

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

LOOK COMMUNICATIONS INC.

Three months ended November 30, 2012 and 2011

LOOK COMMUNICATIONS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS of the Financial Condition and Results of Operations

(In thousands, except per share amounts)

For the three months ended November 30, 2012 and 2011

January 22, 2013

1. INTRODUCTION

This management's discussion and analysis ("MD&A") of financial condition and results of operations of Look Communications Inc. ("Look" or the "Corporation") is supplementary to, and should be read in conjunction with, the unaudited condensed consolidated interim financial statements for the three months ended November 30, 2012 and 2011.

In this MD&A, the terms "we", "us", "our", "Look" and "Corporation" refer to Look Communications Inc. and subsidiary entities (including, among others, business organizations such as partnerships) carrying on the business of the Corporation.

Unique Broadband Systems, Inc. is a company that has a 39.2% economic interest and a 37.6% voting interest in the Corporation and with whom the Corporation had previously entered into transactions either directly or through its wholly-owned subsidiaries - collectively referred to as "UBS".

2. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements and information concerning expected future events, the future performance of the Corporation, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations.

The Corporation cautions that all forward-looking statements and information are inherently uncertain and actual future results, conditions, actions, or events may differ materially from the targets, assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future results, conditions, actions, events, or performance will be affected by a number of factors including economic conditions and competitive factors, many of which are beyond the Corporation's control. New risks and uncertainties arise from time to time, and it is impossible for the Corporation to predict these events or the effect that they may have on the Corporation.

Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties include, but are not restricted to: (i) tax-related matters, (ii) financial risk related to short-term investments (including credit risks and reductions in interest rates), (iii) human resources developments, (iv) business integrations and internal reorganizations, (v) process risks, (vi) health, safety, and environmental developments, (vii) the outcome of litigation and legal matters, (viii) any prospective acquisitions or divestitures, (ix) other risk factors related to the Corporation's historic business, and (x) risk factors related to the Corporation's future operations. For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see the sections entitled "Overview – Significant current events", and "Operating risks and uncertainties" below.

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

3. OVERVIEW

Significant current events

(a) UBS sale of Look shares

On November 9, 2012, the Ontario Superior Court of Justice (the "Court") made an order approving a process by which UBS will seek offers for the purchase of all or part of the 24,864 multiple voting shares and 29,921 subordinate voting shares of Look owned by UBS. The sales process is run by Duff & Phelps Canada Restructuring Inc. in its capacity as monitor of UBS under the Companies Creditors' Arrangement Act.

A special committee, comprising independent directors of UBS, has been reviewing and considering all offers, and will determine the successful offer, if any. UBS is under no obligation to accept the highest and best offer, or any offer, acting reasonably. Any transaction for the sale of the Look shares will be subject to approval by the Court. All offers must be structured on a basis that is exempt from the prospectus requirements of applicable securities laws. Depending on, among other things, the price being offered and the percentage of Look shares being purchased, the successful bidder, if any, may be required to make an offer to purchase the shares of all other shareholders of Look under applicable securities laws.

On January 11, 2013, UBS agreed to sell 12,430 multiple voting shares and 14,630 subordinate voting shares of Look to 2092390 Ontario Inc., a corporation controlled by Mr. Andrew Kim, subject to the approval of the Court. If approved, the transaction would be for approximately half of UBS' interest in Look.

(b) Dissolution of subsidiaries

To simplify reporting and reduce related costs, on December 28, 2012, the Corporation's wholly-owned subsidiaries – Look Mobility Inc., Look Mobile Corporation, Look Communications Limited Partnership, and Delphi Supernet Inc. - were dissolved.

(c) Resignation of director

On December 24, 2012, Grant McCutcheon resigned as a director of Look, but remains the chief executive officer of the Corporation.

(d) Look support agreement regarding share purchase

On December 18, 2012, Look entered into a support agreement, led by a director of UBS and other independent parties, to acquire up to 45,000 of Look's multiple voting shares at 11 cents per share up to a 49.9% equity interest in Look. A special committee of independent directors of the Corporation has been created to examine this and any other independent share purchase transactions.

(e) Statement of Claim in connection with the payment of Restructuring Awards

On July 6, 2011, the Corporation issued a Statement of Claim (the "Claim") in the Ontario Superior Court of Justice (the "Court") against certain former directors and certain former officers of Look in connection with the payment of approximately \$20,000 of "restructuring awards" paid in 2009 (the "Sale Awards"), of which approximately \$15,700 was paid to the directors and senior officers named in the Claim (or their personal holding companies, as applicable) from the net proceeds of approximately \$64,000 realized by the Corporation on the sale of its spectrum license in 2009 (see Overview – Significant current events – Restructuring), as outlined in the following table.

	Number of options relinquished	Number of Share Appreciation Rights (SARs) relinquished	Equity-related payment	Compensation-related payment	Total payments
First Fiscal Management Ltd. ⁽¹⁾ / Michael Cytrynbaum	727	7,384	\$1,746	\$2,400	\$ 4,146
Jolian Investments Ltd. ⁽²⁾ / Gerald McGoe	335	14,769	3,166	2,400	5,566
DOL Technologies Inc. ⁽³⁾ / Alex Dolgonos	-	7,384	1,551	2,400	3,951
Former Directors and Senior Management	4,325	3,194	1,585	1,976	3,561
Total	5,387	32,731	\$8,048	\$9,176	\$17,224

⁽¹⁾ First Fiscal Management Ltd. is a company controlled by the former Chairman of the Board of Directors of the Corporation, Michael Cytrynbaum.

⁽²⁾ Jolian Investments Ltd. is a company controlled by the former Chief Executive Officer ("CEO") and Vice-Chairman of the Board of Directors of the Corporation, Gerald McGoe.

⁽³⁾ DOL Technologies Inc. is a company controlled by the former Chief Technology Consultant to the Corporation, Alex Dolgonos.

The former officers and directors named in the Claim collectively resigned effective July 21, 2010. None of the allegations in the Claim have been proven before the Court, and statements of defense have not been received from all of the defendants.

On Friday, September 28, 2012, the Ontario Superior Court of Justice dismissed applications and motions made by certain of Look's former officers and directors and personal service companies for interim advances to finance their costs of defending claims made against them by Look.

The Court denied the advances sought by Messrs. McGoey, Cytrynbaum, Redman, Smith Colbran and the personal service companies (the "Applicants"), but held that Mr. Dolgonos (but not his personal service company) is entitled to advances for his defense of the claims made against him. The reasons state in part: "Look has established a strong prima facie case that the individual Applicants, excluding Dolgonos, acted mala fides, in their own self interests and not with a view to the interest of Look in respect of the Board's approval of the equity cancellation payments based on a value of \$0.40 a share and in relation to the payment of retainers by Look to lawyers acting for the Applicants personally. Accordingly, Look has met its onus. I am not prepared to approve interim advancement to the individual Applicants (except Dolgonos) of their legal fees and expenses in respect of the Action."

The Court emphasized that the findings made in the applications were not binding on the trial judge.

The Corporation has sought reimbursement of its costs of responding to the applications and motions.

On October 23, 2012, the Applicants served Notices of Appeal on this decision.

Look continues to vigorously pursue its claims against the former directors and former officers named in the Claim (as well as their personal holding companies, as applicable) for payments, which the Corporation believes were not in the Corporation's or its shareholders' best interests.

(f) Management Service Agreement

Under the original terms of the Management Service Agreement entered into between the Corporation and UBS on May 19, 2004 ("MSA"), the Corporation had been required to pay an annual fee of \$2,400 to UBS. On April 22, 2010, Look's Board of Directors notified UBS that it would not be recommending the MSA and, on May 19, 2012, the MSA expired.

(g) Restructuring

During fiscal 2009, the Corporation sold its spectrum and broadcast license to Inukshuk Wireless Partnership ("Inukshuk") (a joint venture between Rogers Communications and Bell Canada).

From the commencement of the restructuring process through November 30, 2010, the amounts expensed included, among others, legal and consulting charges incurred in relation to the Arrangement, legal charges incurred related to former Director and former management indemnities, site restoration charges, contract termination charges, and estimated amounts due to government bodies. Additional charges may be incurred as the Corporation continues in its attempts to maximize shareholder value including the monetization of the remaining assets, the return of capital to shareholders, and legal charges incurred related to the recovery of advances made by former directors and former management to various law firms.

(h) Income taxes

As a result of the sale of the spectrum and broadcast license and the restructuring of the business, the cumulative eligible capital expenditure pool was converted to a non-capital loss.

Deferred taxes have not been recognized in respect of the Company's loss carryforwards. The Corporation has the following federal non-capital income tax losses, which may be carried forward to reduce future years' taxable income.

These losses will expire in the taxation years ending December 31 as follows:

Year	Amount
2014	\$ 12,588
2015	55
2026	403
2028	8,986
2029	115,571
2030	5,748
2031	19,993
2032	2,772
Total	\$166,116

The Corporation's tax attributes may be utilized by the Corporation in its future operations, or may be utilized by a potential acquirer to offset income, provided certain tests are satisfied including those related to a change in control of the Corporation.

The Corporation

Look is a publicly listed Canadian corporation with shares listed on the NEX under the symbols "LOK.H" for Multiple Voting Shares and "LOK.K" for Subordinate Voting Shares.

As a result of the sale of its spectrum and broadcast licence to Inukshuk (see the section entitled "Overview – Significant current events –Restructuring"), Look is currently operating as a holding company and actively seeking a tax effective transaction to enhance shareholder value.

As at November 30, 2012, UBS owned or controlled 24,864 Multiple Voting Shares and 29,921 Subordinate Voting Shares (a 39.2% economic interest and a 37.6% voting interest) of the Corporation.

Services

The Corporation operates as a holding company and is examining potential investment opportunities that could utilize the Corporation's remaining cash and tax attributes to enhance shareholder value.

Strategy

The Corporation is seeking to preserve its capital, protect the value of its remaining tax attributes, and assess available options for maximizing further returns to shareholders. Cash is invested in short-term highly liquid investments, the income from which is tax sheltered.

After a thorough investigation into the facts and circumstances surrounding the Sale Awards, on July 6, 2011, the Corporation issued a Statement of Claim in the Ontario Superior Court of Justice (see the section entitled "Overview - Significant current events - Statement of Claim in connection with the payment of Restructuring Awards"), and seeks to recover all or part of these awards, which remains a focus of the Corporation.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management's discussion and analysis of operating results and financial condition are made with reference to the Corporation's unaudited condensed consolidated interim financial statements for the three months ended November 30, 2012 and 2011, and the notes thereto, which have been prepared in accordance with IFRS. The Corporation's significant accounting policies are summarized in detail in Note 2 of the Corporation's consolidated financial statements for the year ended August 31, 2012.

6. RESULTS OF OPERATIONS

Results for the first quarter ended November 30, 2012

- Operating expenses for the three months ended November 30, 2012 totaled \$370, a decrease of 55.9% over the three months ended November 30, 2011. This decrease was due mainly to the expiration of the MSA on May 19, 2012.
- The total number of employees was two as at November 30, 2012, versus three as at November 30, 2011.

Operating expenses

	Three months ended November 30,	
	2012	2011
Compensation	\$ 54	\$ 53
General and administrative	316	786
Total operating expenses	\$ 370	\$ 839

Compensation

Compensation expenses include administrative salaries and human resources for the Corporation. During the three months ended November 30, 2012, the Corporation expensed \$54 in compensation which included \$49 in key management (November 30, 2011 - \$53 and \$20 respectively).

General and administrative

General and administrative expenses include general occupancy, information technology, professional fees, and other administrative overheads for the Corporation.

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

	Three months ended November 30,	
	2012	2011
MSA	\$ -	\$ 433
Professional fees	298	337
Office and general	18	16
Total general and administrative expenses	\$ 316	\$ 786

For the three months ended November 30, 2012, general and administrative expenses totalled \$316, compared to \$786 for the three months ended November 30, 2011. The decrease was due primarily to the expiration of the MSA, and the timing of professional fees.

Interest and financing charges

For the three months ended November 30, 2012, interest income recognized on liquid assets totalled \$58 (November 30, 2011 – \$80). The decrease was due mainly to lower cash and short term investments balances as at November 30, 2012.

Loss from operations

The loss from operations for the three months ended November 30, 2012 amounted to \$312 or \$0.002 per basic and diluted share, compared with a loss from operations of \$759 or \$0.005 per basic and diluted share for the three months ended November 30, 2011.

7. QUARTERLY FINANCIAL RESULTS

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

	Fiscal 2013	Fiscal 2012				Fiscal 2011		
	Nov 30	Aug 31	May 31	Feb 29	Nov 30	Aug 31	May 31	Feb 28
Operating expenses before depreciation of property and equipment, restructuring charges, gain on sale of property and equipment, and interest income	\$370	\$ 1,419	\$ 1,140	\$ 1,097	\$ 839	\$ 1,371	\$ 907	\$ 1,063
Depreciation of property and equipment, restructuring charges, gain on sale of property and equipment, and interest income	58	55	61	78	80	1,336	46	142
Net loss from operations	(312)	(1,364)	(1,079)	(1,019)	(759)	(35)	(861)	(921)
Loss per share								
Basic and diluted	(0.002)	(0.010)	(0.007)	(0.008)	(0.005)	-	(0.006)	(0.007)

8. LIQUIDITY AND CAPITAL RESOURCES

The Corporation held cash and short-term investments of \$17,542 as at November 30, 2012, compared to \$18,156 as at August 31, 2012. Cash, totaling \$326, consists of all bank balances. Short-term investments, totaling \$17,216, include variable rate guaranteed investment certificates with original maturities of less than 365 days. The certificates currently bear interest at an interest rate of prime minus 1.66% and are fully redeemable at any time by the Corporation, at its discretion.

During the three months ended November 30, 2012, \$650 was redeemed. As at November 30, 2012, the effective annual interest rate on the GICs was 1.34%. The fair value of short-term investments has been valued using Level 1 inputs.

The change in cash is summarized as follows:

	Three months ended November 30,	
	2012	2011
Cash used in operating activities	\$ (672)	\$ (1,103)
Cash provided by investing activities	851	888
Increase (decrease) in cash and cash equivalents	\$ 179	\$ (215)

Cash used in operating activities for the three months ended November 30, 2012, was \$672, compared to \$1,103 during the three months ended November 30, 2011. The positive variance was due primarily to lower operating costs, and the timing of payment of accounts payable.

There was no cash used in financing activities for the three months ended November 30, 2012 and 2011.

Cash provided by investing activities for the three months ended November 30, 2012 totalled \$851, compared to \$888 for the three months ended November 30, 2011, due to the redemption of short-term investments totaling \$650 (November 30, 2011 - \$600), and the receipt of interest on investments totaling \$201 (November 30, 2011 - \$288).

The Corporation's working capital, as at November 30, 2012, was \$17,577 compared with \$17,890 as at August 31, 2012.

9. SHARE CAPITAL

As at November 30, 2012, and August 31, 2012, the Corporation had issued 66,165 Multiple Voting Shares and 73,537 Subordinate Voting Shares for total issued shares of 139,702. As a result of the Corporation's sale of its operating assets and the restructuring of its business, as at November 30, 2012 and August 31, 2012, there were no options outstanding to acquire Subordinate Voting Shares of the Corporation. The Corporation's stock incentive plan remains in effect.

As at January 22, 2013, there were 66,165 Multiple Voting Shares and 73,537 Subordinate Voting Shares issued.

10. STOCK BASED COMPENSATION

No stock-based compensation expense was recorded during the three months ended November 30, 2012 or 2011. As a result of the Corporation's sale of its operating assets and the restructuring of its business, all option holders relinquished all rights to all outstanding Subordinate Voting Shares of the Corporation and all SAR-holders relinquished all rights to all outstanding SAR units of the Corporation. On November 19, 2010, the Corporation's Board of Directors cancelled the SAR Plan.

11. RELATED PARTY TRANSACTIONS

Related party transactions and balances with UBS are as follows:

	Three months ended November 30,	
	2012	2011
Management fees expense	\$ -	\$ 433
Rent revenue	(2)	(6)

Management fees expense

Under the original terms of the MSA, the Corporation had been required to pay an annual fee of \$2,400 to UBS. In September 2007, the Corporation advanced \$2,400, which was included in prepaid expenses and deposits. Effective January 1, 2011, this amount was drawn down at approximately \$145 per month over the remaining term of the MSA which expired on May 19, 2012.

Rent revenue

During the three months ended November 30, 2012, the Corporation subleased a portion of its premises to UBS for \$2 (2011 - \$6), which was on a month-to-month basis and was recorded as a reduction of general and administrative expenses. On September 30, 2012, UBS terminated its lease agreement with the Corporation and, effective October 1, 2012, the Corporation no longer leases premises.

2010 legal advances

During June and July, 2010, the former Board of Directors of the Corporation approved \$1,550 of advances to various professional firms as retainers for future legal fees the directors and officers expected would be incurred answering shareholder complaints and regulatory enquiries. Approximately \$1,464 of the advances was expensed, up to November 30, 2012, and \$86 remains in accounts receivable and other receivables, as a result of a settlement agreement executed between the Corporation and a former director.

The Corporation is vigorously seeking recovery of these 2010 legal advances.

12. OPERATING RISKS AND UNCERTAINTIES

Management of capital

The Corporation determines capital to include shareholders' equity. The Corporation's overall strategy with respect to management of capital is to hold low-risk highly-liquid cash accounts and short-term investments.

The Corporation currently does not use other sources of financing that require fixed payments of interest and principal due to the lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Corporation invests its capital in short-term investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Corporation's short-term obligations while maximizing liquidity and returns of unused capital.

On March 13, 2012, the Corporation paid a distribution of \$6,985 to the holders of its multiple voting shares and subordinate voting shares, as a return of capital.

Financial instruments and risk management

The Corporation's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its obligations. The Corporation's maximum exposure to credit risk at the end of the reporting period under its financial instruments is summarized as follows:

Accounts receivable and other receivables	November 30, 2012	August 31, 2012
Currently due	\$ 27	\$ 108
Past due by 90 days or less not impaired	4	116
Past due by greater than 90 days not impaired	532	404
	\$ 563	\$ 628

All of the Corporation's cash is held with a major financial institution in Canada, and management believes the exposure to credit risk with this institution is not significant. The Corporation's maximum assessed exposure to credit risk as at November 30, 2012 and August 31, 2012, is the carrying value of its accounts receivable and other receivables.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with financial liabilities. The Corporation has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements. The Corporation coordinates this planning and budgeting process with its financing activities through the capital management process described above, in normal circumstances.

The Corporation's financial liabilities, as at November 30, 2012 and August 31, 2012, are comprised of its accounts payable, accrued restructuring liabilities and accrued liabilities, and are summarized as follows:

Accounts payable and accrued liabilities with contractual maturities -	November 30, 2012	August 31, 2012
Within 90 days or less	\$ 294	\$ 504
In later than 90 days not later than one year	294	411
	\$ 588	\$ 915

Interest rate risk

The Corporation had no significant exposure, as at November 30, 2012 and August 31, 2012, to interest rate risk through its financial instruments.

13. COMMITMENTS AND CONTINGENCIES

Commitments

Under the original terms of the MSA, the Corporation had been required to pay an annual fee of \$2,400 to UBS. On May 19, 2012, the MSA expired.

Contingencies

In the normal course of its operations, the Corporation may be subject to other litigation and claims.

The Corporation indemnifies its directors, officers, consultants, and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Corporation, and maintains liability insurance for its directors and officers. As a result of the current litigation, the Corporation may be liable for costs if unsuccessful in pursuing the Claim.

14. ADDITIONAL INFORMATION

Additional information regarding the Corporation's financial statements and corporate documents is available on SEDAR at www.sedar.com and on the Look website at www.grouplook.ca.

Look Communications Inc.

SHAREHOLDER INFORMATION

Board of Directors

Chairman of the Board

David Rattee
Corporate Director

Directors

Grant McCutcheon (resigned as director
December 24, 2012)
Chief Executive Officer
Look Communications Inc.
Chief Executive Officer
Unique Broadband Systems, Inc.

Henry Eaton
Principal, NPV Associates

Lawrence Silber
Partner, Kelly Santini LLP

Officers

Grant McCutcheon
Chief Executive Officer

C. Fraser Elliott
Chief Financial Officer

Auditors

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Transfer Agent and Registrar

Computershare Trust Company of Canada
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Stock exchange listing

Look's shares are listed on the NEX under the
symbols LOK.H and LOK.K