



## **LOOK COMMUNICATIONS REPORTS THIRD QUARTER 2007 RESULTS**

**TORONTO and MONTRÉAL, July 30, 2007** – Look Communications Inc. (TSX Venture: LOK and LOK.A) today reported its financial and operating results for the third quarter of fiscal 2007 ended May 31, 2007.

### **Financial highlights of the third quarter ended May 31, 2007 included the following:**

- Gross revenue for the quarter ended May 31, 2007 was \$6.0 million compared to \$7.1 million for the quarter ended May 31, 2006;
- Operating expenses decreased \$0.7 million or 11.6% to \$4.8 million for the quarter ended May 31, 2007 (quarter ended May 31, 2006 - \$5.5 million);
- EBITDA\* (earnings before interest, financing charges, income taxes, depreciation and amortization) for the quarter ended May 31, 2007 was negative \$0.4 million compared to EBITDA of negative \$0.3 million for the quarter ended May 31, 2006;
- The net loss for the quarters ended May 31, 2007 and May 31, 2006 was \$1.9 million and \$1.8 million respectively or \$0.02 per share in each of the quarters;
- Unrestricted cash and cash equivalents increased by \$3.7 million or 71.5% during the first three quarters of fiscal 2007 from \$5.1 million at August 31, 2006 to \$8.8 million at May 31, 2007.

On May 8, 2007, the Corporation filed a Notice of Motion seeking Interim and Interlocutory Injunctions preventing Bell Canada from terminating, reducing, restricting, or in any way interfering with the telecommunications services provided by Bell Canada to the Corporation pending the final determination of the motion or until such other time as the Court may direct. The Interim and Interlocutory Injunctions were heard by the Ontario Superior Court of Justice on July 23, 2007, the outcome of which is not known at this time.

If the Ontario Superior Court of Justice denies the Interim and Interlocutory Injunctions sought by the Corporation and Bell Canada chooses to disconnect all telecommunication services it provides to the Corporation, substantially all of the Corporation's revenues will be impacted and as a result, the Corporation will review the carrying values of all of its assets and liabilities.

If, however, the Ontario Superior Court of Justice grants the Interim and Interlocutory Injunctions sought by the Corporation, the Corporation may be able to carry on business in the normal course of operations.

\*The following table reconciles net loss to earnings before interest, financing charges, income taxes, depreciation, and amortization:

(In thousands of dollars)

	Three months ended May 31		Nine months ended May 31	
	2007	2006	2007	2006
<b>Net loss for the period</b>	<b>\$(1,864)</b>	<b>\$(1,822)</b>	<b>\$(4,604)</b>	<b>\$(4,587)</b>
Interest and finance charges, net	(25)	(14)	(54)	24
Amortization of capital assets and deferred charges	1,390	1,445	4,139	4,528
Accretion on liability component of convertible debentures	92	101	277	297
Loss on disposal of capital assets	14	-	14	-
<b>EBITDA</b>	<b>\$(393)</b>	<b>\$(290)</b>	<b>\$(228)</b>	<b>\$262</b>

*Management views EBITDA as an important measure of operating performance of the Corporation; however, since EBITDA does not have any standardized meaning prescribed by Canadian GAAP, it may not be considered in isolation of GAAP measures such as (1) net loss, as an indicator of operating performance or (2) cash flows from operating, investing, and financing activities, as a measure of liquidity. We believe, however, that it is an important measure as it allows us to assess our ongoing business without the impact of depreciation or amortization expenses as well as non-operating factors. It is intended to indicate our ability to incur or service debt and invest in capital assets while allowing us to compare our business to our peers and competitors. This measure is not a defined term under Canadian GAAP and might not be comparable to similar measures presented by other issuers.*

## About Look Communications Inc.

Look's mission is to be an M<sup>3</sup> - Mobile Multi Media - entertainment and information service provider in Ontario and Québec. The Corporation currently delivers a full range of communications services, including high-speed and dial-up Internet access, Web applications, digital television distribution, and superior customer service to both the business and residential markets. Look's shares are listed on the TSX Venture Exchange under the symbols "LOK" for Multiple Voting Shares and "LOK.A" for Subordinate Voting Shares. Look's website may be found at [www.look.ca](http://www.look.ca).

The corporate information contained in this release includes forward-looking statements regarding future events and the future performance of Look that involve risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by Look at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by Look that actual results achieved will be the same in whole or in part as those forecasts.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

For additional information, please review the Corporation's Interim Unaudited Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine months ended May 31, 2007 and 2006.

## For additional information, please contact:

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**Look Communications Inc.**

**UNAUDITED CONSOLIDATED CONDENSED BALANCE SHEETS**

As at

(In thousands of dollars)

	May 31 2007	August 31 2006
<b>ASSETS</b>		
Total current assets	<b>\$10,492</b>	\$7,461
Capital assets, net	<b>19,046</b>	23,033
Deferred charges, net	<b>142</b>	196
	<b>\$29,680</b>	\$30,690
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Total current liabilities	<b>\$16,624</b>	\$13,282
Long-term debt	<b>1,800</b>	1,814
Liability component of convertible debentures	<b>2,702</b>	2,726
<b>Total liabilities</b>	<b>21,126</b>	17,822
<b>Shareholders' equity</b>		
Share capital	<b>32,759</b>	32,534
Equity component of convertible debentures	<b>1,490</b>	1,504
Contributed surplus	<b>10,799</b>	10,720
Deficit	<b>(36,494)</b>	(31,890)
<b>Total shareholders' equity</b>	<b>8,554</b>	12,868
	<b>\$29,680</b>	\$30,690

**Look Communications Inc.**

**UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND DEFICIT**

(In thousands of dollars, except share and per share amounts)

	Three months ended May 31		Nine months ended May 31	
	2007	2006	2007	2006
<b>Service and sales revenue</b>	<b>\$6,013</b>	\$7,063	<b>\$18,995</b>	\$23,272
Carrier charges and cost of sales	<b>2,975</b>	3,344	<b>9,136</b>	10,516
<b>Gross margin</b>	<b>3,038</b>	3,719	<b>9,859</b>	12,756
<b>Operating expenses</b>	<b>4,821</b>	5,454	<b>14,226</b>	17,022
Loss before the following:	<b>(1,783)</b>	(1,735)	<b>(4,367)</b>	(4,266)
Interest and finance charges, net	<b>25</b>	14	<b>54</b>	(24)
Accretion on liability component of convertible debentures	<b>(92)</b>	(101)	<b>(277)</b>	(297)
Loss on disposal of capital assets	<b>(14)</b>	-	<b>(14)</b>	-
<b>Loss for the period</b>	<b>(1,864)</b>	(1,822)	<b>(4,604)</b>	(4,587)
Deficit, beginning of period	<b>(34,630)</b>	(28,024)	<b>(31,890)</b>	(25,259)
<b>Deficit, end of period</b>	<b>\$(36,494)</b>	\$(29,846)	<b>\$(36,494)</b>	\$(29,846)
<b>Basic and diluted loss per share</b>	<b>\$(0.02)</b>	\$(0.02)	<b>\$(0.04)</b>	\$(0.04)
<b>Weighted average number of shares outstanding</b>	<b>124,726,353</b>	120,642,670	<b>124,391,582</b>	118,693,932

**Look Communications Inc.**

**UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

(In thousands of dollars)

	Three months ended May 31		Nine months ended May 31	
	2007	2006	2007	2006
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	<b>\$(1,864)</b>	\$(1,822)	<b>\$(4,604)</b>	\$(4,587)
Add items not affecting cash:				
Amortization of capital assets and deferred charges	<b>1,390</b>	1,445	<b>4,139</b>	4,528
Amortization of stock-based compensation	<b>34</b>	7	<b>79</b>	52
Accretion on liability component of convertible debentures	<b>92</b>	101	<b>277</b>	297
Loss on disposal of capital assets	<b>14</b>	-	<b>14</b>	-
	<b>(334)</b>	(269)	<b>(95)</b>	290
Changes in non-cash operating working capital	<b>1,112</b>	340	<b>3,892</b>	(626)
<b>Cash provided by (used in) operating activities</b>	<b>778</b>	71	<b>3,797</b>	(336)
<b>FINANCING ACTIVITIES</b>				
Interest payments on convertible debentures	-	(5)	<b>(1)</b>	(9)
Repayment of obligations under capital leases	<b>(8)</b>	(8)	<b>(31)</b>	(31)
<b>Cash used in financing activities</b>	<b>(8)</b>	(13)	<b>(32)</b>	(40)
<b>INVESTING ACTIVITIES</b>				
Purchase of capital assets	<b>(4)</b>	(253)	<b>(136)</b>	(454)
Proceeds of disposition of capital assets	<b>24</b>	-	<b>24</b>	-
(Increase)/decrease in restricted cash	<b>(21)</b>	591	<b>(3)</b>	650
<b>Cash provided by (used in) investing activities</b>	<b>(1)</b>	338	<b>(115)</b>	196
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>769</b>	396	<b>3,650</b>	(180)
Cash and cash equivalents, beginning of period	<b>7,983</b>	4,790	<b>5,102</b>	5,366
<b>Cash and cash equivalents, end of period</b>	<b>\$8,752</b>	\$5,186	<b>\$8,752</b>	\$5,186