URBANA CORPORATION

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2008

This annual management report of fund performance follows the disclosure requirements of the Canadian Securities Administrators' National Instrument 81-106. It contains financial highlights but does not contain the complete annual financial statements of Urbana Corporation ("Urbana"). You can get a copy of Urbana's annual financial statements at your request, and at no cost, by calling Urbana collect at (416) 595-9106, by writing to us at: 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9 or by visiting our website at www.urbanacorp.com or the SEDAR website at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of Urbana's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Forward-looking Statements

Certain statements included in this report may constitute forward-looking statements, including those identified by the expressions "believe", "plan", "intend" and similar expressions to the extent they relate to Urbana or the Investment Manager (as defined below). Such forward-looking statements are not historical facts but reflect Urbana's or the Investment Manager's current expectations regarding future results or events. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Readers are cautioned to consider these and other factors carefully when making decisions with respect to Urbana and not place undue reliance on forward-looking statements. Unless required by applicable law, Urbana does not undertake any obligation to update publicly or to revise any of such forward-looking statements, whether as a result of new information, future events or otherwise.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

For the foreseeable future, the strategy of Urbana is to continue to search for and acquire investments for income and capital appreciation, initially within the exchange industry. Urbana has retained Caldwell Investment Management Ltd. ("CIM" or the "Investment Manager") to manage its investment portfolio. Management has identified securities and derivatives exchange properties around the world as good long-term investments due to the trend of demutualization in, and consolidation of, the exchange industry. At the present time, Urbana has focussed its efforts on acquiring interests in exchange properties for long-term gains. Urbana maintains the flexibility to invest across a wide spectrum of investment possibilities in other industries. Other areas of opportunity, such as publicly or privately traded securities or other assets, may be pursued from time to time. In order to minimize the impact of taxes on Urbana, to add to future performance and to expand its portfolio holdings, Urbana may use leverage which will not exceed 100% of the net asset value of Urbana. As at December 31, 2008 the leverage employed by Urbana represents approximately 7.01% of its net assets.

Management believes that exchanges are a way to participate in a regional economy as regional economic success is eventually reflected in the region's stock (cash) market. For example, Management believes that an investment in the Bombay Stock Exchange is a way to participate in India's growth. Management and the Investment Manager believe there are three stages of value creation in the exchange sector

- **Pre-Initial Public Offering ("IPO")** – At present, a substantial number of the equity and derivative exchanges in the world are private companies or not-for-profit organizations. The Investment Manager believes that over the next five years, most of these will either become public companies themselves, or be acquired by a public company. In the conversion from private to public ownership and from not-for-profit to for-profit, the experience of Urbana in other exchanges has shown that considerable value may be created, as was the case with the New York Stock Exchange ("NYSE"). Urbana's current holdings in this category include direct or indirect holdings in the Chicago Board Options Exchange ("CBOE"), the Bombay Stock Exchange ("BSE"), the Kansas City Board of Trade and the Minneapolis Grain Exchange ("MGEX"). The Investment Manager's intent is that the majority of future acquisitions will also be in pre-IPO stage exchanges.

- **Search for Efficiencies** – Once the conversion to a public company is completed, the Investment Manager believes that exchanges and their shareholders can take up to three years to fully realize the benefits of the conversion. The most important of these benefits is the expansion of profit margin. Exchanges that have been public for the past several years, such as the TSX or the Chicago Mercantile Exchange ("CME"), have accomplished this by increasing volumes, converting from floor-based trading to electronic trading and developing or acquiring higher-margin proprietary products. These improvements explain in great measure the strong performance that exchanges have shown post-IPO. In the Investment Manager's opinion, the NYSE, one of Urbana's significant holdings, is an example of a new public company that still has much to gain from realizing improved efficiencies. Specifically, the Investment Manager anticipates that the New York trading floor may be closed within the next two years with a conversion to a global, fully electronic marketplace. This has the potential to significantly increase the NYSE's operating margins, bringing them in line with other established public exchanges.

- **Consolidation and Convergence** – In the past two years, there have been several high-profile deals announced, including the merger of the NYSE and Euronext to form NYSE Euronext, bids for the the CBOE by each of the Intercontinental Exchange and the CME, the purchase of Philadelphia Stock Exchange by NASDAQ, the merge of the American Stock Exchange ("ASE") into NYSE Euronext, and numerous examples of cross-ownership between international exchanges seeking to form alliances. The Investment Manager believes that this trend will continue for several more years. The arena in which consolidation is most prevalent is the acquisition of derivative exchanges (that is, options and commodities) by stock exchanges seeking to increase their margins and gain proprietary products in the fastest growing segment of the sector. Urbana's investment in the CBOE anticipates that the CBOE may be acquired by a larger exchange that wishes to buy the options exchange with the biggest market share in the United States. The Investment Manager also considers all of the North American grain exchanges, as well as the London, Singapore and Osaka Exchanges, to be likely acquisition targets.

The creation of publicly-traded securities and derivatives exchanges is a relatively new phenomenon. While some exchanges have transformed themselves into public companies, the industry still includes numerous private companies and mutually-owned, not-for-profit entities. Management anticipates that the consolidation trend will continue and that other mergers are likely to take place over the coming years. Management believes that this may allow the Investment Manager to leverage its demonstrated expertise in this sector.

Management and the Investment Manager believe that the four primary growth drivers for the exchange sector are as follows:

- **Trading Volume -** Technology and trading participants (hedge funds and algorithmic trading in addition to traditional investors) are substantially increasing trading volumes on the world's major exchanges. Management believes that the size and sustainability of these volume increases are not yet appreciated by the market.

- **Margin Expansion** - Efficiencies are obtained through the divestiture of non-core assets (e.g. the regulatory function) and replacing or updating legacy trading systems (e.g. floor trading) with new technologies, which drive improved margins. In the past, trade completions were fulfilled in minutes. They are now measured in a diminishing number of milliseconds. At the corporate level, the for-profit discipline now being implemented at many exchanges is forcing a culture change which is reflected in improving margins.

- **Proprietary Products** - Exchanges are striving to obtain proprietary products to trade on their specific venue. This trend is fuelling acquisitions of derivative exchanges (options and futures) by stock (cash) markets. Derivative markets have greater proprietary trading attributes and as a consequence, greater profit margins than stock markets. Trading volumes at derivative exchanges are also growing at a faster rate.

- **Product Pricing** - A readjustment of pricing to more accurately reflect the economic value of trading, listing and data services is also fuelling growth. Data and information, the value of which was not previously captured by private exchanges, have become significant revenue generators for public exchanges. Hedge and algorithmic traders rely significantly on historical information to develop their trading parameters and are willing to pay for such information. News services augment the increasing demand for information. Over time, data and information can grow to become a major income stream for exchanges.

Management believes that these factors will continue to be significant drivers for revenue growth and increasing profitability in the industry for the foreseeable future.

The demutualization, conversion to for profit corporations and subsequent public offerings of exchanges has led to significant capital appreciation for investors.

Investment Management Team

Profiles of the key personnel at the Investment Manager are as follows:

Thomas S. Caldwell, C.M., B.Comm. Hons-Economics, FCSI, Portfolio Manager
Thomas S. Caldwell is Chairman of Caldwell Financial Ltd. and its subsidiary companies Caldwell Asset Management Inc., Caldwell Securities Ltd. (which he founded in 1980) and the Investment Manager. Mr. Caldwell is a Member of the Board of Associates of the Whitehead Institute for Biomedical Research (MIT) Boston. He is a former Governor of the Toronto Stock Exchange ("TSX"), a Fellow of the Canadian Securities Institute and a past Director of the Investment Dealers Association of Canada (predecessor of the Investment Industry Regulatory Organization of Canada).

Mr. Caldwell graduated with an Honours Degree in Economics from McGill University in 1965. His career in the investment industry commenced a year prior, at Royal Securities Corporation. Upon graduation, he rejoined that company and remained after its purchase by Merrill Lynch and managed all institutional equity trading in Canada. In 1975, Mr. Caldwell joined a predecessor firm of BMO Nesbitt Burns Inc. as a Senior Investment Advisor.

Mr. Caldwell, as the lead investment manager for Urbana, supervises the overall investment activities conducted by CIM on Urbana's behalf. He serves as Urbana's President.

Brendan T.N. Caldwell, B.Sc., M.A., FCSI, CFA, Portfolio Manager
Brendan T.N. Caldwell is President and CEO of the Investment Manager and Executive Vice-President of Caldwell Financial Ltd.

Mr. Caldwell earned his B.Sc. from Trinity College at the University of Toronto and his M.A. from the University of London, England. He has held the designation of Chartered Financial Analyst since 1995. Mr. Caldwell is a member of the Toronto Society of Financial Analysts, the CFA Institute and is a Fellow of the Canadian Securities Institute.

Mr. Caldwell worked for a major mutual fund company and a bank-controlled investment firm prior to joining Caldwell in 1995. He has been a member of the TSX, the NYSE, the ASE and the CBOE.

Robert M. Callander, B.Sc., M.B.A., CFA, Portfolio Manager
Mr. Callander is an investment industry executive with over thirty years experience, including senior positions in investment research and corporate finance. He provides financial advisory services to both institutional and private clients. Mr. Callander has held the designation of Chartered Financial Analyst since 1981.

J. Dennis Freeman, Portfolio Manager
Mr. Freeman's investment experience has been primarily focused on the fixed income sector, including managing major bond funds. His broad experience and market strategy views are highly regarded in the investment industry.

Charles Hughson, Strategic Advisor
Mr. Hughson is an investment industry professional with over three decades of experience. Graduating from the University of Aberdeen, Scotland with an M.A. (Hons.) degree in economics, he began his career as an investment analyst in the City of London, England. Mr. Hughson immigrated to Canada in 1975 and joined the Alberta Treasury department. Later on, he joined a leading Canadian life insurance company.

John R. Kinsey
Mr. Kinsey contributes over forty years of investment experience, which includes portfolio management, research and trading. He also coordinates the equity research functions of the Investment Manager which include monitoring the overall universe of securities followed by the Investment Manager.

Jennifer Radman, Analyst, CFA, Associate Portfolio Manager
Ms. Radman joined the firm in June 2004 as a research associate. She graduated with honours with a business degree from the University of South Carolina. Ms. Radman is responsible for the Investment Manager's proprietary computer model portfolios. Ms. Radman has held the designation of Chartered Financial Analyst since 2006.

Thomas Ratnik, B.Sc., P.Eng.
Mr. Ratnik's responsibilities include market strategy, timing and technical analysis. With forty years experience as a technical analyst, Mr. Ratnik has developed a series of criteria which assist in establishing entry and exit points for equity portfolio positions. Mr. Ratnik is a professional engineer.

Independent Review Committee

The Investment Manager has established an independent review committee ("IRC") in accordance with National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107"). The role of the IRC is to consider and provide recommendations to the Investment Manager on conflicts of interest to which the Investment Manager is subject when providing investment management services to Urbana. The IRC reports annually to the securities holders of Urbana as required by NI 81-107. The Investment Manager has appointed Robert Guilday, H. Clifford Hatch Jr. and Sharon Kent as the first members of the Independent Review Committee, with input from the independent Directors of Urbana.

Mr. Guilday is a consultant in the financial services industry. He previously held several positions at ScotiaMcLeod and has over thirty years of experience in the financial services industry. Mr. Guilday holds a Bachelor of Science from Mount St. Mary's University and a Masters of Arts from Niagara University.

Mr. Hatch is the President and Chief Executive Officer of Cliffco Investment Ltd., a private venture capital investment and holding company. He is also a director of Transat A.T. Inc., Consolidated HCI Limited, Brookdale Treeland Nurseries Limited and Carizuelo S.A. Mr. Hatch holds a Bachelor of Arts (Honours) in Economics and Political Science from McGill University and a Master of Business Administration from Harvard University.

Ms. Kent is the Chief Executive Officer of Member Savings Credit Union Limited and President and Chief Executive Officer of Members Mutual Management Corp (a mutual fund dealer wholly owned by the credit union). She holds a Bachelor of Economics degree from McMaster University. Ms. Kent serves on a number of committees within the Ontario Credit Union system and has served on the board of the Credit Union Managers' (Ontario) Association for the past ten years.

Risk

There were no material changes to Urbana's investment style over the financial year that affected the overall level of risk associated with investment in the corporation. The suitability and investor risk tolerance remains unchanged over the years as that of an aggressive growth vehicle with concentrated investment positions.

Results of Operations

Urbana's net shareholders' equity decreased from $262,841,278 at the end of 2007 to $158,402,330 at the end of 2008, a decrease of $104,438,948. This decrease was due mainly to the significant decline from 2007 of the investments in the NYSE Euronext, the CBOE, the London Stock Exchange and the Minneapolis Grain Exchange.

As a result of owning more dividend paying investments in 2008 than in 2007, the company's dividend income went up from $839,266 in 2007 to $3,042,855 in 2008. Seat rental income went up from $638,755 in 2007 to $2,548,751 in 2008 because the seat rental generating investments, the CBOE seats and the ASE memberships, were held for the full or nearly full year in 2008 while they were held only part of the year in 2007. In 2008, Urbana's operations resulted in a net loss of $4,281,027 as compared to a net gain of $128,145 in 2007. This decrease was due largely to a loss on sale of investments of $4,158,084.

Net Assets (as defined below in "Change in Accounting Policy") per common share was $2.05 per share as of December 31, 2008 compared to $3.37 as of December 31, 2007, representing a decrease of 39.17%. The Net Assets per share for the Non-Voting Class A Shares, which have the same rights as the common shares upon liquidation, is the same as the Net Assets per common share.

General Economic Climate

The first 6 months of 2008 were dominated by the sub-prime/asset backed commercial paper crisis emanating from an over-built U.S. housing market. Massive write-downs, both within the U.S. and internationally, impacted virtually all financial institutions. The second half of 2008 was a continuance and indeed an acceleration of the deterioration experienced in the first half of the year. As we approached year end governments around the world initiated a combination of financial market bailout and economic stimulus packages. The former will, in the opinion of management, be successful. It is essential that the banking sector be restored before any broad based economic revival occurs. Governments recognize this fact. Securities exchanges have, despite their lack of toxic assets, participated in the overall market decline. There are concerns regarding a curtailment of trading volumes in 2009 as well as the anticipation of reduced operating margins. Both of these concerns are valid, however current share prices more than discount their potential influence. Recent financial events speak clearly to the positive factors exhibited by the securities exchanges held by Urbana such as open public ownership, superior governance and transparency. Regulators are adamant in their desire to promote greater trading in the public eye.

In this regard, the New York Stock Exchange remains one of the few American financial institutions with its name and reputation intact. The company has become more of a technology provider, widely diversified in terms of product offerings and geography. Our other large holding, the CBOE, has now demutualized and is proceeding to have its shares publicly traded. The BSE anticipates becoming publicly held this year. These key holdings provide a basis for recovery when we see even the beginnings of financial and economic stabilization.

Addition of Capital

During the year of 2008, a total of 275,064 of Warrants and Series A Warrants of Urbana were exercised. As a result of the exercise of these warrants, 275,064 Non-Voting Class A Shares were issued and the net amount of $1,242,910 was added to the shareholder's equity. Other than the capital received from the exercise of these warrants, no capital was raised during the year of 2008

Normal Course Issuer Bid

During 2008 the TSX accepted Urbana's notice of intention to conduct a normal course issuer bid ("NCIB") to purchase up to 5,954,185 of its Non-voting Class A shares, representing 10% of the public float, pursuant to the TSX rules. Purchases under the bid commenced on August 28, 2008 and will terminate on the earlier of August 27, 2009, the date Urbana completes its purchases pursuant to the notice of intention to make a normal course issuer bid filed with the TSX, or the date of notice by Urbana of termination of the bid. Purchases are on the open market by Urbana through the facilities of the TSX in accordance with the rules and policies of the TSX. The price that Urbana paid for such shares was the market price of such shares on the TSX at the time of acquisition. Non-Voting Class A shares purchased under the bid are cancelled. Urbana will not purchase in any given 30 day period, in the aggregate, more than 1,366,731 Class A shares, being 2% of the 68,336,582 issued and outstanding Class A shares as at August 26, 2008. As at December 31, 2008, 1,236,582 Class A shares have been purchased by Urbana pursuant to the NCIB.

Demand Loan Facility

On February 19, 2008, Urbana entered into a demand loan facility with the Bank of Montreal. Under this loan facility, Urbana may borrow up to $50,000,000 from the Bank at any given time. Interest is charged on the outstanding balance of the loan facility at prime, calculated on a daily basis. The loan facility is secured by a general charge on Urbana's assets and allows Urbana to purchase additional interests in public and/or private exchanges around the world. As at December 31, 2008, the outstanding balance of the loan was $11,100,000 representing 7.01% of the net assets of Urbana. All proceeds from this loan facility so far have been used to purchase interests in various exchanges.

Acquisitions and Dispositions of Investments

During 2008, Urbana made the following significant acquisitions and dispositions of investments:

Acquisitions

Investment	Quantity	Type of Securities	Cost
Chicago Board Option Exchange	4	seats	12,173,973
Budapest Stock Exchange	169,341	shares	4,761,242
One Chicago, LLC	54	shares	3,175,830
American Stock Exchange	8	seats	2,767,601
Minneapolis Grain Exchange	10	seats	2,689,889
Canadian Quotation & Trading Systems	1,250,000	shares	1,250,000

Dispositions

Investment	Quantity	Type of Securities	Proceeds
Montreal Stock Exchange	200,000	shares	3,251,330
BM+F Bovespa SA BO	691,835	shares	2,210,229
Philadelphia Stock Exchange	1,050	shares	1,617,413
NYSE Euronext	15,000	shares	1,036,448

Recent Developments

Change in Accounting Policy

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA"), which establishes Canadian Generally Accepted Accounting Principles ("GAAP") for financial reporting purposes, issued Section 3855, "Financial Instruments – Recognition and Measurement", which addresses the classification, recognition and measurement of financial instruments. This section, which came into effect on October 1, 2006, was initially applicable to Urbana's year ending December 31, 2007.

Section 3855 requires that in calculating net assets, a company uses the closing bid price for the securities to determine the fair value of financial instruments which are traded in active markets ("Net Assets") instead of using the last or close traded price that was used before Section 3855 was adopted. Subsequent to the adoption of Section 3855 by the CICA and effective September 8, 2008, the Canadian securities regulatory authorities issued amendments to NI81-106 which removed the requirement that net asset value be calculated in accordance with GAAP (other than in financial statements). As a result of the amendments, the net asset value of investments (other than in financial statements) of a company may continue to be calculated by applying the close or last trade price to obtain securities values ("Net Asset Value")

The Canadian Accounting Standards Board recently confirmed the plan to adopt International Financial Reporting Standards ("IFRS") on or by January 1, 2011. IFRS will replace Canadian GAAP for publicly accountable enterprises, which include investment funds. Accordingly, Urbana will adopt IFRS for its fiscal period beginning January 1, 2011. In order to prepare for the conversion to IFRS, management has developed a preliminary IFRS conversion plan for the company and is in the initial stages of evaluating the impact of this change on the company's financial statements. The impact of the adoption of these standards will be disclosed in future periods.

See also section “Results of Operations – General Economic Climate” above.

Related Party Transactions

Caldwell Financial Ltd., a company under common management, is the parent company of the Investment Manager, CIM. In 2008 and 2007, investment management fees of $3,196,246 and $1,899,428 respectively were paid to CIM. For the year ended December 31, 2008, CIM absorbed expenditures relating to Urbana aggregating to $351,845 (December 31, 2007 - $466,782). As at December 31, 2008 there was an investment management fees payable of $630,826 (December 31, 2007 – $769,321) to CIM. There were no other fees payables to related parties as at December 31, 2008.

In the year ended December 31, 2008, marketable securities included units of the Caldwell Growth Opportunities Trust, a fund under common management. All of these units were sold during the year.

Subsequent to its establishment, the IRC has made a recommendation to Urbana and CIM to execute portfolio transactions through CSL, provided that such transactions are executed on terms as favourable or more favourable to Urbana as those executed through broker-dealers unrelated to CIM.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about Urbana and are intended to help you understand Urbana’s financial performance for the past four years.

Urbana’s Net Assets per Share(1)				
	2008	**2007**	**2006**	**2005**
Net assets, beginning of year	$3.37	$2.68	$1.26	$0.71
Total Investment income for the year	0.07	0.06	0.04	0.04
Total expenses for the year, including future taxes	(0.07)	0.17	(0.37)	(0.13)
Realized gains/losses for the year	(0.05)	0.06	0.02	(0.02)
Unrealized gains (losses) for the year	(1.52)	0.31	1.78	0.66
Distributions	Nil	Nil	Nil	Nil
Net assets , end of year(2)	2.05	3.37	2.69	1.26

(1) This information is derived from Urbana’s audited annual financial statements. The net assets per share presented in the financial statements differs from the net asset value due to difference in valuation techniques as described in the notes to the financial statements.
(2) This is not a reconciliation of beginning and ending net assets per share.
(3) Net assets are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

(4) The net assets for the periods beginning 2007 and onward are shown as Net Assets and the net assets for all prior periods are shown as Net Asset Values as per the accounting change described in "Recent Developments" above.

Ratios and Supplemental Data				
	2008	**2007**	**2006**	**2005**
Total net asset value(1)	$158,821,097	$262,841,278	$26,917,127	$11,334,873
Shares outstanding(1)	77,100,000	78,061,518	10,000,000	9,000,000
Management expense ratio excluding share issuance costs(2)	2.77%	2.99%	4.60%	3.25%
Management expense ratio including share issuance costs	2.77%	10.50%	4.93%	3.25%
Management expense ratio excluding share issuance costs before waivers or absorptions	3.03%	3.37%	4.60%*	3.25%*
Portfolio turnover ratio(3)	5.22%	3.00%*	10.17%	8.03%
Trading expense ratio(4)	0.08%	0.00%	0.00%	0.18%
Net asset value per share	$2.06	$3.37	$2.69	$1.26
Closing market price (common)	$1.51	$5.40	$3.00	$2.00
Closing market price (Class A)	$1.35	$5.15	-	-

*revised from 2007 annual MRFP

(1) This information is provided as at December 31 of the year shown.
(2) Management Expense Ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of weekly average net asset value during the period.
(3) Urbana's turnover rate indicates how actively the corporation's investment manager manages its liquid securities investments. A portfolio turnover rate of 100% is equivalent to the corporation buying and selling all of the securities in the portfolio once in the course of the year. The higher a company's portfolio turnover rate in a year, the greater the trading costs payable by the company in the year, and the greater the chance that the company will receive taxable gains or losses in the year. There is not necessarily a relationship between a high turnover rate and the performance of the investment portfolio.
(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the period.

Management Fees

Investment management fees are charged for portfolio management services in accordance with an investment management agreement with CIM. Investment management fees accrue on the basis of 1.50% per annum of the market value of the equity securities in Urbana's investment portfolio and 0.50% of the market value of the fixed income securities in the corporation's investment portfolio. During the year ended December 31, 2008, Urbana paid investment management fees of $3,196,246 to CIM. Out of these investment management fees, CIM paid for certain administrative, legal services, shareholders communication and regulatory filing expenses aggregating to $351,845. The investment management fees are accrued and paid quarterly in arrears.

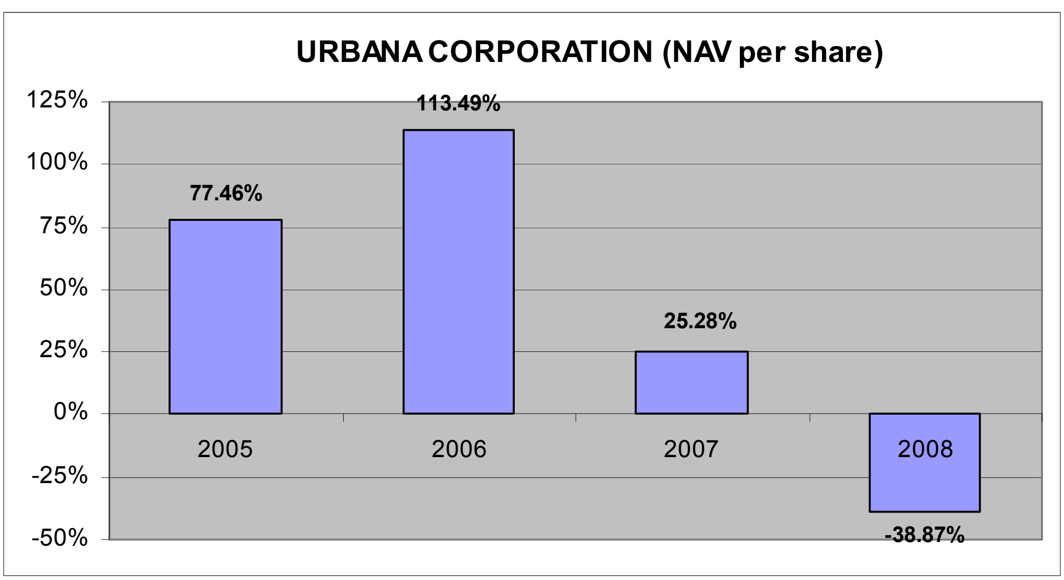
PAST PERFORMANCE

The performance information presented in this section shows how Urbana has performed in the past and does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the net asset value performance of Urbana's common shares for the financial years indicated. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year based on the net asset value (NAV) per share of Urbana. All net asset value returns are calculated based on Urbana's Net Asset Values (as opposed to Net Assets).

Urbana's Non-Voting Class A Shares was first issued on January 11, 2007. The Non-Voting Class A Shares, which have the same rights as the common shares upon liquidation, have the same NAV per share as the common shares.



Annual Compound Returns

The following table shows Urbana's historical returns on its common shares for the periods indicated immediately preceding the end of the last completed financial year (December 31, 2008), compared with the S&P/TSX Composite Index.

	1 year	**3 year**	**4 year and since inception**(1)
Urbana Corporation (NAV)	-38.87%	17.81%	30.51%
Urbana Corporation Common Shares (Market)	-72.04%	-8.94%	8.99%
S&P/TSX Composite Index(2)	-35.03%	-7.27%	-0.71%

The following table shows Urbana's historical returns on its Non-Voting Class A Shares for the periods indicated immediately preceding the end of the last completed financial year (December 31, 2008), compared with the S&P/TSX Composite Index.

	1 year	**since inception**(1)
Urbana Corporation (NAV)	-38.87%	-16.23%
Urbana Corporation Class A Shares (Market)	-73.79%	-33.33%
S&P/TSX Composite Index(2)	-35.03%	-15.49%

(1) Inception date of common shares is January 1, 2005, being the first day of the financial year in which Urbana became an investment fund. Inception date of the Non-Voting Class A Share is January 11, 2007.
(2) The S&P/TSX Composite Index is a market capitalization-weighted index that provides a broad measure of performance of the Canadian equity market.

SUMMARY OF INVESTMENT PORTFOLIO
(non-consolidated)
As at December 31, 2008

The following market value data are all based on last traded price (as opposed to last bid price)

Number of Shares/Units	Description	Cost	Market Value	Portfolio Market Value	Total Net Asset Value
1,735,981	NYSE Euronext	$ 116,322,041	$ 58,677,217	35.80%	36.95%
22	Chicago Board Options Exchange	58,814,759	47,528,250	28.99%	29.93%
2,400,000	CIH Inc. (Bombay Stock Exchange)	26,566,306	25,361,568	15.47%	15.97%
169,341	Budapest Stock Exchange	4,761,242	8,717,755	5.32%	5.49%
41	Minneapolis Grain Exchange	10,146,476	5,567,595	3.40%	3.51%
210,791	TMX Group	8,266,040	5,309,825	3.24%	3.34%
9	Kansas City Board of Trade	5,287,915	3,666,465	2.24%	2.31%
54	OneChicago LLC	3,175,830	1,888,332	1.15%	1.19%
1,250,000	Cdn. Quotation & Trading System	1,250,000	1,250,000	0.76%	0.79%
132,000	London Stock Exchange Group	4,301,432	1,194,865	0.73%	0.75%
200	Osaka Securities Exchange Co. Ltd.	1,261,887	1,078,570	0.66%	0.68%
80,000	Hong Kong Exchange & Clearing Ltd.	1,026,297	937,877	0.57%	0.59%
50,000	Bulgarian Stock Exchange	724,589	772,207	0.47%	0.49%
24,683	Bermuda Stock Exchange	533,099	639,224	0.39%	0.40%
56,000	Johannesburg Stock Exchange Ltd.	487,160	273,686	0.17%	0.17%
100	CIH Inc. voting shares	105	123	0.00%	0.00%
312,500	Cdn. Quotation & Trading System Class A	-	-	0.00%	0.00%
	Cash and Cash Equivalents	1,056,107	1,056,107	0.64%	0.66%
	Total	243,981,284	163,919,666		

The above summary of the investment portfolio may change due to ongoing portfolio transactions. Weekly and quarterly updates are available at Urbana's website at www.urbanacorp.com

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