Consolidated financial statements of

Urbana Corporation

June 30, 2008
(Unaudited)

Urbana Corporation

June 30, 2008

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Urbana Corporation

Consolidated statement of net assets

	June 30, 2008 (Unaudited)	Dec. 31, 2007 (Audited)
	$	$
Assets		
Marketable securities	**245,410,557**	291,122,713
Cash	**1,189,857**	218,666
Sundry receivables	**328,853**	193,914
Prepaid expenses	**33,090**	37,280
Office equipment	**1,918**	2,037
Deposit on future investments	**1,835,349**	1,835,349
Resource properties	**1**	1
	248,799,625	293,409,960
Liabilities		
Loan payable (Note 4)	**15,100,000**	-
Accounts payable and accrued liabilities	**1,175,917**	945,054
Future income taxes	**2,149,113**	12,800,000
	18,425,030	13,745,054
Non-controlling interest	**15,461,706**	16,823,628
Net assets	**214,912,889**	262,841,278
Shareholders' equity		
Share capital (note 5)	**219,378,647**	218,135,737
Contributed surplus (Note 6)	**13,031,059**	13,242,479
Retained earnings (deficit)	**(17,496,817)**	31,463,062
	214,912,889	262,841,278
Total liabilities and shareholders’ equity	**248,799,625**	293,409,960
Number of shares outstanding (Note 5)	**78,336,581**	78,061,518
Net assets per share - basic and fully diluted	**2.74**	3.37

See accompanying notes

Approved by the Board

______________________________ Director

______________________________ Director

Urbana Corporation

Consolidated statement of operations
for the six months ended June 30

(unaudited)

	2008	2007
	$	$
Gains/losses		
Gain on sale of marketable securities	**321,184**	93,128
Investment income		
Dividends	**1,255,202**	105,496
Seat rental income	**1,005,798**	144,504
Interest income	**16,381**	471,350
Loss on foreign exchange	**(5,004)**	(1,123,928)
	2,272,377	(402,578)
Expenses (Note 8)		
Investment management fees	**1,793,713**	585,890
Foreign withholding taxes	**519,447**	-
Transaction costs	**141,596**	-
Administrative	**147,723**	134,849
Interest	**174,482**	67,306
Audit fees	**68,969**	38,801
Shareholder reporting costs	**130,823**	-
Legal fees	**347,286**	-
Director fees	**19,880**	9,100
Independent Review Committee fees	**3,045**	-
Insurance	**15,599**	15,600
Amortization	**118**	120
Expenses absorbed by manager	**(319,004)**	-
	3,043,677	851,666
Net income (loss) before net unrealized gain (loss) on foreign exchange and marketable securities, non-controlling interest and income taxes	**(450,116)**	(1,161,116)
Unrealized net gain (loss) on foreign exchange and marketable securities	**(60,522,572)**	(7,669,110)
Net income (loss) before non-controlling interest and income taxes	**(60,972,688)**	(8,830,226)
Non-controlling interest portion of losses	**1,361,922**	718,808
Net income (loss) before income taxes	**(59,610,766)**	(8,111,418)
Provision for income taxes		
Current	**-**	38,632
Future	**(10,650,887)**	(1,670,008)
	(10,650,887)	(1,631,376)
Total results of operations for the period	**(48,959,879)**	(6,480,042)
Basic and fully diluted earnings per share	**(0.63)**	(0.24)
Weighted average number of shares outstanding	**78,305,575**	27,180,304

See accompanying notes

Urbana Corporation

Consolidated statement of changes in net assets and retained earnings (deficit) for the six months ended June 30

(unaudited)

	2008	2007
	$	$
Net assets		
Net assets, beginning of period	**262,841,278**	26,917,127
Restatement on change in accounting policy	**-**	(93,128)
Net assets, beginning of period as restated	**262,841,278**	26,823,999
Operating activities		
Total results of operations for the period	**(48,959,879)**	(6,480,042)
Capital transactions		
Issuance of shares (net of expenses) (Note 5)	**-**	53,645,605
Exercise of warrants	**1,031,490**	-
Total capital transactions	**1,031,490**	53,645,605
Net assets, end of period	**214,912,889**	73,989,562
Retained earnings (deficit)		
Retained earnings, beginning of period	**31,463,062**	18,825,106
Net income (loss) before unrealized net gains on investments	**911,806**	(480,940)
Unrealized net loss on marketable securities	**(49,871,685)**	(5,999,102)
Retained earnings (deficit), end of period	**(17,496,817)**	12,345,064

See accompanying notes

Urbana Corporation

Consolidated statement of cash flows
for the six months ended June 30

(unaudited)

	2008	2007
	$	$
Operating activities		
Net investment income	**(450,116)**	(1,161,116)
Add (deduct) items not involving cash		
Amortization	**118**	120
Gain on sale of marketable securities	**(321,184)**	(93,128)
Income taxes	**-**	(38,632)
	(771,182)	(1,292,756)
Net change in non-cash working capital items		
Sundry receivables	**(134,939)**	(54,969)
Prepaid expenses	**4,190**	254,678
Accounts payable and accrued liabilities	**230,863**	7,413
	100,114	207,122
Cash flow used in operating activities	**(671,068)**	(1,085,634)
Financing activities		
Issuance of loan payable	**15,100,000**	4,753,398
Repayment of loan payable	**-**	(1,138,268)
Issuance of shares (net of expenses)	**-**	53,645,605
Exercise of warrants	**1,031,490**	-
Cash flow from financing activities	**16,131,490**	57,260,735
Investing activities		
Purchases of marketable securities	**(30,261,643)**	(54,280,460)
Proceeds on sale of marketable securities	**8,196,822**	-
Proceeds on maturity of cash equivalents	**7,575,590**	-
Cash flow used in investing activities	**(14,489,231)**	(54,280,460)
Net change in cash during the period	**971,191**	1,894,641
Cash, beginning of period	**218,666**	2,931
Cash, end of period	**1,189,857**	1,897,572
Supplemental disclosure of cashflow information		
Amount of interest paid	**107,176**	-
Amount of income taxes paid	**-**	-

Urbana Corporation

Consolidated statement of investment portfolio

as at June 30, 2008 (Unaudited) and December 31, 2007 (Audited)

Number of shares	Description	Cost	2008 Fair value
	Resource properties		
72	Resource claims - Urban Township	**1,094,038**	**1**
	Total resource properties	**1,094,038**	**1**
	Privately owned entities		
31	American Stock Exchange (seats)	**11,781,016**	**10,064,336**
24,683	Bermuda Stock Exchange	**533,099**	**525,334**
300,000	Bolsa De Mercadorias & Futuros BM&F S.A.	**3,385,413**	**2,631,260**
169,341	Budapest Stock Exchange (seats)	**4,761,242**	**8,120,617**
312,500	Canadian Trading and Quotation System Inc. Cl. A	**-**	**-**
308,888	Bombay Stock Exchange (shares held by CIHI)	**43,507,793**	**37,766,355**
22	Chicago Board Options Exchange (seats)	**58,814,759**	**71,424,320**
9	Kansas City Board of Trade (seats)	**5,288,414**	**5,478,570**
41	Minneapolis Grain Exchange (seats)	**10,149,568**	**9,151,342**
529,509	NYSE Euronext (note 10)	**35,595,286**	**26,097,825**
54	OneChicago Stock Futures Exchange	**3,175,830**	**3,195,551**
1,050	Philadelphia Stock Exchange (shares)	**1,409,868**	**1,573,170**
		178,402,288	**176,028,680**
	Publicly traded securities		
112,000	Singapore Exchange Ltd.	**511,929**	**577,912**
275,000	Bovespa Holding SA	**3,436,547**	**3,482,034**
4,000	Deutsche Boerse AG	**454,586**	**458,250**
80,000	Hong Kong Exchange & Clearing Ltd.	**1,026,297**	**1,185,590**
56,000	Johannesburg Stock Exchange Ltd.	**487,160**	**394,096**
132,000	London Stock Exchange Group	**4,301,432**	**2,077,538**
954,194	NYSE Euronext	**68,965,917**	**48,984,706**
200	Osaka Securities Exchange Co. Ltd.	**1,261,887**	**853,713**
240,791	TMX Group Inc.	**9,442,471**	**10,118,038**
		89,888,226	**68,131,877**
	Others		
1,250,000	Canadian Trading and Quotation System Inc. (Convertible debenture with no interest - Convertible into shares at $4 per share)	**1,250,000**	**1,250,000**
	Total marketable securities	**269,540,514**	**245,410,557**

See accompanying notes

Urbana Corporation

Consolidated statement of investment portfolio

as at June 30, 2008 (Unaudited) and December 31, 2007 (Audited)

Number of shares	Description	Cost	2007 Fair value
	Resource properties		
72	Resource claims - Urban Township	1,094,038	1
	Total resource properties	1,094,038	1
	Privately owned entities		
23	American Stock Exchange (seats)	9,018,718	7,979,965
8	Kansas City Board of Trade (seats)	4,614,609	5,749,540
31	Minneapolis Grain Exchange (seats)	7,462,819	8,758,136
18	Chicago Board Options Exchange (seats)	46,640,786	55,767,958
308,888	Bombay Stock Exchange (shares held by CIHI)	43,507,793	40,380,310
950	Philadelphia Stock Exchange (shares)	1,264,362	1,200,712
		112,509,087	119,836,621
	Publicly traded entities		
49,440	Caldwell Growth Opportunities Trust (units)	602,669	1,166,778
200,000	Montreal Exchange Inc.	6,188,820	7,794,000
1,498,703	NYSE Euronext	105,645,352	126,309,217
150,000	TSX Group Inc.	6,504,982	7,920,000
300,000	Bolsa De Mercadorias & Futuros BM&F S.A.	3,385,413	4,121,618
24,683	Bermuda Stock Exchange	533,099	503,223
4,000	Deutsche Boerse AG	454,586	783,440
132,000	London Stock Exchange Group	4,301,431	5,120,069
200	Osaka Securities Exchange Co. Ltd.	1,261,887	925,083
275,000	Bovespa Holding SA	3,436,547	5,089,435
56,000	Johannesburg Stock Exchange Ltd.	487,160	709,632
80,000	Hong Kong Exchange & Clearing Ltd.	1,026,297	2,238,047
112,000	Singapore Exchange Ltd.	511,929	1,029,960
		134,340,172	163,710,502
	Fixed income		
	Cda T Bill 24 Jan 2008	7,575,590	7,575,590
	Total marketable securities	254,424,849	291,122,713

See accompanying notes

1. Summary of significant accounting policies

These unaudited consolidated financial statements of Urbana Corporation (‘the Company”) have been prepared by management in accordance with generally accepted accounting principles in Canada (“GAAP”). The financial statements have, in management’s opinion, been properly prepared using judgment within reasonable limits of materiality. These interim financial statements do not include all the note disclosures required for annual financial statements and, therefore, should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2007 which are available on SEDAR at www.sedar.com or upon request to the Company. The significant accounting policies follow that of the most recently reported annual financial statements except for the new accounting standards described below.

2. Adoption of new accounting changes

Financial Instruments: Disclosurse and Presentation

As of January 1, 2008, the Company adopted Canadian Institute of Chartered Accountants (“CICA”) Section 3862, Financial Instruments – Disclosures (“Section 3862”) and CICA Section 3863, Financial Instruments – Presentation (“Section 3863”), replacing Section 3861. Section 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Company manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments. Comparative figures are not required in the initial year of adoption. Refer to note 3 for the discussion on financial instruments and risk management.

Capital management

On January 1, 2008, the Company adopted the CICA Handbook Section 1535 Capital Disclosures. This Standard requires the disclosure of information that enables users of the financial statements to evaluate the Company’s objectives, policies and processes for managing capital.

3. Financial instruments and risk management

The Company’s activities expose it to a variety of financial risks. Management seeks to minimize potential adverse effects of these risks on the Company’s performance by employing professional, experienced portfolio advisors, by daily monitoring of the Company’s position and market events, and periodically through the use of derivatives to hedge certain risk exposures.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The company is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investment rises. When the value of the Canadian dollar rises, the value of foreign investment falls.

Urbana Corporation

Notes to unaudited consolidated financial statements
for the six month period ended June 30, 2008
(unaudited)

3. Financial instruments and risk management (continued)

Currency risk (continued)

The table below indicates the currencies to which the Company had significant exposure as at June 30, 2008.

Currency	As % of net assets
Canadian Dollars	**4.63**
United States Dollars	**71.70**
Indian rupees	**15.39**
Other currencies	**8.28**
	100.00

As at June 30, 2008, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $11,702,126. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. The Company is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The tables below summarize the Company's exposure to interest rate risks by remaining term to maturity.

	Less than 1 year	1 – 3 years	3 – 5 years	> 5 years	Total
Loan payable	**$15,100,000**	**-**	**-**	**-**	**$15,100,000**

As at June 30, 2008, had prevailing interest rates increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $151,000. In practice, the actual trading results may differ and the difference could be material.

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. Any equity and derivative instruments that the company may hold are susceptible to market price risk arising from uncertainties about future prices of the instruments. Management moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

3. Financial instruments and risk management (continued)

Other market risk (continued)

The most significant exposure for the Company to other price risk arises from its investment in publicly traded securities. As at June 30, 2008, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately $14,298,550 (approximately 6.65% of total net assets). In practice, the actual trading results may differ and the difference could be material. Management is unable to meaningfully quantify any correlation of the price of its privately owned equities to changes in a benchmark index.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. As at June 30, 2008, the Company had no significant investments in debt instruments and/or derivatives. Accordingly, the Company is not subject to significant amounts of credit risk.

Liquidity risk

Liquidity risk is the possibility that investments by the Company cannot be readily converted into cash when required. The Company's common shares and Class A shares cannot be redeemed. The Company endeavours to maintain sufficient liquidity to meet expenses.

Capital management

Management manages the capital of the Company which consists of the net assets and the proceeds from the bank facility, in accordance with the Company's investment objectives.

4. Loan payable

On February 19, 2008, the Company entered into a demand loan facility with the Bank of Montreal. Under this loan facility, the Company may borrow up to $50,000,000 from the Bank of Montreal at any given time. Interest is charged on the outstanding balance of the loan facility at prime, calculated on a daily basis and paid monthly. The loan facility is secured by a general charge on Company's assets and allows the Company to purchase additional interests in public and/or private exchanges around the world. As at June 30, 2008, the outstanding balance of the loan was $15,100,000.

Urbana Corporation

Notes to unaudited consolidated financial statements
for the six month period ended June 30, 2008

(unaudited)

5. Share capital

At June 30 share capital consists of the following:

	2008		2007	
	Number	**Amount**	Number	Amount
		$		$
Authorized				
Unlimited preferred shares				
Unlimited common shares				
Unlimited non-voting fully participating Class A shares				
Issued - common shares				
Balance, January 1	**10,000,000**	**7,998,893**	10,000,000	7,998,893
Balance, end of period	**10,000,000**	**7,998,893**	10,000,000	7,998,893
Issued - non-voting Class A shares				
Balance, January 1	**68,061,518**	**210,136,844**	-	-
Issued during the period	**-**	**-**	18,548,100	53,645,605
Exercise of warrants into Class A shares	**275,063**	**1,242,910**	-	-
	68,336,581	**211,379,754**	18,548,100	53,645,605
Balance, end of period	**78,336,581**	**219,378,647**	28,548,100	61,644,498

6. Contributed Surplus

	June 30, 2008	June 30, 2007
	$	$
Balance, beginning of period	**13,242,479**	-
January 11, 2007 short form prospectus	**-**	7,140,881
Warrants exercised	**(211,420)**	-
Balance, end of period	**13,031,059**	7,140,881

7. Class A purchase warrants

A summary of the Class A warrants are presented below:

	2008		2007	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Outstanding, January 1	**21,641,961**	**3.75**	-	-
Issued	**-**	**-**	8,950,625	3.75
Exercised	**(275,063)**	**3.75**	-	-
Outstanding, June 30	**21,366,898**	**3.75**	8,950,625	3.75

As at June 30, 2008, the following Class A warrants are outstanding:

	Number of warrants	**Exercise price**	**Expiry date**
	$		
Class A warrants	**8,896,612**	**3.75**	**January 11, 2009**
Class A warrants	**12,470,286**	**3.75**	**July 12, 2009**
	21,366,898	**3.75**	

8. Related party transactions

Caldwell Financial Ltd ("CFL") is a significant shareholder of the Company and under common management. Caldwell Investment Management Ltd. ("CIM") is a subsidiary of CFL.

Under an investment management agreement dated May 1, 2006 between the Company and CIM, the investment manager, CIM is entitled to an investment management fee equal to 1.5% per annum of the market value of the equity securities in the Company's portfolio of marketable securities and .5% of the market value of the fixed income securities in the Company's portfolio of marketable securities. The investment advisory fees are accrued and paid quarterly in arrears. In the six month periods ended June 30, 2008 and June 30, 2007, investment management fees of $1,793,713 and $585,890 respectively were paid to CIM. In the six month period ended June 30, 2008, CIM, pursuant to its investment management responsibilities, reimbursed expenditures aggregating to $319,004 (June 30, 2007 - $633,707) relating to the Company.

Included in accounts payable and accrued liabilities is investment management fee of $884,287 (2007 - $306,457) payable to CIM. There are no other fees payable to related parties.

In the six month periods ended June 30, 2007, marketable securities include units of the Caldwell Growth Opportunities Trust, a fund under common management. All of these units were sold during the period.

All related party transactions are recorded at their exchange amounts.

9. Reconciliation of marketable securities value

For financial statement reporting purposes, the Company applies Canadian generally accepted accounting principles which effective October 1, 2006, requires the Company to value its securities using bid price. However, pursuant to a temporary exemption provided by the Canadian securities regulatory authorities, the Company can calculate its daily trading NAV using last sales price.

The adoption of Section 3855 results in the net assets for financial reporting purposes in accordance to Canadian GAAP ("GAAP Net Assets") being different from the net asset value for pricing and capital transaction purposes ("Net Asset Value"). The impact of the adoption of Section 3855 on the net asset value of the Company as at June 30, 2008 is as follows:

	Net Asset Value per share	**GAAP Net Assets per share**
	$	**$**
As at June 30, 2008	**2.75**	**2.74**

10. Restrictions on sale of marketable securities

At June 30, 2008 the Company held 529,509 NYSE Euro next common shares which were not freely tradable and could only be sold through approved secondary offerings, or on the date such restrictions were lifted. Currently, the restriction is expected to be lifted in September, 2008.

11. 2007 comparatives

The prior year's interim financial statements for the six months ended June 30, 2007 were prepared on a non-consolidated basis with the investment in CIHI being accounted for on an equity basis. The financial statements and the comparatives herein have been prepared on a consolidated basis. This change in accounting method results in an increase in the unrealized gain (loss) on foreign exchange and marketable securities by $718,808 and a corresponding increase in the non-controlling interest portion of losses by the same amount. There is no impact on net income from operations, retained earnings or net asset value as a result of this change. Certain other minor amounts have been reclassified to conform with the current period's presentation.