684	629	8.7%	1,328	1,540	(13.8%)
Net reductions	(108)	(88)	(22.7%)	(186)	(168)	(10.7%)
Total subscribers	11,012	11,584	(4.9%)	11,012	11,584	(4.9%)
ARPU	$20.34	$22.02	(7.6%)	$20.72	$22.25	(6.9%)
Churn	2.4%	2.1%	(0.3%)	2.3%	2.4%	0.1%
Grand Total						
Gross additions	2,165	1,946	11.3%	4,812	5,260	(8.5%)
Net reductions	(2,273)	(3,162)	28.1%	(6,222)	(6,786)	8.3%
Total subscribers	45,608	59,070	(22.8%)	45,608	59,070	(22.8%)
ARPU	$36.90	$34.33	7.5%	$36.39	$34.12	6.7%
Churn	3.1%	2.8%	(0.3%)	3.7%	3.2%	(0.5%)

See section 7 for an explanation of how the above statistics are calculated and utilized by the Company.

Total Subscribers and ARPU

The decrease in subscribers for the three months ended February 29, 2008 of 2,273 or 4.7% from November 30, 2007 was due largely to the continuing decline of our residential and business Dial-Up subscribers, the loss of video subscribers, and the loss of some High Speed subscribers due to the aggressive product bundling by Look's competitors. Look has also minimized the use of marketing campaigns that have historically proven to be very expensive.

For the three and six months ended February 29, 2008, total ARPU was $36.90 and $36.39 respectively (2007 - $34.33 and $34.12). This increase of 7.5% and 6.7% respectively was due largely to the improvement in Broadcast Services ARPU attributable primarily to the implementation of fee increases coupled with the Dial-Up price increase and a declining proportion of subscribers with lower-ARPU Dial-Up products.

Broadcast Subscribers and ARPU

Broadcast subscribers totalled 13,796 at February 29, 2008 representing a decrease of 717 or 4.9% from November 30, 2007. Of the 13,796 subscribers, 4,395 represented subscribers in multiple-unit dwellings and 9,401 were subscribers in single family homes. The number of subscribers continued to decline in the three and six month periods ended February 29, 2008 as a result of reduced sales and marketing activities by Look, aggressive bundling campaigns by the competition, and the implementation of a video fee increase. Primarily as a result of the video fee increase, ARPU for the six months ended February 29, 2008, increased to $52.62 (2007 – $49.68).

For the six months ended February 29, 2008, Broadcast Services subscriber churn was an average of 3.9% compared with 2.7% for the same period one year prior.

Internet Subscribers and ARPU

Internet subscribers totalled 20,800 at February 29, 2008 representing a decrease of 1,448 or 6.5% from November 30, 2007. The decrease was essentially in the residential Dial-Up subscriber base which lost 1,061 subscribers in the quarter reflecting a continuous customer migration to High Speed products.

ARPU on Internet Services was $30.23 for the six months ended February 29, 2008 (2007 - $26.30) as a result of an increase in both Dial-Up and High Speed ARPU to $18.19 (2007 - $15.94) and $47.22 (2007 - $45.20) respectively as well as a movement of subscribers to higher value services. The increase in Dial-Up ARPU resulted from timely price increases implemented by management as well as a relative increase in service usage.

Other Services Subscribers and ARPU

Other Services subscribers totalled 11,012 at February 29, 2008 representing a decrease of 108 or 1.0% from November 30, 2007. Look also recorded sales of 7,208 and 14,259 domain names respectively for the three and six months ended February 29, 2008 (2007 – 7,845 and 15,652).

ARPU on Other Services for the three and six months ended February 29, 2008 averaged $20.34 and $20.72 respectively (2007 - $22.02 and $22.25). The decrease in ARPU was attributable to product mix, with subscribers generally moving to lower priced hosting products.

Operating Expenses

	Three months ended			
	February 29, 2008	**Percentage of service revenues**	**February 28, 2007**	**Percentage of service revenues**
Marketing and sales	**$ 1**	**0.0%**	$ 28	0.4%
Customer care	**369**	**7.1%**	482	7.7%
Engineering and operations	**741**	**14.3%**	792	12.7%
General and administration	**2,329**	**45.0%**	3,125	50.0%
Total before amortization of capital assets and deferred charges	**3,440**	**66.4%**	4,427	70.8%
Amortization of capital assets and deferred charges	**1,342**	**25.9%**	1,165	18.6%
Total operating expenses	**$4,782**	**92.3%**	$ 5,592	89.4%

	Six months ended			
	February 29, 2008	**Percentage of service revenues**	**February 28, 2007**	**Percentage of service revenues**
Marketing and sales	**$ 19**	**0.2%**	$ 69	0.5%
Customer care	**771**	**7.3%**	1,039	8.1%
Engineering and operations	**1,474**	**14.0%**	1,758	13.8%
General and administration	**4,822**	**45.8%**	5,398	42.3%
Total before amortization of capital assets and deferred charges	**7,086**	**67.3%**	8,264	64.8%
Amortization of capital assets and deferred charges	**2,617**	**24.9%**	2,349	18.4%
Total operating expenses	**9,703**	**92.2%**	$10,613	83.2%

Marketing and Sales

Marketing and Sales expenses include the costs of media and other advertising fees for direct sales agencies, direct marketing costs, costs of producing and distributing product media, and commissions on retail sales.

For the current quarter, marketing and sales expenses were $1, or a nominal percentage of service revenues, compared to $28, or 0.4% of service revenues, for the three months ended February 28, 2007. For the six months ended February 29, 2008, marketing and sales expenses were $19, or 0.2% of service revenues, compared to $69, or 0.5% of service revenues, one year prior as the Company has limited the use of advertising campaigns and focused on the retention of its high-value subscribers.

For the three and six month periods ended February 29, 2008, the cost of acquisition per subscriber ("COA") was $0.46 and $3.95 respectively compared with $14.14 and $13.09 for the three and six month periods ended February 28, 2007.

Customer Care

Customer care expenses are primarily salaries and benefits associated with the operation of the call center for both technical and service support.

For the three and six months ended February 29, 2008, customer care expenses were $369, or 7.1% of service revenues, and $771, or 7.3% of service revenues, respectively compared to $482, or 7.7% of service revenues, and $1,039, or 8.1% of service revenues, for the three and six months ended February 28, 2007.

As a percentage of revenues, customer care expenses declined slightly for the three and six month periods ended February 29, 2008 reflecting Look's ability to achieve efficiencies in customer care while maintaining its customer focus in its call centre operations.

Engineering and Operations

Engineering and operations expenses in Look's digital broadcast television distribution activities include the costs associated with operating and maintaining the broadcast distribution head-end facilities where television and audio signals are received, digitally encoded, and distributed to transmission sites. These expenses also include costs related to the network and transmission towers through which digital signals are transmitted via microwave to subscribers and the costs of providing services to the subscribers.

Engineering and operations expenses in Look's Internet Services activities consist primarily of the costs of the telecommunications facilities necessary to provide service to subscribers and the operation and maintenance of network servers. Telecommunications facilities costs include: (i) the costs of providing local telephone lines into each Corporation-owned point of presence; (ii) the cost of leased lines into non-Corporation owned ports and related facilities charges; and (iii) the cost of connecting Look's hub to the internet backbone. Network server costs include the costs of contracts for software and hardware support with third parties.

For the three and six month periods ended February 29, 2008, engineering and operations expenses declined to $741 or 14.3% and $1,474 or 14.0% of service revenues, compared to $792 or 12.7% and $1,758 or 13.8% of service revenues for the three and six month periods ended February 28, 2007.

The six-month reductions compared to the same quarters in fiscal 2007, totalling $284 or 16.2%, resulted primarily from the re-negotiation of hardware and software maintenance agreements, efficiencies attained in servicing Look's existing subscriber base, and the continued focus on cost management.

General and Administration

General and administration expenses include administrative salaries, human resources, general occupancy, information technology, professional fees, and other administrative overheads for the Company. Costs relating to information technology, that comprise the development and maintenance of the Company's customer service and billing systems, are also included. Some of these costs are variable and fluctuate with changes in the customer base.

A summary of the key components in general and administration expenses is set out below:

	Three months ended		Six months ended	
	February 29, 2008	**February 28, 2007**	**February 29, 2008**	**February 28, 2007**
Compensation and benefits	**$ 947**	$ 1,414	**$ 2,097**	$ 2,436
Professional fees	**900**	968	**1,727**	1,524
Office and general	**482**	743	**998**	1,438
Total general and administrative expenses	**$ 2,329**	$ 3,125	**$ 4,822**	$ 5,398

For the three months ended February 29, 2008, general and administration expenses were $796 or 25.5% lower than the quarter a year ago due mainly to the charges in fiscal 2007 related to the vesting of options for non employees (a non cash item).

For the six months ended February 29, 2008, general and administration expenses were $576 or 10.7% lower than the comparative period a year ago due mainly to the charges in fiscal 2007 related to the vesting of options for non employees (a non cash item) and once off office and general expenses. These savings in the quarter were partially offset by an increase in professional service fees related to, amongst other things, the actions that the Company is pursuing as discussed under the section entitled "Contingencies".

Amortization of Capital Assets, Deferred Charges, and Deferred Financing Charges

For the three and six months ended February 29, 2008, amortization of capital assets was $1,328 and $2,590 (2007 - $1,149 and $2,309) respectively and amortization of deferred financing charges totalled $14 and $27 (2007 - $16 and $40) respectively.

Interest and Financing Charges

	Three months ended		Six months ended	
	February 29, 2008	**February 28, 2007**	**February 29, 2008**	**February 28, 2007**
Accretion on liability component of convertible debentures	**$ (39)**	**$ (41)**	$ (78)	$ (80)
Interest and finance charges	**(50)**	**(51)**	(100)	(102)
Interest income	**76**	**90**	174	193
Total	**$ (13)**	**$ (2)**	$ (4)	$ 11

For the six month period ended February 29, 2008, $78 (2007 – $80) was recorded as the accretion on the liability component of the convertible debentures and $100 (2007 – $102) was recorded in interest expense on mortgage financing, supplier-financed credit facilities, capital lease obligations, and financing fees. The interest and financing charges were more than offset by $174 (2007 - $193) in interest income recognized on liquid assets.

Non-Controlling Interest

Non-controlling interest is the allocation related to the minority shareholders' 49% interest in Look's operating results.

Discontinued Operations

There were no charges to discontinued operations during the three and six months ended February 29, 2008. The loss from discontinued operations in the six months ended February 28, 2007 of $1,000 related to additional charges for the settlement of the claim against UBS for leased premises used by UBS Technologies A/S, its Danish subsidiary that was petitioned into bankruptcy in 2003.

Loss and Comprehensive Loss for the Period

The loss and comprehensive loss for the three and six months ended February 29, 2008 amounted to $1,274 or $0.01 and $2,569 or $0.02 per share (basic and diluted), compared with the loss and comprehensive loss of $1,600 or $0.02 and $3,438 or $0.03 per share (basic and diluted) for the three and six months ended February 28, 2007.

9. EARNINGS BEFORE INTEREST EXPENSES, INCOME TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The following table reconciles EBITDA to the loss from continuing operations for the respective periods as determined under Canadian GAAP:

	3 months ended		6 months ended	
	February 29, 2008	February 28, 2007	**February 29, 2008**	February 28, 2007
Loss from continuing operations	**$ (1,274)**	$ (1,600)	**$ (2,569)**	$ (2,438)
Non-controlling interest	**(930)**	(667)	**(1,819)**	(1,343)
Amortization of capital assets	**1,328**	1,149	**2,590**	2,309
Amortization of deferred charges	**14**	16	**27**	40
Net interest and financing charges	**(26)**	(39)	**(74)**	(91)
Accretion charges on liability component of convertible debentures	**39**	41	**78**	80
Gain on disposition of capital assets	**(8)**	-	**(8)**	-
EBITDA*	**$ (857)**	$ (1,100)	**$ (1,775)**	$ (1,443)

*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. This measure is not a defined term under Canadian GAAP and might not be comparable to similar measures presented by other issuers.

10. QUARTERLY FINANCIAL RESULTS

The table below sets out financial information for the past eight quarters.

Fiscal Year	**2006**		**2007**				**2008**	
Quarter ended	**May 31**	**Aug 31**	**Nov 30**	**Feb 28**	**May 31**	**Aug 31**	**Nov 30**	**Feb 29**
Revenue	$7,063	$6,605	$6,636	$6,346	$6,013	$5,625	$5,419	$5,244
Gross Margin	3,719	4,005	3,494	3,327	3,038	2,765	2,691	2,583
Operating expenses before amortization and impairment	(4,214)	(5,649)	(3,837)	(4,427)	(3,862)	(3,782)	(3,646)	(3,440)
Continuing Operations								
Income/(Loss) for the period	(818)	(1,825)	(838)	(1,600)	(1,107)	364	(1,295)	(1,274)
Non controlling interest	(893)	(1,001)	(676)	(667)	(913)	(3,595)	(889)	(930)
Net interest, income taxes, depreciation, amortizations, impairment[1] and gain on disposition of capital assets	1,216	1,182	1,171	1,167	1,196	2,214	1,266	1,347
EBITDA	(495)	(1,644)	(343)	(1,100)	(824)	(1,017)	(918)	(857)
Discontinued Operations Income/(loss) for the period	-	(1,202)	(1,000)	-	-	-	-	-
Loss per share[2] – continuing operations	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)
Income/(loss) per share[2] – discontinued operations	0.00	(0.01)	(0.01)	0.00	0.00	(0.00)	(0.00)	(0.00)
Income/(loss) per share[1] – total	(0.01)	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)

[1] During the quarter ended August 31, 2007, the Company recorded an impairment of its capital assets in the amount of $1,037.
[2] Loss per share is basic and diluted.

Dial-Up revenue has declined significantly over the past year. For the six months ended February 28, 2007, Dial-Up revenue was $1,937 and represented 15.2% of total service revenues of Look. For the six months ended February 29, 2008, Dial-Up revenue had declined to $1,436 or 13.7% of total service revenues. Look is able to offer alternatives such as wireless access products and DSL to subscribers in Ontario and Quebec and is therefore able to retain some subscribers wishing to migrate to high speed internet access. Look, however, is not able to offer any alternative high speed products in Western Canada where Look has lost a significant number of Dial-Up subscribers moving to high speed services.

In order to align operating costs with declining subscriber numbers, all of Look's departments have been impacted by internal restructurings that have occurred from time to time over the past four years. Look's full-time equivalent employees have been reduced from 299 at August 31, 2003 to 78 at February 29, 2008 which, together with renegotiated contracts and reduced sales and marketing, are a few of the key components of the reduction in operating expenses.

11. LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $6,321 at February 29, 2008 compared with cash and cash equivalents of $9,650 at August 31, 2007. Cash and cash equivalents consist of all bank balances and highly liquid short-term guaranteed investment certificates and bankers acceptances with original maturities of less than 90 days.

The changes in cash and cash equivalents are summarized as follows:

Cash Flows from (used in):	**3 months ended**		**6 months ended**	
	February 29, 2008	February 28, 2007	**February 29, 2008**	February 28, 2007
Operating activities – continuing operations	**$ (1,116)**	$ 773	**$ (1,566)**	$ 2,242
Operating activities – discontinued operations	**-**	(350)	**(1,724)**	(350)
Cash flows from/(used in) operating activities	**(1,116)**	423	**(3,290)**	1,892
Cash flows (used in) financing activities	**(6)**	(9)	**(14)**	(24)
Cash flows (used in) investing activities	**(25)**	(1)	**(25)**	(113)
Increase/(Decrease) in cash and cash equivalents	**$ (1,147)**	$ 413	**$ (3,329)**	$ 1,755

Cash used in operating activities for the three months ended February 29, 2008 was $1,539 higher than the comparative quarter a year ago due mainly to changes in operating working capital resulting from the payments to Bell Canada.

Cash used in operating activities for the six months ended February 29, 2008 was $5,182 higher than the first six months of fiscal 2007 due mainly to changes in operating working capital resulting from the payments to Bell Canada and the final payment related to the settlement of a Danish claim.

There were no major variations in cash used in financing activities and investing activities for the three and six months ended February 29, 2008 compared to the same periods in fiscal 2007.

As at February 29, 2008, the Company had contractual obligations that require future payments as follows:

	Total	2008	2009	2010	2011	2012	Thereafter
Mortgage payable	$ 1,800	-	1,800	-	-	-	-
Operating leases	$ 1,352	338	370	260	206	178	-

The mortgage payable bears interest at 10.5% per annum and matures on August 21, 2009. The mortgage is collateralized by a general security agreement over the assets at Look's Milton, Ontario premises, and a first legal charge over the land and building of Look.

Pursuant to CRTC regulation, Look is required to make annual contributions to the Canadian Television Fund ("CTF"), which is a cable industry fund designed to foster the production of Canadian television programming. Contributions to the CTF are based on a formula, including gross broadcast revenue and the number of subscribers. Look may elect to spend a portion of the above amount for local television programming and may also elect to contribute a portion to another CRTC approved independent production fund. Look estimates that its total contributions to the CTF and CRTC for fiscal 2008 will amount to approximately $450.

The environment in which the Company operates is characterized by continuing turmoil in the capital markets and continuing uncertainty in the telecommunications landscape in Canada, caused by, amongst other things, the potential privatization of Bell Canada Enterprises, the AWS spectrum auction, which is likely to result in the introduction of new competitors, and the rapid technological changes underway. The Company will need to raise cash in order to meet the needs of its existing operations beyond the third quarter of fiscal 2009. This requirement and timing for capital may be adversely impacted by, amongst other things, a lack of available financing through traditional banking sources, the outcome of the contingencies (see section entitled "Contingencies"), a faster rate of decline in subscribers than experienced during fiscal 2007 and negative pressure on ARPU. In order to alleviate this cash requirement, the Company will continue to seek any and all ways to obtain financing through, amongst other things, partnering arrangements, debt and equity partners, the sale of certain subscribers, arrangements involving some or all of Look's spectrum and rights offerings to existing shareholders. Significant external funds will, however, be required to expand the M^3 network to achieve Look's mission of being an M^3 information, communication and entertainment service provider throughout the Windsor to Québec City corridor.

The foregoing includes forward looking information that is subject to risks and uncertainties described under "Operating Risks and Uncertainties" below. No assurance can be given that the Company will be able to achieve these results or raise capital given the existing market conditions in both Canada and the United States and the continuing restriction on foreign ownership.

The Company's working capital deficiency at February 29, 2008 was $8,963 compared with $7,555 at August 31, 2007. The change in working capital deficiency is related to, amongst other things, the negative EBITDA incurred by the Company in the quarter. Management continues to reposition the Company as an M^3 service provider so that it can better utilize Look's main assets, which include the licence to use approximately 100 MHz of spectrum in the 2.5 to 2.7 GHz band and the broadcast licence.

12. SHARE CAPITAL

As at February 29, 2008, UBS had issued 91,442,522 Common Shares (August 31, 2007 – 91,442,522) and 11,305,332 Class A Non-Voting Shares (August 31, 2007 – 11,305,332) for total issued shares of 102,747,854 (August 31, 2007 - 102,747,854).

At February 29, 2008, there were options outstanding to acquire 15,974,000 Common Shares of UBS (August 31, 2007 – 15,974,000). During the six months ended February 29, 2008, UBS recorded no stock based compensation expense (February 28, 2007 - $26) related to options issued to employees and $225 (February 28, 2007 - $653) related to options issued to non-employees, which has been recorded in contributed surplus.

As at April 25, 2008, there were no changes to the number of issued shares of UBS and the number of options outstanding to purchase Common Shares of UBS.

13. CONTINGENCIES

(a) Claim for damages against Inukshuk

On January 16, 2003, UBS Wireless entered into a signed Right of Use Agreement (the "Agreement") with Inukshuk Internet Inc. ("Inukshuk"), a subsidiary of Microcell Telecommunications Inc. ("Microcell"), which would allow UBS to use the Multipoint Communications Systems ("MCS") spectrum licences held by Inukshuk within certain licence service areas. In addition, the Agreement gave UBS Wireless the right to match any binding, written irrevocable offer that Inukshuk was prepared to accept for the remaining MCS spectrum licenced to Inukshuk.

On November 19, 2003, Allstream Inc., Inukshuk and a USA company, NR Communications, LLC announced a joint venture for the use and development of 60 MHz of MCS spectrum. This MCS spectrum is part of the 98 MHz of spectrum licenced to Inukshuk, which is the subject matter of the Agreement.

On April 21, 2004, after attempting unsuccessfully to resolve issues related to the Agreement, UBS commenced legal action against Allstream Inc. (now MTS Allstream Inc.), Microcell Telecommunications Inc., Microcell Solutions Inc. and Inukshuk (wholly-owned subsidiaries of Microcell and now of Rogers Communications Inc. ("Rogers") following its acquisition of Microcell in September 2004) (collectively the "Defendants"). The damages claimed are for, amongst other things, specific performance, breach of contract, breach of confidence and breach of fiduciary duty. Damages totaling $160,000 and disgorgement of profits are claimed against each of the defendants as a result of their actions involving the Inukshuk spectrum. Statements of defence have been filed by the Defendants.

On September 16, 2005, Rogers and Bell Canada announced an agreement to jointly build and manage a Canada-wide wireless broadband network using the Inukshuk spectrum. Pursuant to this agreement, Rogers and Bell Canada were to transfer, amongst other things, the Inukshuk spectrum in the 2.5 GHz frequency range to the Inukshuk Wireless Partnership (the “Inukshuk Partnership”).

On March 30, 2006, Industry Canada confirmed in a letter to Rogers and Bell Canada that barring unforeseen circumstances approval would be given to transfer the MCS licences from Inukshuk to the Inukshuk Partnership.

During fiscal 2007, UBS Wireless commenced proceedings to bring a motion to add the Inukshuk Partnership as a defendant to the original lawsuit. This motion was withdrawn and on August 22, 2007 UBS Wireless filed a statement of claim against the Inukshuk Partnership. The statement of claim seeks, amongst other things, a mandatory order requiring the Partnership to return to Fido Solutions Inc. (“Fido”, formerly Microcell Telecommunications Inc.) any and all rights or licences to use or exploit the MCS spectrum and such other, interim, interlocutory or final relief as may be necessary to enable Fido to comply with any order requiring the specific performance of certain obligations to UBS Wireless.

On April 3 and 4, 2008, the Ontario Superior Court of Justice heard a motion brought by the Inukshuk Partnership, with Fido intervening in support, to dismiss the action against the Inukshuk Partnership filed by UBS Wireless on August 22, 2007. The decision from this hearing is pending and the outcome of this motion cannot be predicted at this time.

On April 15, 2008, UBS Wireless notified the Defendants to the original claim that it intended to amend the damages claimed on April 21, 2004, against each of the Defendants, from $160 million to $537 million, based on the opening bids for the Canadian AWS auction. On April 22, the Defendants refused consent to the amendment and, accordingly, UBS Wireless will be seeking leave by the Ontario Superior Court of Justice to amend the claim.

The assets and rights pursuant to the Agreement are significant to the Company’s shareholders and as such UBS intends to vigorously pursue its rights.

(b) Bell Canada

In response to Bell Canada’s “Notice of Intent to Disconnect” Look’s services, on April 27, 2007, Look filed a statement of claim with the Ontario Superior Court of Justice against Bell Canada. Look claims damages in the aggregate amount of $25,000 plus interest, costs, and any applicable taxes for, amongst other things, Bell Canada’s breach of contract, misrepresentation, and unlawful interference with economic relations. Look is also seeking $10,000 in aggravated and/or punitive damages.

On May 8, 2007, Look filed a notice of motion seeking Interim and Interlocutory Injunctions (the “Injunctions”) preventing Bell Canada from terminating, reducing, restricting, or in any way interfering with the telecommunications services provided by Bell Canada to Look, pending the final determination of the motion or until such other time as the Court may direct. The Injunctions were heard by the Ontario Superior Court of Justice on July 23, 2007 and granted on July 31, 2007. In light of the Injunctions granted, Look believes it will be able to carry on business in the normal course of operations.

The major Terms and Conditions of the Injunctions are as follows:

1. Look will pay Bell Canada $360 per month from May 1, 2007;
2. Look may not encumber or transfer its spectrum licence without the consent of the Court; and
3. Bell Canada will pay Look's costs of the Injunctions.

Look is fully complying with the Terms and Conditions set forth by the Ontario Superior Court of Justice. Look will expeditiously continue to vigorously pursue its aforementioned statement of claim against Bell Canada.

On July 5, 2007, Bell Canada filed its statement of defence and counterclaim against Look claiming, amongst other things, damages for trade payables in the amount of $13,689, damages in the amount of $2,300 for credit notes improperly issued by Bell Canada, and $1,000 in aggravated and/or punitive damages.

On March 18, 2008 Look was granted an Order from the Ontario Superior Court of Justice compelling Bell Canada to, amongst other things, deliver its Affidavit of Documents to Look by no later than October 1, 2008 (the "deadline"). Despite agreeing to a Court imposed timetable on August 13, 2007 to exchange an Affidavit of Documents with Look by November 16, 2007, Bell Canada has failed to adhere to its obligations before the Ontario Superior Court of Justice prompting the action initiated by Look.

As such, Look obtained an Order from the Honourable Justice Spence that granted the following:

1. The Defendant, Bell Canada, deliver its sworn Affidavit of Documents by no later than the deadline;
2. Bell Canada is to continue reporting to the Ontario Superior Court of Justice on a monthly basis as to its progress in preparing its Affidavit of Documents, and that Bell Canada will provide Look with a written report in advance of this monthly attendance outlining:
    i. The number of people who are reviewing the Bell Canada documents; and
    ii. The number of documents reviewed during the month and the number of documents remaining to review; and
3. In the event that Bell Canada fails to deliver its Affidavit of Documents by the deadline, or if, in advance of the deadline, it is shown that the efforts Bell Canada is making will not likely allow it to meet the deadline, Look may seek an order to reduce the $360 per month payment to Bell Canada, or seek an order for such other relief as the Court may permit, after July 1, 2008 based on the reports from Bell Canada to that date and any other relevant material.

The hearing date for these actions has yet to be determined and the outcome of these actions cannot be predicted at this time.

These claims are significant to the Company's shareholders. In the Company's opinion, Bell Canada's counterclaim is without merit and Look intends to vigorously pursue its rights.

(c) Craig Wireless

On February 19, 2004, Craig Wireless International Inc. ("Craig Wireless") filed a statement of claim against the Company before the Ontario Superior Court of Justice. In its action, Craig Wireless seeks numerous sanctions against the Company and other parties.

On May 4, 2004, the Company obtained an order from the Ontario Superior Court of Justice dismissing with prejudice the motion brought by Craig Wireless for, amongst other things, an injunction that would prevent UBS from voting its shares of Look and converting into common shares its convertible debentures pursuant to Look's February 2004 rights offering. At the same time, Craig Wireless also withdrew its challenge to the CRTC approval of UBS acquiring a controlling interest in Look.
Craig Wireless is still pursuing its claim that Look conducted its affairs in a manner that was oppressive and unfairly prejudicial to Craig Wireless and requests damages in the aggregate amount of $12,000.

On October 27, 2006, the Ontario Superior Court of Justice heard a motion brought by Craig Wireless to amend its claim so as to add additional defendants. The Court denied Craig Wireless' motion on January 24, 2007 and awarded costs in favour of the Company.

The Company has been advised that Craig Wireless does not intend to further amend its claim and consequently the Company will be filing a statement of defence. The Company believes that the entire claim is unfounded and intends to vigorously defend itself. Accordingly, no accrual has been recorded in the accounts for this claim.

(d) Border Broadcasters Inc. et al.

On December 27, 2007, Border Broadcasters Inc. et al. ("Border Broadcasters") served a statement of claim against Look filed before the Federal Court. In its action, Border Broadcasters is seeking, amongst other things:

1. Payment of royalties due in the amount of $4,500 for the retransmission of distant television signals pursuant to:
   i) The Statement of Royalties to be Collected for the Retransmission of Distant Radio and Television Signals in Canada in 1998 through to 2003 as certified by the Copyright Board of Canada, and
   ii) The Interim Tariffs for the Retransmission of Distant Radio and Television Signals in Canada for the period commencing January 1, 2004.

2. Pre-judgment interest on unpaid royalties in the amount of $2,500.

Look believes that all debts, including any royalties due up to and including February 11, 2002, were extinguished by virtue of the Plan of Implementation approved by the Court under the Plan of Arrangement effective February 11, 2002. In addition, Look notes that the Interim Tariffs referred to above for the period commencing January 1, 2004 remain uncertified by the Copyright Board of Canada.

Look intends to vigorously defend itself and the outcome of this action cannot be predicted at this time.

(e) Danish claim

Certain claims have been filed against UBS in connection with UBS Technologies A/S (formerly ProTeleVision Technologies A/S), its Danish subsidiary that was petitioned into bankruptcy in early 2003. In fiscal 2007, UBS settled a claim related to leased premises used by UBS Technologies A/S in Denmark. The final payment in respect of this settlement was made in the first quarter of fiscal 2008 (refer to note 6). A second claim for approximately $450, which relies on an alleged guarantee by UBS in respect to a subcontracting agreement for the manufacture of electronic products, is proceeding through the Danish courts. Management believes it has a good defence against the remaining claim and continues to vigorously defend its position.

(f) Other claims

The Company continues to defend itself against the other litigation detailed in the Company's 2007 annual financial statements.

14. TRANSACTIONS WITH RELATED PARTIES

(a) Management Service Agreement with Jolian Investments Ltd.

Management service fees pursuant to the Management Service Agreement between UBS and Jolian Investments Ltd., which is controlled by the Chairman and CEO of the Company, amounted to $143 and $285 for the three and six months ended February 29, 2008 respectively (February 28, 2007 – $125 and $249).

(b) Consulting Agreement

Consulting fees, pursuant to a consulting agreement entered into in 2002 with Mr. Dolgonos, former President and CEO of UBS, amounted to $119 and $238 for the three and six months ended February 29, 2008 respectively (February 28, 2007 - $105 and $207).

15. RISKS AND UNCERTAINTIES

Going Concern

The Company's ability to continue as a going concern is dependent upon achieving and maintaining profitable operations, the successful implementation of the Company's business strategy, availability of financing alternatives and an acceptable outcome to the Company's contingencies (See Section 13). The outcome of these matters cannot be predicted at this time. The consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classifications of the assets and liabilities and reported revenues and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Economic Dependence

Look purchases a significant portion of its telecommunications services from Bell Canada. These telecommunications services are not available from other providers and as a result, the provision of many of Look's service offerings to its subscribers and the revenue generated therefrom are dependent upon Bell Canada continuing to provision its network services to Look (See Section 13(b)).

Financing Risks

The Company's M^3 mission is dependent on raising sufficient capital or partnering with other service providers who would provide the necessary infrastructure and capital requirements to design and develop the network in Toronto and Montreal in the first instance and then the corridor from Windsor to Québec City. Given the existing market conditions in both Canada and the United States and the continuing restriction on foreign ownership, there is no guarantee that the Company will be able to obtain financing arrangements that are acceptable to the Company and therefore, there is no assurance that the network as outlined in the Company's strategy will be built.

Subscriber Retention

Look's ability to retain its profitable subscriber base is the prime determining factor in its long-term success. Look attempts to ensure retention of profitable subscribers by maintaining its infrastructure and technical and subscriber support capabilities. Look has also implemented targeted retention strategies designed to reduce the rate of subscriber attrition. However, it is easy for Look's subscribers to switch to competing internet and television distribution service providers. Any significant loss of profitable subscribers due to, amongst other things, continuously-advancing technology and aggressive competition in the telecommunications industry, will adversely affect the Company's business, financial condition, and results of operations in the future.

Subscriber Acquisition

Look's revenue depends on its ability to attract and retain new subscribers. However, the very strong competitive environment in which Look operates could adversely affect its business, financial condition and results of operations in the future.

Regulatory Risks

As discussed in the "Overview of Government Regulation and Regulatory Developments" section above, the Company's operations are subject to government regulation that could, and frequently do, impact the business. The Company continually monitors these developments and comments directly on those policies that affect it.

Technology Risks

Look is pursuing a new strategy that will transition its network to M^3 technology. The development and implementation of any new technology brings with it inherent uncertainties and risks related to the features included, the timing of implementation and the cost and availability of equipment. This implementation will rely, in part, on new and unproven technology, although UBS has experience in related areas. The Company cannot be certain that this new service can be implemented in the time frame and within the investment capital required to generate an appropriate risk related return for investors.

16. ADDITIONAL INFORMATION

Additional information regarding the Company's financial statements and activities is available at www.sedar.com.