

EVENT: LOOK COMMUNICATIONS PLAN OF
ARRANGEMENTS CONFERENCE CALL
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OPERATOR: Good morning, ladies and gentlemen. Welcome to the Look Communications Plan of Arrangements conference call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session with instructions provided at that time. If anyone has any difficulties hearing the conference, please press * 0 for operator assistance.

I would like to remind everyone that this conference is being recorded today, Wednesday, December 3rd, 2008 at 10:00 a.m. Eastern time.

I will now like to turn the conference over to Mr. Block, Investor Relations. Please go ahead, sir.

PETER BLOCK (Investor and Media Relations, Look Communications Inc.): Thank you, Operator, and good morning, everyone, and thank you for joining us today for the Look Communications conference call to discuss the company's plan of arrangement.

I'm joined this morning on the call by Gerald McGoey, CEO and Vice Chairman of Look Communications, and Jason Redman, CFO of Look. Following the presentation by these two gentlemen, we'll open the floor up to questions from the analyst community and as the operator said, instructions will come at that point. And we would ask that questions be limited to two of the analyst community.

Before we begin, let me draw your attention to two things. First, the company has created a section on its website with all materials related to this plan of arrangement. That page on the website is at look.ca/maximizingshareholdervalue, and that will take you directly to that page. Amongst the documents posted here are also some slides to support today's presentation. So for those of you that have access, I would suggest that you load up that page as well. So that's at look.ca/maximizingshareholdervalue, all one word, and you can get the slides that will support this, as well as all the documents supporting the plan of arrangement.

Second, I would like to read the company's forward-looking statement before we begin the substance of the call.

This session and answers to questions contain forward-looking statements that require assumptions about expected future events and financial and operating results that are subject to inherent risks and uncertainties. There is significant risk that assumptions, predictions and other forward-looking statements will not prove to be accurate. Participants are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed. The Corporation

disclaims any intention or obligation to update or revise forward looking statements, except as required by law.

Factors that could cause actual results to differ materially include, but are not limited to: competition (including more active price competition and the possibility of new wireless competition after the 2008 AWS spectrum auction); economic growth and fluctuations; capital expenditure levels (including possible wireless spectrum asset purchases); financing and debt requirements (including debt financings); tax matters; human resource developments; business integrations and internal reorganizations; technology (including reliance on systems and information technology, evolving wireline broadband and wireless next generation technology options and the possible need for prospective wireless sharing arrangements to achieve cost efficiencies and reduce deployment risks); regulatory approvals and developments, which could include the spectrum auction, tower sharing and roaming rules, the new media proceeding and possible changes to foreign ownership restrictions; process risks; health, safety and environmental developments; litigation and legal matters; business continuity events (including manmade and natural threats); any prospective acquisitions or divestitures; and other risk factors discussed herein and listed from time to time in the Corporation's reports and public disclosure documents including its annual report, and other filings with securities commissions in Canada, all of which are filed at Sedar.

For further information, please see Section 16: Operating Risks and Uncertainties in the Corporation's 2008 Annual Management Discussion and Analysis.

With that, and again just as a reminder that if you go to the Look website, look.ca/maximizingshareholdervalue, you'll get the slide deck and other materials.

With that as background and introduction, I would now like to turn the floor over to Mr. Gerald McGoey. Gerry, go ahead, please.

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

As Peter has told you, I have a few slides for my presentation that could be downloaded from our website. And as you already know, Look announced this past Monday that it received an interim order from the Ontario Superior Court of Justice that permits it to hold a special meeting of shareholders on Wednesday, January 14th, 2009. The purpose of this call is to update analysts and investors on the recent events and to give the analysts an opportunity to ask questions.

Our shareholders will be asked to approve a sales process and an arrangement that will facilitate the orderly sale of some or all, in whole or in part, of Look's five key assets, with our goal being to maximize shareholder

value and shareholders will be given the opportunity to ask their questions at that meeting.

Look has five key assets, which include: first, approximately 100 megahertz of contiguous licensed spectrum in Ontario and Quebec, covering approximately 18 million people, or 1.8 billion megahertz pops, as known in the industry; a mobile broadcast licence, which has been renewed by the CRTC to 2011; third, approximately 30,000 broadcast and Internet subscribers; fourth, a network consisting of two network operating centres in Toronto and in Montreal, 26 one-way broadcast sites and 10 two-way broadcast sites; and fifth but not last, approximately \$300 million in tax attributes.

On Monday, the court granted Look an interim order permitting us to, under Section 192 of the Canada Business Corporations Act, to complete a sale of some or all, in whole or in part, of Look's key assets. This section is only available to solvent companies and I would like to stress that this is not a CC, AA process, which is used when a company is insolvent.

Because of the method we are using and the past attempts to maximize shareholder value, we thought it prudent to spend some time today explaining why we are proceeding as we are. To this end, we have established a special section on our website where all relevant documents have been and will continue to be posted and available for downloading.

I suggest you read these documents carefully as they contain a lot of detail that time will not allow Jason and myself to discuss at this conference call.

We are in essence, after receiving approval from our shareholders, asking the court to supervise the sale of some or all, in whole or in part, of these key assets. We are doing this because we have had no success since mid 2004 in approaching interested parties to enter into joint-venture arrangements, distribution of private-labelling offerings, investments of capital into Look, or the disposition of certain of these key assets.

There are a couple reasons why we believe this is the case. Firstly, Look's principal assets of approximately 100 megahertz of spectrum and its mobile broadcasting licence are unique. And up until the AWS auction this year, there were only a limited number of potential buyers or partners. We believe by offering assets for sale now, either in whole or in part, that more interested parties might participate in the process, particularly in view of the number of qualified bidders in the recent AWS auction.

Secondly, and more importantly, Look has been unable to assure potential purchasers that we can provide them with any certainty of their offer, any certainty that it would succeed. A sales process that is transparent and approved and monitored by the court provides greater certainty and is likely to encourage interested parties to participate without the concern of aggressive tactics being used by other participants.

We want to ensure that Look shareholders get the maximum value in an open and fairly conducted process during which there will be no action by one party that prevents other parties from putting forward their proposals. This plan of arrangement, under the supervision of the court-appointed monitor, will ensure a sales process for Look's assets that is expeditious, efficient, transparent and fair.

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

Let me provide you with a little background that will be helpful to provide the context in which I have just said. 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 multi-point distribution systems spectrum in the 2.5 to 2.7 gigahertz frequency band. Our broadcast licence covers approximately 18 million people in the province of Ontario and Quebec, which is equivalent to 1.8 billion megahertz pops.

Two announcements related to this spectrum band in the past few days will support North American developments for which Look's assets are extremely well positioned.

Firstly, the Craig Wireless announcement on Friday last week that it applied for and was granted a mobile licence in the 2.5 gigahertz band in Vancouver by Industry Canada.

And secondly, on Monday this week, it was announced by Clearwire that it had closed a transaction with Sprint Nextel and a \$3.2 billion investment to launch a 4G mobile internet company operating in the 2.5 spectrum band.

The mobile wireless market is the subject of rapid technology advances. The latest of these advances allows consumers and business subscribers to get high-quality broadcast television, high-speed Internet, voice-over-Internet protocol through the airwaves rather than over wires. The issue however is that these new technologies require wider, contiguous broadband bandwidth that the traditional cellular networks presently have.

This makes Look's approximately 100 megahertz of contiguous bandwidth in Ontario and Quebec a uniquely valuable asset in the Canadian mobile and the wireless market.

The chart on slide 5 shows how spectrum in Canada has been allocated. Much of it is small and fragmented. Look has the contiguous bandwidth that will be most suited to adopt this new 4G technology in Canada. Look's wireless spectrum in Canada, as well as the rest of the

world, has become a scarce and valuable resource which I'll talk about in a minute.

So why is it necessary for Look to sell some or all, in whole or in part, of its key assets? Well, since 2004, Look has faced very difficult strategic challenges. We have participated in and seen new technologies being developed and believe in the potential to significantly improve offerings to Canadian consumers. Unfortunately, Look has not been able to raise sufficient amounts of capital required to build out its network, using its mobile multi-media and enabling assets. We estimate that such a build-out would require approximately \$500 million or more if Look was to go it alone. But if this was done by an existing service provider in Ontario, Quebec, the amount of capital required would be significantly less.

During this time, we have had discussions with numerous players, including pension funds and companies in the telecommunications, cable, broadcasting, private-equity capitals throughout Canada and the United States but unsuccessful in concluding a transaction.

We have explored a wide range of options for Look to access capital, either on its own or in partnership with providers of capital or industry participants. And also have discussed the maximization of shareholder value with them. We did this both directly and through an investment bank that was retained by Look. It was and is apparent to us that sufficient debt or equity capital is not available.

It was also apparent to us that an investment of this magnitude, however sourced, would be extremely risky in view of the dominant market positions, brand recognition and financial capacities of the incumbent cable wireless and telephone companies. The current credit crisis only makes raising capital in any forum today even that much more difficult.

The value of North American licensed spectrum shown on slide 7 has been recognized in four separate auctions, which are highlighted on this slide. In addition, certain transactions and analyst reports related to the valuation of Spectrum have also been highlighted, the value of the spectrum we're talking about.

We watched with great interest the AWS spectrum auction conducted by Industry Canada that ended this past July in which 27 bidders qualified to bid in the auction that eventually grossed some \$4.3 million for 100 megahertz of spectrum.

Slide 8 shows at the conclusion of the AWS auction in Canada eight of the 10 high bids were for licences in the Look's coverage area. There are a lot of details about what I have said, but time doesn't permit me to go into them further. I would however encourage you to review the analyst update package that is on our website to better understand what Look has to offer.

In conclusion, let me reiterate that this is a plan to maximize shareholder value for Look that will be conducted in a fair, efficient and

transparent manner. This plan will encourage all interested parties to participate in the sales process and an arrangement that if approved by our shareholders and the court, will permit the orderly sale of some or all, in whole or in part, of Look's key assets.

I'd now like to introduce our CFO, Jason Redman, to outline the sales process and the arrangement that shareholders will be asked to vote on at Look's upcoming special meeting of shareholders, after which we'll be happy to answer any questions you may have.

Jason?

JASON REDMAN (Chief Financial Officer, Look Communications Inc.): Thank you, Gerry, and good morning, ladies and gentlemen. The interim order issued by the court on Monday, December 1st, commits us to call and hold a special meeting of shareholders on January 14th, 2009. Shareholders will be asked to approve both the sales process resolution to establish a sales process and the arrangement resolution to prove the arrangement of plan that will be detailed in the plan of arrangement in the shareholders circular to be mailed later this month.

These materials will be available on Look's website at look.ca/maximizingshareholdervalue, as well as on Sedar. Should shareholders vote in favour of the plan, it is anticipated that Grant Thornton Limited will be appointed by the Court to act as monitor. This monitor, working closely with Look's board of directors, supervise the sale of any or

all, in whole or in part, of Look's key assets to interested parties. The deadline for offers under sealed bids is Friday, February the 16th, 2009.

Once the sales process is complete and an agreement or agreements have been executed with one or more interested parties, for some or all, in whole or in part of Look's key assets, this monitor will then seek the approval of Look's board of directors. If the Look directors approve the transaction or series of transactions, both the monitor and the corporation will seek a final order from the court to approve the transaction.

The closing is expected to be in early March 2009. UBS Wireless Services Inc., which holds approximately 43 per cent of Look's issued and outstanding shares, or 51 per cent on a fully-diluted basis, has indicated that it will vote its shares at the special meeting of shareholders in support of the plan. The company will mail to shareholders within the next two weeks a formal notice of special meeting of shareholders and management information circular which explains in greater detail the proposed sales process and the plan of arrangement.

In closing, the monitor's role is solely in connection with the sales process and ensuring that it is conducted in a fair, efficient, and transparent manner.

The company remains in full control of its business and will work cooperatively with the monitor to deal with potential interested parties in

the preparation of their proposal for some or all, in whole or in part, of Look's key assets.

I thank you for attending today and Gerry and I will now answer any of your questions.

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question-and-answer session. If you have a question, please press the * 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. Your first question comes from Vince Valentini, of TD Newcrest. Please go ahead.

VINCE VALENTINI: Yes, thanks. A few questions on the process, guys, first. Can you say what would happen if you got bids for some of the assets but not all of the assets? Would the company then just continue with a bunch of cash and a few stranded assets afterwards?

GERALD T. MCGOEY: Vince, it's Gerry McGoey speaking. The company will consider any proposal that maximizes value and as you can imagine, we've had people that are interested in some of these assets. And, yes, if advisable and appropriate, we would accept a bid for some of the assets and end up with cash. But I don't think necessarily we would have stranded assets. None of these assets by themselves would be considered stranded.

VINCE VALENTINI: And so is part of the resolution involving distributing the cash received to shareholders or that's up to the board at a later date after the monitor process?

GERALD T. MCGOEY: It's up to the board at a later date, depending on what assets is sold, what is left, whether those assets are sold, what consideration is given. The consideration obviously that could be given could be shares of another company, could be equity, could be cash, could be combinations of debt, preferred shares. So you can't forecast what proposals and what consideration will be given.

VINCE VALENTINI: Okay, actually, you just pre-empted my second question there. Thanks for that. You would then be willing to entertain offers from some of the new AWS entrants as opposed to just incumbents who would have cash, if a new AWS (inaudible) was proposing some sort of shares or joint venture with their company. So that would be on the table as well?

GERALD T. MCGOEY: Yes, we'll look at any consideration, and in fact in these markets, we don't necessarily think that the highest cash bid is necessarily the best bid. The best bid could be the consideration being given by one company for some or all of, let's use the spectrum as an example, could be equity from that private company or public company.

VINCE VALENTINI: Okay, great. And two questions on the assets themselves. Can you give us some colour on the tax assets of how they're

structured and when they expire? And I'll give you the last one at the same time you could think about, is your thoughts on the Industry Canada rules on having to give back a third of the 2.6 gigahertz spectrum if you wanted to convert the licence to mobile, if you think that would apply, or is there any way you can get around it?

GERALD T. MCGOEY: Okay, Vince, again it's Gerry. Let me give you the view on the tax assets. If you remember a number of years ago, these tax assets were approximately \$300 million of net operating losses and everyone is well aware that the \$300 million of net operating losses can be used in the normal course of business under certain circumstances.

Last year, \$100 million of those tax losses was going to fall off the table and we undertook a reorganization to move assets down into a subsidiary entity, wholly owned, that would basically capture those \$100 million of taxes and turn them into what was known as an eligible capital expenditure. We did that and as a result, that \$100 million of eligible capital expenditures has no time limit on it. They're into the subsidiary entity, they are being collected and they are available with no expiry date.

The other \$200 million of operating losses continues to be sitting outside that entity. They're operating losses and they can be rolled down of that entity any time. We are still looking at various ways of maximizing that and depending who our partner is, or buyer, or joint venture, those tax

assets can be organized in a way that they can retain the characteristics of operating losses or they could be turned into other tax assets.

And that's why we use the word "tax attributes". It's still fungible, they can still be reorganized and we can still file the necessary documents on elections over the course of the next period of time.

To deal with your Industry Canada issue of a third spectrum, 30 megahertz spectrum approximately being given back, there are those that believe that if this spectrum was turned into mobile 4G spectrum with total mobility both ways, that roughly 30 megahertz of spectrum would have to be given back.

First, I'd like to ensure and let everyone be well aware, we already have mobile broadcast spectrum. So our spectrum can be used for mobile broadcasting 100 megahertz today. We're the only ones with the mobile broadcast licence in Canada.

If we wanted to turn that into two-way mobile communication, mobile broadband, which is where obviously we believe the world is going, and if we did that by ourselves today, the documents that are in the public today would suggest that if we went to Industry Canada and asked for a mobile broadband licence today, that they would request 30 megahertz of spectrum be given back to them in order to give us mobile broadband.

That was the case last Friday when Craig Wireless went and asked them for a mobile two-way mobile broadband licence for Vancouver. Craig

Wireless also gave up 30 megahertz of spectrum for Vancouver. That if we did not ask for mobile licence to 2011, there is a position paper or there's an industry consultation paper that is still, the industry is still awaiting that we expect will come out in January or February next year and will be finally agreed upon some time in March or April of next year.

I'd be speculating as to what I think those choices are and what will come out, but at the risk of speculating, I think the entire issue of whether the 30 megahertz has to be given back or should be given back is still open to that consultation paper.

And secondly, depending on who our partner is, and what spectrum holdings they have, this partnership or joint venture or outright sale, the ultimate owner could decide to keep the spectrum as mobile broadcast and use 100 per cent of it for that and use their own AWS spectrum or whatever other spectrum they have, PCS spectrum, etc., in such a manner that they use that for two-way communication. I wouldn't jump to conclusions that all potential owners, partners, joint-venture holders will treat the spectrum usage the same way. I would just suffice to say that it's 100 megahertz, it can be used for mobile, it can be used for stationary, it can be used for redundancy, it can be used for many purposes.

What we've talked about at Look is what we call M3 mobile multi-media and we've given the direction the company would do if it was on its

own because it doesn't have any spectrum. If it was with another company with spectrum, I would suggest that consideration be reconsidered.

VINCE VALENTINI: Okay, thanks.

OPERATOR: Your next question comes from Dvai Ghose, of Genuity Capital Markets. Please go ahead.

DVAI GHOSE: Yes, thanks very much, Gerry and Jason. A couple of questions for you. You talk about the unique elements of your spectrum. I'm just trying to understand that concept a little bit better. Your slides show that Inukshuk JV between Bell and Rogers is 96 megahertz, a similar spectrum across the country. There's a bunch of independents, including Craig. You've mentioned Primus, Decima, tonnes of others.

So is the uniqueness the concentration or is it the licences for mobile broadcast? What differentiates your spectrum from all these other spectrum positions?

GERALD T. MCGOEY: Thank you, Dvai. There's a couple things. There's a company in Moscow, in Russia, called Scartel Yota and Scartel Yota is the first company that we understand that has launched mobile broadband in St. Petersburg and in Moscow, well over 20 million people, the two. And they have launched this WiMAX 802.16e with a multi-band phone, or handset, I would call it, because it's really not a phone, that has tri-bands of WiFi, GSM, GPRS and EDGE and WiMAX 802 that could roam between those, seamlessly between those various technologies.

The uniqueness of the spectrum that we talk about is fourfold. One, no single owner has as much contiguous spectrum as we do in Canada. You mentioned the Inukshuk. That's jointly owned by Bell and Rogers, so they each own approximately 50 per cent. We own 100 per cent, but just in Ontario and Quebec.

Secondly, 2.5 spectrum, Inukshuk and ourselves, is where all the equipment presently is being built for mobile WiMAX. People will tell you they have pre-WiMAX or they have WiMAX at 3.5. It is not mobile. And the equipment that's being rolled out by Scartel and Yota in Russia and certainly by Sprint Nextel in the United States is all based on the 2.5-gigahertz band. And while 3.5 people are saying they're using it, they're not using it for mobile. They're using it for what they call nomadic or portable or those kinds of things.

The third thing that's unique about our spectrum is our spectrum has a content, or a broadcast licence on it so that all content that comes in to Canada has to be made available to us under the CRTC guidelines. And one of the issues with mobile Internet, or mobile TV is content. People that do have it are worried about what kind of content. There's the Internet content of YouTube and Facebook, but broadcast content, you have to have a broadcast licence in Canada.

So it's those three issues. One, it's 100 megahertz owned by one person. Two, it's contiguous. Three, all the equipment's being done in the

2.5 range in North America and the United States. Four, we're not really indifferent as to whether you use WiMAX technology or LT technology. There are pros and cons for both WiMAX as the head of it. And, five, it's also associated with the BDU licence. That's how I'd give you the summaries that would be a little different than certainly Inukshuk.

DVAI GHOSE: I think that's a very good and comprehensive answer. Just a couple really quick ones, if I may. You obviously are stressing the broadcast licence and the TV element of your existing infrastructure. So you've got a bunch of telcos, really around the world, let's say in Canada anyway, who are struggling vis-à-vis TV strategies, be it Telus or Telus TV, Bell's IPTV on ice, ExpressVu has limited market share. So in your opinion, given the fact that this would seem to be a cheaper way potentially of providing TV to consumers in a terrestrial, either VDSL or fibre to the home-base build, why don't you think the telcos have embraced this technology?

GERALD T. MCGOEY: Well, I'd be giving you my opinion.

DVAI GHOSE: Yes, that'd be great.

GERALD T. MCGOEY: So let me try to do this. There are three points that I would raise. The first point is would you rather have a wireline, if you had to choose a pure play, would you rather a wireless company or wireless mobile or a wireline? And the obvious answer that

most would say is they'd like to have both, but if you have to have one, they'd have mobile.

Secondly, the cost of TV, whether it be First Choice or ExpressVu, the varied entry of having satellite feeds is very substantially to either buy transponders or launch a satellite. And quite frankly, it's one way. And even though people will say that can use satellite for two-way communications, there are lots of limitations: costs, speed and whatever.

Third, the telcos are used to a voice, the wireless telcoms are used to reporting ARPU based on voice. These businesses, since 1985, have generated some 18 million subscribers and it's all been voice. Just lately has it been text.

We are strong believers that mobile voice is dead, just as the long distance business of a number of years ago from the telcos was considered dead, what they meant was it was going to be commoditized and/or was going to be paid by third parties. And as we sit here today, no one talks about long distance rates and a lot of cases you're getting long distance free or bundled or whatever.

We believe that that'll be the way of mobile voice. Why? Mobile voice will just be one application. Mobile data will be another. Mobile video will be another. And the conventional aspects of broadcast TV are going to be just one of the aspects of broadcast video. Broadcast video is

going to consist of YouTube, Facebook and the broadcast traditional channels of the various networks.

Why have they not got to this? I think when you've got \$3 billion or \$4 billion each sunk into a network that's wireless voice and data and you've got people that are trying to catch up with the new technology of 2G, of GSM and others and having to do a major overlay that's taking place with Bell and Rogers, what we're talking about is the fourth generation. People are making changes just to get caught up in the second generation.

And as you can see, what's happened, Dvai, in the States is that the TDMN players are all heading towards GSM and Verizon and AT&T are all now heading to 4G.

The Clearwire transaction and services that are going to be offered in Baltimore and throughout, those go through various reiterations but there'll be no doubt that people will now see mobile broadband and everything we've seen in the voice industry and data industry and wireless will be yesterday's news. That's already happening in Korea. It's already happening in Japan. That's speculation on our part. We believe strongly in it. We're in a minority.

DVAI GHOSE: Yes. No, that's a very good answer, though. Last one and it's a real quick one, a financial question. You know, it was a very good presentation you provided us with. It's a clear arbitrage between the

implied valuation of about \$0.16 per megahertz pop as implied by Craig Wireless's market cap, Clearwire's \$0.32 and then the AWS valuation in Canada which is 135, 140, whatever it was, per megahertz pop. Why do think there's this massive arbitrage?

GERALD T. MCGOEY: When you try to attract partners who are not used to having partners, it's very hard to be equal at a table. When you've got such strong brands in Canada as the major wireless telecommunications brands are, who have had a 25-year lead, it's very hard. You could have spectrum and you could have a network that's operating but brand, distribution and your installed base are very important assets.

As you saw, there are some 27 or 20 bidders who think that with the purchase of AWS spectrum that they can compete. I think some of those buyers are now realizing that only 10 megahertz of spectrum just allows them to compete in the voice and the data. It does not allow them to develop the next stage of mobile Internet.

Why is there an arbitrage? There's two reasons. There is a control block is already held by the parent company, UBS. Two, there's no float. There's no float. And therefore quoted market value is irrelevant. Quoted market value in the last little while, the total market cap of the company is about \$30 million. That's less than the tax value of the tax loss.

So I think it's that the buyers believe – rightly or wrongly, we'll find out – that they're the only buyers. There are certain potential partners that believe cash is king and that we're going to run out of cash.

And if you look at our financial statements most people would say the company is bankrupt. It has no cash. They've been saying that since 2002. We're well aware of the assets that we've just talked about. None of them are reflected in the financial accounts of the company.

Our customer base, our tax losses, our broadcast licence and our spectrum aren't reflected. Our total network is reflected to the tune of about \$7 million. So our financial statements, to build that network today, which you probably wouldn't do, you'd use different technology, would cost a substantial amount more just to build the two hit-ins, operating standards, all the fibre between Windsor and Quebec City, etcetera, would cost a lot.

So I think it's the view of the buyer that, one, they're the only buyers; but probably more importantly and one of the reasons that this process was put in together is they believe they have a second chance. If someone wanted to buy this assets, these assets, and you were selling substantially all of your assets, you would have to take that proposal back to your shareholders who would vote on it.

At that time, as we've seen in the past, that's when incumbents and others decide to put the bid in. So all the work's done on the pricing, the

board of directors has approved it. The CRTC may or may not have approved it, the Competition Bureau has approved it and a lot of these people say I've given you a second chance when they take it to get its shareholders' approval.

So what this process has done has said no. The shareholders will approve the process under the court and once the bids are in, assuming the monitor reviews the bids with the company and the board of directors approves it and it receives court or process approval and it's done in a fair, efficient, open, transparent manner, the deal's done. There's no second bid. There's no second choice.

DVAI GHOSE: Understood. Okay, thanks very much and best of luck.

GERALD T. MCGOEY: Thank you.

OPERATOR: Your next question comes from David McFadgen, of Cormark Securities. Please go ahead.

DAVID MCFADGEN: Yes, just one other question. I was just wondering if you could tell us what the catalyst for you to pursue this strategy, was it just frustration with the share price? Have you been approached recently by some other player or is it just frustration with previous approaches in the past that you could just elaborate on?

GERALD T. MCGOEY: David, we're never frustrated.

DAVID MCFADGEN: Okay.

GERALD T. MCGOEY: We bounce to work every day and assume that we've got this wonderful asset that time is on our side. This is an appreciating asset, not a depreciating asset. Our view is that the journey we started four years ago to talk about mobile broadband as being the technology that'll be used, that was foreign four years ago in 2004 where we started our journey. Today, mobile broadband is well understood in most parts of the world. It's not pushed forward by Canada at this time.

The technology is developed and operative in different parts of the world and is now being funded by Sprint Nextel with a further \$3.5 billion of capital from various, their various shareholders.

And last, there is no more knowledge that's going to come into the marketplace today than we know who has already bid for the AWS spectrum, we know what capital they've put up for the spectrum holdings they have. They're more aware of the value of spectrum and they're also now aware of the technology choices they have. The technology choices the new entrants have is much greater than the incumbents.

And secondly, they now all, none of them have a national licence. They all have various regional licences. And so they realize what holes they do have in their spectrum, in our belief. And the technology that's coming at us, whether it be WiMAX or LTE, I think is well known and well understood. So we don't see any more information that's going to come into the marketplace that would impact people's decisions with respect to

partnerships with us than they presently have today. We don't see anything occurring in the next two years.

It's maybe just reinforcement of where LTE is in the development cycle, how fast, if at all, WiMAX that rolled out worldwide, how people are going to be getting additional spectrum and some of the new entrants, as you know, have stood their next acquisition as 700 megahertz spectrum when that auction comes. Well, nobody knows when it's coming and when it does come, it will only be 62 megahertz and there'll be a lot of people looking for that.

So we think all the issues are on the table today. All the players and potential players are well equipped to make the judgements about what they'd like to do, and our view now is to sit down with reasonable people, meet with them now.

We're obviously talking to people well before the shareholders' meeting on the 16th. People have phoned up and asked about our assets, etcetera, and we're operating the company ordinary course. But we can't do anything about this process until the shareholders either vote for its support or not on the 14th, but we're still running the business and talking to people about potential partnerships and interests.

DAVID MCFADGEN: Okay, thank you.

GERALD T. MCGOEY: Thank you, David.

OPERATOR: Your next question comes from Peter Rhamey, of BMO Capital Markets. Please go ahead.

PETER RHAMEY: Yes, thanks very much. Good afternoon, Gerry. Taxes, you gave a long explanation but briefly put, are any of those tax assets attached to hard assets or can they be purchased generally on a standalone basis? And then I've got a couple of follow ups.

GERALD T. MCGOEY: Well, as you know, Peter, people don't like talking about the sale of tax losses. The utilization of tax assets can be done in many ways. We've indicated to you that 100 million of those have been attached to the assets of spectrum in a wholly-owned entity. Some of those other tax assets are flexible that they can be moved between two entities.

If your question is could someone come in on a standalone basis and acquire those? The answer is yes, some of them. Would it be difficult? It would be interesting. Would it be worthwhile to our shareholders? It depends on the price.

PETER RHAMEY: Okay, fair enough. All right. A second thing is your licence terms on the broadcast side and on the spectrum side go to 2011. So for the buyer, on what basis can those licences be extended? Is it an automatic extension provided they meet certain terms and conditions? Is it fully opened? What's your read on that?

GERALD T. MCGOEY: Thank you, Peter. Broadcast licences are given to the CRTC and the spectrum happens to be associated with our CRTC licence. Conversely, Inukshuk's licence is given by Industry Canada because it doesn't have a broadcast licence.

The CRTC, to our knowledge, has only removed one licence and that was in the province of Quebec on a radio company after a huge number and prolonged warnings for what the CRTC viewed to be inappropriate broadcast behaviour.

Our licence was awarded originally in 1997, has been renewed in 2004 and was renewed seven years because of the entire process of reviewing MCS, MDS spectrum licences to 2011.

To our knowledge, Industry Canada has never not renewed a broadcast licence. Sorry, the CRTC has not renewed a broadcast licence and spectrum licences have never been actually taken away even in the cases where some of the conditions of obtaining the licence have not been met.

As you are well aware, MicroCell owned Inukshuk for a number of years, had a number of conditions that had to be met, didn't necessarily meet all of them and the licence was continued.

Look, on the other hand, has adhered to all its licence requirements, met all its licence requirements and today is in adherence to all its licensing requirements. We've had our licence renewed once or you could

argue we've had our licence renewed 100 per cent of the times we've applied for it. We fully expect it to be renewed in 2011 and all industry players that are familiar with both the CRTC and Industry Canada would be well aware that unless there's some unforeseen circumstances, it would be considered to be an automatic renewal.

PETER RHAMEY: Perfect. Thanks for the answer, Gerry.

GERALD T. MCGOEY: Thank you, Peter.

OPERATOR: Ladies and gentlemen, if there are any additional questions, please press the * followed by the 1. Your next question comes from Jeff Fan of UBS. Please go ahead.

JEFFREY FAN: Thanks very much and good morning, Gerry. I wanted to just ask you about the 500 million of investment that you said you've been trying to go after to build out the network. Maybe you can help shed some light on, you know, what that cost included, including equipment, losses, etcetera? Just give us an idea if someone were to come in, what they need to spend.

And then secondly, maybe you talked to a lot of potential financial investors. I'm wondering if you can just highlight for us a little bit what the business case is when it comes to the exact type of service that you want to go after, the kind of market share, if you will, in a business case scenario, just to help us understand what the real business case is going forward? And I'll leave it at that. Maybe I'll have a follow up after.

GERALD T. MCGOEY: Thank you, Jeff. Let me give you the broad parameters of the 500 million. This would be on the assumption that Look was doing it on their own and had no partnership with anybody or no access to any other one's facilities.

As you know, Sprint Nextel, one of the key elements of their partnership, was that Clearwire got the spectrum from Sprint but also had access to Sprint's tower network and backhaul.

So what I'm about to do is walk you through assuming we have no relationship, we have no access to either the telecom cable or even the hydro telecom assets that are presently available out of the provinces of Ontario and Quebec.

And if you break down – and this is also assuming that the implementation of tower sharing as legislated by Industry Canada and the Government of Canada is properly implemented in a timely fashion. We assume that the tower owners now will abide by the government's wishes and cooperate in the appropriate fashion.

So assuming that, without those tower assets, the numbers I would go through with you and the strategy I would go through with you would be irrelevant because it would be time to market.

So assuming we have access to the various networks and the type of network that would be rolled out wouldn't require the networks that are typically run by cellular companies today. This would not require towers to

the same extent that the cellular networks do today. Why? We believe 4G should be rolled out in urban centres: Toronto, Montreal, Ottawa, Quebec City; that you'd probably use 2G in the interim between those cities and you would build out a 4G network first in those urban cities. Secondly, that that would be built out with a combination of rooftops, towers, lamp posts, many other things that you wouldn't be trying to build out a national network or a provincial network.

We believe the 4G services that would be offered would start in the urban centre and you would just use a present 2G services as you went between those cities.

Secondly, we would start in the major cities of Toronto, Ottawa, Montreal and Quebec City.

Third, we would end up having a multimode handset along the lines of Scartel Yota that it is presently using.

Fourth, there'd be appliances that would only be used for viewing video in your cars, necessarily. You wouldn't have one appliance necessarily that did all this.

Five, our business case is pretty simple. We believe that voice, data and video are nothing more than applications, that they're not standalone businesses. And if you look at Look's present business model, we have gone to the case of selling what we would call memberships and you would be, in our particular case, a bronze, silver and gold member. And

each of those memberships would be flat fee. It would be monthly. It would be preauthorized. And that the final one would be a platinum, which would be mobile broadband.

And if you go to our website now you'll see that the differential between the bronze, silver and gold memberships is pretty simple to understand. We have found when we introduced this two years ago we started off with a pay or a pick and choose and that people would basically pay \$1 per channel, that the billing systems required to do that and the call centre inquiries about billing were enormous. And we found that when we moved to this membership with a flat fee, that our call volumes went down by 80 per cent; and of that, 80 per cent of those call volumes were all billings, twice a month when we did our billings.

We found also that the customers then made a decision that actually quite surprised us. We had equal number of members in each of the three categories of bronze, silver and gold and we found that 80 per cent of the people chose gold. When we talked to them, the differential was \$10 or \$15 and it's almost like an American Express. Nobody wanted to admit they were a bronze member at \$25 or \$20 when they could be a gold member for \$10 or \$15 more.

Our customer base, while very small, moved very quickly to the flat rate. We have a very high percentage that's preauthorized or direct pay. We have almost 80 per cent, if not more than 80 per cent. It's more than

80 per cent – Jason’s nodding to me – in the gold and we think the next aspect of offering mobility, mobile broadband, which we would have called our platinum offering, would be the same way. Flat fee and it would be based on a number of combinations that you would end up having in platinum.

We think broadcast video that goes to your handset or mobile handset, we would pass on free to our customers if it was free to us. So if the national network channels are coming to us free, we would pass that on free.

And so we think simplicity, flat-rate pricing and you have to give services to people that you’re getting free, you should pass that on to the customers.

The second biggest element of our business plan that we showed to people was self provisioning. With a broadcast feature, when someone buys a handset in the store, Future Wave or Future Store or anywhere, when it turns on, they would already the service. The broadcast service does not cost us any more, whether there’s one person listening or 500 people listening and it doesn't hurt our network when it’s being broadcast. We’re a cellular network, so obviously unicast. And each cellular network is affected by the capacity of the tower or site as well as the listeners.

This way you would have a free service that was broadcast to your handset and was operating the moment you buy it and that you would self provision from that point on.

It was a whole different marketing strategy. It was a whole different provisioning strategy, bundling strategy. In addition, it was a whole different membership process that we thought would be simpler for our consumers.

JEFFREY FAN: So on the 500 million, would you be able to help at least break down generally between equipment towers and operating losses?

GERALD T. MCGOEY: Of the 500 million, you're looking at about a little over \$200 million for I'd call the facilities-based. Remember, we already have fibre in place. We have two HID ends in Quebec and Ontario, in Milton and we are basically have direct access down to 151 Front, into Montreal.

So that's based on the assets we have now. A little over \$200 million would be for infrastructure, another \$100 million would be for what we'd call receiving units and the residual would be for operating losses.

JEFFREY FAN: Okay, all right, that's great, helpful. Thanks.

OPERATOR: Your next question is a follow up from Dvai Ghose of Genuity Capital Markets. Please go ahead.

DVAI GHOSE: Yes. A real quick follow up. You talked about how some of your prospective buyers may be using the threat of bankruptcy against you, but they have since 2002. But if I look at your cash balance, I believe at the end of August you had 3.6 million of cash and that was down about 4.3 million year over year. And I believe that you have a 1.8 million debt maturity due in the next 12 months. What happens if this process takes longer than you've outlined? Can you actually do certain things to preserve cash more aggressively than you have?

GERALD T. MCGOEY: You can always do something more aggressively than you have in order to preserve cash. Subsequent to those financial statements, we've sold a little over \$4 million worth of assets already and those proceeds have come in or are in the process of coming in.

So \$1.8 million is a mortgage on one of our buildings and is going to be rolled over by the mortgagee, and if it's not going to be rolled over by that mortgagee, there is a number of sources that have already indicated they'd be happy to take on that financing.

So we view this company as being debt free.

DVAI GHOSE: Um-hmm.

GERALD T. MCGOEY: We view this company as having sufficient cash. If you look at the last quarter's negative cash flow burn rate, it was approximately \$165,000.

JASON REDMAN: \$200,000.

GERALD T. MCGOEY: Sorry, \$200,000 burn rate for the quarter. We continue, as I mentioned to you, at one time this company had 600 employees. It now has 78. So we continue to manage this company from a cash flow.

The balance sheet, if you go back to 2008, look the same as the balance it does today.

DVAI GHOSE: Um-hmm.

GERALD T. MCGOEY: And we don't see any problems in the next while with the cash issue or the mortgage rollover.

DVAI GHOSE: I apologize for my ignorance, but the 4 million of assets sold, what were they?

GERALD T. MCGOEY: They were hosting assets that we've sold to a company called Histopia

DVAI GHOSE: Right.

GERALD T. MCGOEY: And if you go back to probably two press releases ago, Dvai, you'll see that.

DVAI GHOSE: Great.

GERALD T. MCGOEY: And that \$4 million has come in.

DVAI GHOSE: Thanks a lot.

GERALD T. MCGOEY: You're welcome.

JASON REDMAN: Thanks.

OPERATOR: Mr. McGoey, there are no further questions at this time. Please continue.

GERALD T. MCGOEY: I'd like to thank you all for joining us today and I'd like to recommend that if any of the analysts are interested in seeing mobile broadband, that we'd welcome you out of the Milton site. We have mobile broadband up. We will put in a vehicle that can travel the 401 at speeds of about 140 kilometres an hour, which you can watch TV at 30 frames a second. You can make phone calls over VoIP and you can actually send e-mails from the back seat while you're watching TV.

So we can show you all 4G services that could be offered. They're up and running. We're using mobile WiMAX now in Milton and we'd be happy to show it to you.

Secondly, if any would like any further questions or information, please don't hesitate to phone Peter Block, Jason Redman or myself.

Thank you for joining us today and we look forward to seeing you at our shareholders meeting on January 14th.

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