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BRIEFING CONFERENCE CALL  
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OPERATOR: Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the Look Communications Telecom Analyst Briefing conference call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. Instructions will be provided at that time for you to queue up for questions. If anyone has any difficulties hearing the conference, please press \* followed by 0 for operator assistance at any time.

I would like to remind everyone that this conference is being recorded on Friday, December 19th, 2008 at 11:00 a.m. Eastern time.

I will now turn the conference over to Mr. Peter Block, responsible for communications. Please go ahead.

PETER BLOCK (Investor and Media Relations, Look Communications Inc.): Thank you, Operator. Just before we begin the formal part of the presentation today, I'd like to read a forward-looking statement that this presentation contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities law.

Statements and information are subject to certain risks and uncertainties that could cause actual results to differ materially from those

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included in the forward-looking statements and forward-looking information. The words believe, expect, intend, estimate, anticipate, project, scheduled and similar expressions as well as future or conditional verbs such as will, should, would and could often identify forward-looking statements and forward-looking information.

These statements and information are only predictions. Actual events or results may differ materially. In addition, this presentation may contain forward-looking statements and forward-looking information attributed to third-party industry sources. Undue reliance should not be placed on these forward-looking statements and forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

By their nature, forward-looking statements and forward-looking information involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements and forward-looking information will not occur.

Specific forward-looking statements and forward-looking information contained in this presentation include, among others, statements regarding the implied value of Look's assets or other potential projects or the timing

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or occurrence of any transaction or transactions, our future net cash flow, the impact of government controls and regulations on our operations, our competitive advantages and ability to compete successfully and our expectations regarding the development and production potential of our assets.

With respect to forward-looking statements and forward-looking information contained in this presentation, we've made assumptions regarding, among other things, the value of spectrum, the need for spectrum by other industry participants, the allowance of foreign competition in the provision of broadcasting or broadband service, the impact of increasing competition and our ability to obtain financing on acceptable terms.

Some of the risks that could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements and forward-looking information include the successful conclusion of any plan or arrangement process, if it's approved by shareholders, may be subject to the technology infringement claims from third parties, general economic conditions in Canada and the United States, failure to obtain industry partner and other third-party consents and approvals that are required, the impact of amendments to the Income Tax

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Act in Canada and the U.S. and changes in or the introduction of new government regulations and the uncertainty of our ability to attract capital when necessary.

Forward-looking statements and forward-looking information are expressly qualified in their entirety by this cautionary statement. Our forward-looking statements and forward-looking information are made only as of the date of this presentation. We undertake no obligation to update these forward-looking statements and forward-looking information to reflect new information, subsequent events or otherwise except as required by law.

Thank you for enduring as I read that rather brief statement.

Now, to the heart of the call, please let me turn the call over to Mr. Gerald McGoey, Vice Chairman of Look Communications and CEO of Look Communications.

Gerry.

GERALD T. MCGOEY (Vice Chairman and CEO, Look Communications Inc.): Thank you, Peter, and good morning, gentlemen. Thank you for joining us today for the call.

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With me on the call, part of my management team, is Jason Redmond, Look's CFO; Alex Dolgonos, our Technology Consultant; and Owen Scicluna, the company's Director of Engineering & Operations.

I want to address today three key points. One, the wireless market today; two, the growing need for commercial applications that can be taken advantage of with wireless broadband; and, three, Look's unique position in the Canadian marketplace.

Following this brief presentation, we'll open the floor for any calls or questions that you may have.

First, let me highlight what Look's assets consist of. Number one, Look has approximately 100 megahertz of contiguous licence spectrum in Ontario and Quebec, covering approximately 18 million people or some 1.8 billion megahertz pops. Secondly, Look has a mobile licence which has been renewed by the CRTC to 2011. Third, we have approximately 30,000 broadcast and Internet subscribers. Fourth, we have a network consisting of two network operating centres in Montreal and Toronto, 26 one-way broadcast sites and 10 two-way broadcast sites. And fifth, but not least, approximately \$300 million in tax attributes.

For this call, I plan on focusing my comments on just the first two assets that I mentioned. Our spectrum and our mobile broadcast licence.

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I would be pleased, however, to address any questions later on with respect to any of the other assets as well.

To begin, let me give you our view of the main technologies being developed in the wireless market, with our 3G and 4G WiMAX and LTE.

While we see 3G as more of an upgrade to voice transmission technology, we believe that 4G, or fourth generation wireless has been designated as a data transmission IP network. We see a more robust, mobile experience required in 4G technologies. Users are already expecting much more from their mobile devices than just voice applications. As for WiMAX and LTE, both are designed to be data transmission technologies as opposed to voice and both are based on OFDM technology. While some have predicted that LTE may become the dominant 4G technology, it is also thought to be anywhere from 18 months to two years away, depending on who you talk to, behind the commercialization of WiMAX.

As far as Look in concerned, we are 4G agnostic. Our spectrum can operate with either or both WiMAX and LTE. 4G requires wide bands of spectrum to support higher data transfer rates. These wider bands are typically available on higher frequencies such as 2.5 to 2.7 band.

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And then we know wireless service providers can't sell their products without spectrum. It's the life blood of the wireless industry. And while today's third generation networks aren't overloaded, carriers realize that eventually they'll need more spectrum to accommodate the data-heavy applications like video conferencing, live television, video-on-demand and gaming.

Let's take a quick look at the WiMAX market. In short, WiMAX is no longer next generation technology. It's now generation. Recent developments have been coming fast and furious. In October Intel began shipping its combined WiMAX-WiFi chips for PCs notebooks. You can buy WiMAX enabled notebooks today on Amazon.com from Lenovo and Acer. Starting next month, Dell, Sony, Toshiba, Samsung and Panasonic will also be shipping notebooks with Intel's WiMAX chips.

Also in October, Baltimore became the first city in the United States to go live with mobile WiMAX. Sprint's home unit, now under the brand name Clear, offers mobile broadband with average download speeds of between 2 and 4 megabits per second with peak rates considerably faster.

Earlier this month, Clearwire completed a transaction with Sprint Nextel to combine their wireless internet businesses. Together, they intend to build the first nationwide 4G mobile broadband network in the

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U.S. Clearwire received \$3.2 billion investment from a blue chip list of industry heavyweights: Comcast, Intel, Time Warner, Google and Brighthouse Networks. These players are critical to the advancement of WiMAX and they command significant market shaping influence, first with their R&D muscle and investment clout and secondly, with their marketing power to not just shape the markets but actually create new ones.

Then more momentum even this week. Two days ago, Sprint announced their first 3G-4G dual mode device, a UBS modem available in U.S. retail stores before Christmas and Clearwire and Intel announced they will be holding a press conference on January 6th in Portland to unveil the city as the second U.S. city wired for WiMAX services.

Clearwire is also expected to announce future plans to light up most of the 100 major markets in the U.S. by no later than 2010.

Globally, 4G is having a coming out party as well. Handset manufacturer HTC, which also makes Google's Android-ready phones, launched the world's first integrated GSM WiMAX handset last month for Russia. WiMAX is being developed by major telecoms in India, Japan, Latin America, South Korea and Taiwan. 4G momentum is clearly gaining steam and the investment and the support of market shapers and industry heavyweights is there.

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Now let's talk about our second key point, which is what is driving the need for wireless broadband?

First, consider the growth in demand for mobile TV, mobile advertising, mobile search tools, mobile social networking and location-based services. These are but a few of the applications that have potential to be some of the fastest growing consumer applications in the coming years.

This is true, however, only if the wireless value change offers these applications at the right price to the right person, at the right time and in a manner that's comparable to or better than the current wired-user experience.

The most exciting device cited by WiMAX proponents are not laptops or handsets but non-traditional devices for wireless connectivity like digital cameras or camcorders, game consoles and the like. It's difficult to find a gadget or an application that wouldn't benefit from some type of mobile wireless connectivity.

We already know the consumer is prepared to pay a premium for mobility, just voice and text today, and that P2P or peer-to-peer communications is well understood but there's a significant potential for

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M2M, machine-to-machine communications which is just beginning to be understood.

Beyond consumer entertainment, broadband wireless can impact productivity and the increasingly mobile worker. Basic cell phones are evolving into more robust smart phones. Notebook PCs are becoming more portable and mobile broadband enabled. Broadband wireless has the capacity to significantly enhance the productivity with anywhere, anytime access to personal, professional and corporate data. We are moving from the era of fixed location utility services to mobile personalized services. New and better applications are being demanded by users such as high-quality broadcast TV, high-speed Internet and voice-over-Internet protocol.

However, here's the rub in all this excitement. Compared to traditional cellular networks, these new technologies required wider contiguous broadband bandwidth. With this as the backdrop, let me move into my third key point.

Look believes it has a unique position as it relates to 4G technology in Canada. Look presently provides a full range of communications services including high-speed and dial-up Internet access and digital television services. We provide our television and Internet services using

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multipoint distribution spectrum in the 2.5 to 2.7 gigahertz frequency band. Our mobile broadcast licence covers approximately 18 million people in the provinces of Ontario and Quebec or the equivalent of 1.8 billion megahertz pops.

Look recently launched a WiMAX IEEE 802.16E wave 2 trial in Milton, Ontario using Motorola's latest WiMAX equipment. Look is using a state-of-the-art WiMAX demonstration vehicle in which passengers can view high-quality live television in an interactive guide and videos on demand, place voice calls and browse the Internet and achieve Internet capable speeds of 6 megs per second, all while zipping down the highway.

Look is able to deliver these services because of its spectrum which, in Canada has typically been allocated in small and fragmented pieces. Look however has a contiguous bandwidth of approximately 100 megahertz that is mostly situated to enable this new 4G technology in Ontario and Quebec.

Consistent with the rest of the world, Look's wireless spectrum in Canada is scarce and a valuable resource, an essential part of the 4G network.

In our opinion, the reality is the true value of Look's spectrum will only be realized when commercially developed for Canadians. Look has

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not been able to raise the capital to build a network using its mobile multimedia-enabling assets. Even if Look could source the necessary funds, which would amount to hundreds of millions of dollars, it would also require distribution and branding.

The incumbent telcos and cablecos enjoy the advantage of a dominant market position, brand recognition and financial capabilities and there's also the likelihood of the arrival of new entrants in the Canadian scene.

The existing credit markets have made the possibility of raising funds even more remote, and so earlier this month Look announced that it's embarking on a court-monitored process to conclude an orderly sale for some or all, in whole or in part, of Look's key assets. This process will require shareholders' approval, a monitor's process, board of directors' approval and finally the court's approval. Any interested parties could submit bids for Look's assets at any time prior to the deadline date of February 16th and Look is expecting to close a transaction, or a series of transactions in early March 2009.

If you'd like any more particular information on this process, I refer you to our website which is at [look.ca/maximizingshareholdervalue](http://look.ca/maximizingshareholdervalue).

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Our discussions in the past and expected in the future suggest that there are many possible outcomes to this process, some of which could include the following three: The sale of some or all of the spectrum. The formation of partnerships or equity investments by Look with interested parties using some of the spectrum as Look's equity contribution with one or more of the interested parties. And finally, the sale of some or all, in whole or in part, of Look's assets in return for consideration of anything that includes cash, debt, convertible equity, common equity or any combination of all of the above.

We believe that in addition to the benefits to our shareholders, subscribers in Ontario and Quebec will ultimately benefit from a sale or maximization of Look's key assets due to the tremendous opportunity that one or more buyers with access to capital and brand strength would have to introduce new mobile broadband services.

At Look, we're very excited about the prospect of our assets being part of the next generation of wireless technology as it makes its way through Canada. And we look forward to a ongoing development of this mobile multimedia market.

I'd like to thank you for listening today and we and our management team would be pleased to answer any of your questions. Thank you.

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OPERATOR: Ladies and gentlemen, we will now conduct the question-and-answer session. If you have a question, please press \* followed by the 1 on your touchtone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order that they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys. One moment, please, for your first question.

Your first question comes from Brian Platts, from NBI. Please go ahead.

BRIAN PLATTS: Good morning, Gerry. Firstly, season's greetings to you.

GERALD T. MCGOEY: You too, Brian.

BRIAN PLATTS: Thank you. And I have a question for you. I wondered if you could comment on a possible partnership with Bell and Rogers to deploy a Canada-wide WiMAX network and if you believe that a nation-wide mobile multimedia service derived from such an arrangement would appeal to Look and to Bell and Rogers?

GERALD T. MCGOEY: Well, let me break that down, Brian, in a couple of questions. One, we're strong believers, obviously, in mobile

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broadband. Secondly, our spectrum only covers Ontario and Quebec, as does our broadcast assets.

I think there's been enough proof today in North America that the need for a national network is no longer there in order for people to participate. And as you've seen from the recent auctions, Videotron is regional and others are regional, and that's happening very much in the United States. So the old days of needing a national network before you could offer services, we believe, is no longer there.

From a Canadian perspective, certainly, a national broadband network would be wonderful. But whether it's owned by the same group of people or whether they're able to roam on each other's network, it seems that the capital required even for Bell, Rogers and Telus, is such that these gentlemen are sharing networks, as evidenced by Telus and Bell's recent decision to do the overlay for GSM and Bell and Rogers' decision to roll out Inukshuk together.

So I guess the answer is, yes, national broadband would be great for Canadians. Yes, we would consider any combination of partnership equity participation or whatever with any viable, reasonable providers. And, no, we don't think a national network is necessary, but it would be desirable. So that's from our position.

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From Rogers and Bell, I guess you'd have to ask them. If they're in partnership and doing something with this, that would be one thing. If they did it individually, that would be another thing. So they certainly have a great customer base and they both have great brands. I'm not sure that you could get a partnership of the two of them to work together, much a three-way one. But we're certainly open to any suggestions.

BRIAN PLATTS: I guess that partnership with Inukshuk is sort of a strange relationship given that they actually compete in other areas. But of course, the very fact that if they did partner with you in some way, shape or form, that might enable them to get a jump on the AWS guys because they're unlikely to deploy for at least another year.

GERALD T. MCGOEY: As you've seen in the States, the AWS was bought by Comcast and others in 2006. They still haven't rolled it out.

BRIAN PLATTS: Exactly.

GERALD T. MCGOEY: So these people that believe that they'll roll out AWS before the end of the year, God bless them, but they may get it done.

BRIAN PLATTS: Right, right.

GERALD T. MCGOEY: Secondly, the Inukshuk thing is an interesting one. Rogers and Bell own Inukshuk 50 per cent each. If they

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ever separate or divide it, they would own 50 megahertz each and that's across Canada. It's certainly a nice piece of asset, a 50 megahertz for each one of them.

This is 100 megahertz in Ontario and Quebec, so this is more spectrum than any of them own today in the two biggest provinces that represent some 60 per cent of Canadians.

BRIAN PLATTS: That's true. That's true.

GERALD T. MCGOEY: So we certainly don't have the brand, obviously, of the financial capability, but we certainly have the raw asset.

BRIAN PLATTS: So in a nutshell, Gerry, you would say let's concentrate on Ontario and Quebec and see what happens thereafter?

GERALD T. MCGOEY: No. If somebody has assets across the country that are complementary, we would certainly look at a partnership, an equity participation, using the asset that we have in Ontario and Quebec. As you could see, we have a 1.8 billion megahertz pops and if you look at Western Canada, and even Eastern Canada, once you get outside of Ontario and Quebec, the populations drop substantially.

I don't know, Brian, if you've had a chance to look at our industry analysis across the country but, and you look at Saskatchewan and others, and these are pretty small population bases.

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BRIAN PLATTS: Yes, of course. Of course.

GERALD T. MCGOEY: So, but it doesn't mean that you wouldn't want to be out West or down East.

BRIAN PLATTS: Of course, absolutely.

GERALD T. MCGOEY: The AWS auction, I think, already shows you the regionalizations taking place with Bragg in the east coast, Shaw in the west coast, Videotron in Quebec and really nobody in Ontario.

BRIAN PLATTS: That's true. That's true. Okay, thank you. I better leave some time for the other guys.

GERALD T. MCGOEY: Thank you, Brian.

BRIAN PLATTS: Thanks a lot. Have a great holiday season.

GERALD T. MCGOEY: And you have a Merry Christmas as well.

BRIAN PLATTS: Thank you. Take care.

OPERATOR: Your next question comes from Mark Goldberg, from Mark H. Goldberg and Associates. Please go ahead.

MARK GOLDBERG: Hi, Gerry. How are you doing?

GERALD T. MCGOEY: Very well, Mark. How are you?

MARK GOLDBERG: Just great. Thank you.

GERALD T. MCGOEY: Thank you for joining us.

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MARK GOLDBERG: Oh, my pleasure. On a day like today, nothing better than being on a telephone call.

GERALD T. MCGOEY: But you're comparing me to a snowstorm, Mark. I'm not very flattered. My family won't like it.

MARK GOLDBERG: No, no, no. More saying that it's better than arranging a meeting with us all trying to get to your offices.

GERALD T. MCGOEY: That's right. Great. You're more than welcome to come out anytime, though.

MARK GOLDBERG: Thank you. Gerry, I want to talk about the spectrum itself and you've got the 100 megahertz in Ontario and Quebec. I guess a few questions. One would be who has that same spectrum in the rest of the country? And what is the state of the availability of customer equipment operating in that frequency band in terms of availability of mobile devices and home-fixed devices?

GERALD T. MCGOEY: Okay, so let me give you the first part and then I'll ask Alex to help me with the second part about customer premise equipment as well as network equipment.

The three biggest holders of MDS spectrum are 2600-2700 megahertz spectrum is we are the largest in Canada. The Government of Canada is the next largest. They've put a moratorium on this a number of

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years ago, Mark, and as you know, it's going to be auctioned in the next couple of years. A position paper's coming out. The forecasting consultation paper coming out in February or March of 2009 and they expect to auction it. And the other holder of spectrum like this is Craig wireless out in Vancouver. They have a small piece in Vancouver and Brandon, Manitoba.

So this spectrum was initially handed out as fixed, for broadcasting fixed TV and just became mobile two years ago. So for a long time it wasn't considered very advantageous spectrum until it became mobile.

So right now we're the largest. The Government of Canada is the second largest and if you go across the country, they own, I think, everything on the east coast. They own everything in Western Canada with the exception of Vancouver.

Talking about equipment, I'll let Alex and Owen deal with this, but WiMAX is being rolled out in a number of countries, in emerging markets as well as the United States. And in Russia they actually are rolling out handsets and fixed devices. And you've hit the nail on the head. This WiMAX is not only available for mobile. It can also be used for fixed in your home.

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But why don't I ask Alex and Owen to deal with the question about what devices are available in the consumers' hands today and by whom; and secondly, what kind of equipment is being manufactured and by whom?

MARK GOLDBERG: Thanks.

ALEX DOLGONOS (Chief Technology Consultant, Look Communications Inc.): Sure. Devices range from a series of handhelds to laptops. As Gerry said in his speech today, you've got companies such as Lenovo, Panasonic, Asus, Acer, Toshiba, all that are coming out with embedded WiMAX chips in their laptops. And some of them even have 3G/4G such a Lenovo, so if you are no longer in a WiMAX area, you leave the WiMAX area, you are still handed over to a 3G network. Therefore you still have connectivity in the rest of the country.

Sprint recently has announced a 3G/4G modem, same thing. You're in a WiMAX area. You got the coverage. You leave WiMAX, you get 3G and you default to their CDMA network.

HTC last month announced with, in participation with Yoda Wireless in Russia that they have come up with a device that will allow you, a GSM device that will allow you to use it as a phone, a television and every single

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multimedia option you can think of that you can do over the Internet. And that is a tri-band GSM phone with WiFi and WiMAX.

Motorola is also going to be releasing a CDMA WiMAX handheld in the first quarter of 2009, and that will allow Sprint customers as well to take the advantage of the broadband capabilities of WiMAX in the city, that WiMAX is going to be available but also be able to use that handset outside of those WiMAX areas.

So those are some examples of different handheld, handset, laptops, notebooks that are out today or that are going to be coming out within the next couple of months.

MARK GOLDBERG: And that's all operating in the same frequency bands, is it?

ALEX DOLGONOS: For WiMAX, yes. That will be working on a 2.5-2.6. And then obviously each manufactured device can complement the GSM or a CDMA network.

GERALD T. MCGOEY: Now, Mark, that's what you're going to find is that our view is that the urban centres will be developed with 4G and when you're going between the urban centres, you'll probably have 3G and these will be multi-band and multi-mode phones or handsets or laptops.

MARK GOLDBERG: Very good, thank you.

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GERALD T. MCGOEY: Welcome. Any other questions that...

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time, please press \* followed by the 1. As a reminder, if you are using a speakerphone, please lift the handset before pressing any keys. We have another question from Brian Platts, from NBI. Please go ahead.

BRIAN PLATTS: Hi, Gerry. I thought I'd come back on another question that I had, seeing as it wasn't asked as yet. I'm just wondering, why did you pick Motorola as your WiMAX infrastructure provider? And I'm just wondering how the trial is going and if you were able to deploy today, would you be able to or how much development do you think is still necessary?

GERALD T. MCGOEY: I'll ask Alex, our CTO consultant, to do that for us. Alex, could you walk Brian and the group through it?

ALEX DOLGONOS: Brian, the reason we picked Motorola is we've looked at a number of providers of infrastructure, and one of the key factors for us was to be able to provide multimedia and broadcasting functions over the WiMAX at the same time would be, obviously, two-way data and voice. And Motorola was one of the first people participating with us on the development of the broadcasting over the WiMAX technology,

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which allows a WiMAX network to act as both two-way data and voice, at the same time as a broadcast network as an overlay through the same infrastructure, addressing the same group of devices.

So the trial is going well. We have a number of base stations and, as Gerry mentioned before, people are welcome to come and see our mobile broadcast van and we believe that Motorola equipment is currently, is also one of the choices that, actually the number-one choice that Sprint's rolled out also.

And there is a number, of course, builders of the infrastructure equipment, a number of European players, Chinese players. Motorola is not the only player out there, but it is one of the high-end players out there. That's why we chose them.

BRIAN PLATTS: Okay, and if I wrote you a half billion dollar cheque today, would you be able to start on Monday or is there still more work to be done?

ALEX DOLGONOS: Motorola has rolled out multiple networks and we could start actually immediately, as soon as you cash... we cash your cheque. You can write one, but we need to cash it.

BRIAN PLATTS: I'll get right on that.

ALEX DOLGONOS: Okay.

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BRIAN PLATTS: Okay, thanks.

GERALD T. MCGOEY: Thanks, Brian.

BRIAN PLATTS: Thank you.

OPERATOR: Your next question comes from Ronald Gruia from Frost Sullivan. Please go ahead.

RONALD GRUIA: Yes. Hi, gentlemen. Seasons' greetings and thank you for taking this question. Actually, I had a couple. The first one being, you mentioned the three scenarios, so you're saying you could consider the sale of some or all the spectrum, formation of partnerships or the sale of some or all of Look's assets.

And I want to explore the second one first and I guess my question being, you mentioned, you know, it's not sine qua non that you have to be national. However we all know that in order to qualify as a national new entrant and enjoy mandated new region roaming beyond five years, you know, there is that build out requirement for all 14 regions, right? So no single entrant has a spectrum to do this right now. People have been looking at Quebecor and Globalive maybe teaming up because jointly they would have enough, right, because each one has a blocking position because they have all the, Quebecor has all the new entrant spectrum in Quebec and Globalive in region 14 in the far north. So no qualifying

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consortium can be firm without including both of them since each one has all the new entrant spectrum in one or more regions.

So I guess, as a follow up, would you consider maybe teaming up and doing something with those guys? Because I was just wondering, you know, it could be a combined alliance for both of those guys and someone else like yourselves.

And I guess that's my first question. My second one is in terms of WiMAX rollout, I know some vendors, Motorola, and not necessarily with WiMAX but they have some agreements with some Asian operators to do managed services. I think actually there's one deployment I think they did in Pakistan that is WiMAX and they're doing it as a managed service and similarly, there's other WiMAX vendors out there doing the same thing like SomaMetrix(phon), etcetera. So was that something you would consider above and beyond the deployment itself also to look at a managed service?

GERALD T. MCGOEY: Let's deal with the first one first, which is interesting. All the 27 bidders in the last AWS auction, I think if you spoke to them before the AWS auction, they were all going to win and they were all going to win anywhere from 20 to 40 megahertz and they were going to have national.

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Every single buyer, new entrant, actually, every single buyer, the incumbents as well as the new entrants, have holes in their AWS strategy. Quebecor obviously has a regional strategy and if you remember, they had forecast that they were going to buy a national licence for approximately X million dollars and they were going to have a total commitment of 500 million to roll out the network.

Globalive has two issues. It only has 10 megahertz across the country, 20 in Ontario, and it has nothing in Quebec. So we would certainly consider partnering, being minority shareholders, selling, to try to bridge some of the holes that each of these players have.

For instance, if Quebecor was looking for 20 or 40 megahertz in Ontario, we could certainly consider that. If Globalive was looking for more spectrum than it presently has, as well as some spectrum in Quebec, we would certainly look at doing some form of transaction with them. That transaction could take many forms: an outright sale, a joint venture, a minority interest or majority interest, whatever the two parties decided on. So that would certainly be a consideration. The difference is we have no commitments to build out. We've already met all the requirements that we have under our licences.

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Secondly, depending on whether you participated with that, you might use their spectrum for voice and text because there isn't enough spectrum for them to do much beyond that and use our spectrum for mobile multimedia and broadband. So there's a lot of logic to utilizing a combination of what has been purchased in the AWS as well as what we have in the 2.6.

The last thing you should look at is, while we talk about WiMAX, we're agnostic when it comes to the spectrum, technology used on our spectrum, whether it be WiMAX or LTE or GSM or whatever. We're using the WiMAX models out in Milton because we want to see what broadband, mobile broadband capability and capacity is and we have enough spectrum that we can test it, more spectrum than most have.

If you look at the AWS spectrum, as everyone knows, you had to get 20 megahertz of spectrum to maximize or optimize the use of spectrum and the only one that did that in Canada was Rogers, where they bought 20 megahertz right across the country. Bell and Telus can work together and combine their 15 megahertz each, but they're both short. And Globalive and the others, Dave, etcetera, are substantially short in different regions.

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So if the group doesn't get together in some form of partnership among themselves or with people like us, they'll be restricted to voice and text and they'll be restricted to a region.

So one of the reasons we've come back with this proposal of selling any or all is we fully anticipate that we may end up in partnerships with a number of different people who may buy substantially different components of 20-megahertz pieces or 40-megahertz pieces in each or both of the provinces. We could see ourselves being associated with a number of people that are competing in this business and being the next stage beyond voice and text to real, true mobile broadband.

Managed services, yes, we would look at, whether it be WiMAX-managed services or not. But we would look at those in conjunction with, if we had partners, with our partners and if we looked at it on ourselves, it would be in conjunction with how much capital we are able to raise.

I don't know if that helps you, Ron, or...

RONALD GRUIA: Yes. No, no. This is great. I mean, both as an analyst and a consumer, I guess, what I'd really like to see is the emergence of a fourth great national player because I think quite honestly we've been lagging behind and this... I mean, as a Canadian, considering where we once were versus where we are today, I would still maintain that

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we have somewhat of an oligopolistic market here with the big three and we had a fourth player before with Fido. But once Rogers neutered the dog, so to speak, you know, we're now lagging behind countries like Chile, etcetera, and really, I think this hurts our economy.

I saw the last Malomed(phon) study. I've seen other studies like the one that Vodafone put out. You know, there's a direct correlation of growth of GDP versus wireless tele-density right. So I'd really... I mean, one of the things I'd like to see eventually is some sort of an arrangement whereby we will have another player that will emerge and I know one of the things Maxime Bernier, when he was handling the portfolio, he made that recommendation to relax a little bit of foreign ownership rules. I don't know, RF com is a little bit behind Globalive guys but it will be maybe someone from outside. I don't know. I would welcome anything.

But based on that, what's your take on that? Do you think we could see a nation-wide fourth players somewhat? Or this is still a long shot?

GERALD T. MCGOEY: Well, I think when you say somewhat of an oligopoly, you know, we have an oligopoly and we've given the three incumbents 25 years to build and they have 17 million subscribers and the highest ARPU that I've seen.

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Some of the players, like Globalive and its parent company, Orascom, these people have ARPU in other countries and \$10 and \$20 and they'll have, Orascom, the parent company of Globalive, has 20 million subscribers in Egypt alone.

So the oligopoly, we believe, has to be broken. They've had long enough to have the oligopoly. When you start seeing Bell and Rogers forming a joint venture with Inukshuk and Bell and Telus building out a network together, this is just a continuation of the past.

What's unique today is unfortunately it would have been better had all the new entrants formed a consortium and bought the 40 megahertz and treat it like a utility and spent the money on branding and distribution. They didn't.

That's one of the reasons we've come back and are willing to break this asset up and sell it in various parts, either for cash or either as equity because we think there is an opportunity to use the AWS as voice and text, to use ours for mobile multimedia and broadband. And our view is cover the majority of the population, at least in Ontario and Quebec where the spectrum that we've already got could be used as equity in a new joint venture. The new joint ventures had to pay cash for that equity.

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And so we see prices dropping substantially in Canada. You've seen it in the United States. We believe mobile voice is dead. All it is is an application and once the applications start getting developed for mobile broadband, people will probably still write cheques for the same amount of ARPU each month, but they'll be able to choose the applications they want rather than have the service providers tell them what applications they can use. Right now they can use voice and text. Interesting.

But there's no motivation for the present incumbents to offer them anything more. They'd like to get as much revenue out of the installed base and capital they've outlined, and our belief is that the reason they've chosen LTE is that it still isn't developed and the standards haven't been formalized, so they don't have to invest in new capital to offer new broadband services. And secondly, they don't have enough spectrum to offer true mobile broadband if it's picked up heavily with more penetration than we presently have in Canada.

So we think we can be a catalyst and we think we have a unique set of assets, including our broadcast licence that nobody else has in Canada.

RONALD GRUIA: Right.

GERALD T. MCGOEY: And we look forward to conversations with all of those people.

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RONALD GRUIA: Yes. Thanks. I mean, I appreciate your insights. And I mean, that's the other takeaway, I guess, that you mentioned that I guess when you look at the AWS auction there's a substantial incumbent or new entrant spectrum pricing gap, right? And I think that could definitely encourage some of the new entrant bidders to hold their spectrum for resale.

GERALD T. MCGOEY: Well, that's right. And I think, you know, where someone's written a cheque for half a million dollars for 10 or 20 megahertz across the country and we contribute another 20 or 40 megahertz as equity, it'll make those companies a lot easier to finance as that kind of capital base than it would be if they do it on the capital base where all the capital so far has gone into buying spectrum.

RONALD GRUIA: Right.

GERALD T. MCGOEY: These are difficult times and I think clever people will find ways to partner and use our spectrum as equity and then go out and raise capital and the handsets are available, the equipment's available. I'd hate to be building a business today on voice only or voice/text.

So we cover 60 per cent of the population of Canada, some 18 million people. That's a pretty good market to get started on and 27

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people have thought to put up pieces of \$4.2 billion. It's a lot of money just to be able to get a certificate from the government that says you can offer services but we hope, combined with us, we'll work them, in partnership or if they'd like to buy some of the asset, we'll do that as well. They don't have to buy the whole 100 megahertz. They could buy what they need.

RONALD GRUIA: Okay, great. Well, thank you and season's greetings to both of you and your families.

GERALD T. MCGOEY: Thanks very much, Ron. Thanks for joining us. We appreciate it.

OPERATOR: There are no further questions at this time. Please continue.

GERALD T. MCGOEY: If there are no further questions, I'd like to thank all of you joining us today. And feel free to give Peter Block a call or any of the people that are on this call today to talk or ask more questions. And we would welcome any of you out, if you want, to see a mobile WiMAX trial to show how multimedia and the WiMAX works out at our Milton plant. Merry Christmas to all of you and have a safe and healthy New Year. Thank you.

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OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation. Please disconnect your lines.

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