UNITED CORPORATIONS LIMITED

ANNUAL REPORT

2015

UNITED CORPORATIONS LIMITED

THE FISCAL YEAR AT A GLANCE

Year ended March 31	2015 [1]	2014 [1]
Net equity value per Common Share [2]	**$ 117.86**	$ 99.50
Net investment income per Common Share [2]	**$ 1.80**	$ 1.53
Net income per Common Share	**$ 19.89**	$ 18.87
Dividends per Common Share		
Quarterly	**$ 0.80**	$ 0.80
Additional [3]	**$ 0.73**	$ 0.63
Net assets	**$ 1,444,951**	$ 1,221,034
Net investment income	**$ 22,349**	$ 19,064
Common Shares outstanding at year end	**12,194,193**	12,194,193

(1) In thousands of Canadian dollars, except number of Common Shares outstanding and per share amounts.
(2) See Management's Discussion and Analysis for Use of Non-GAAP measures.
(3) This additional dividend represents the annual distribution of the prior year's annual net investment income after payment of Preferred Share dividends and after payment of quarterly dividends.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:30 a.m. on Wednesday, June 24, 2015, at the Toronto Board of Trade, First Canadian Place, 77 Adelaide Street West, 4th Floor,Toronto, Ontario. All shareholders are invited to attend.

BOARD OF DIRECTORS

JACK S. DARVILLE
Corporate Director

DUNCAN N. R. JACKMAN
Chairman and President
United Corporations Limited

KIM SHANNON
President and Chief Investment Officer
Sionna Investment Managers Inc.

JONATHAN SIMMONS
Chief Financial Officer
OMERS Administration Corporation

MARK M. TAYLOR
Corporate Director

MICHAEL J. WHITE
Chairman of the Board
Addenda Capital Inc.

DAVID R. WINGFIELD
Partner
Cassels Brock

HONORARY DIRECTORS

J. CHRISTOPHER BARRON
Corporate Director

DAVID J. DAWSON
Managing Director
Protiviti

THE HONOURABLE HENRY N. R. JACKMAN
Honorary Chairman
The Empire Life Insurance Company

OFFICERS

DUNCAN N. R. JACKMAN
Chairman and President

RICHARD B. CARTY
Corporate Secretary

FRANK J. GLOSNEK
Treasurer

MANAGEMENT'S DISCUSSION AND ANALYSIS

This document has been prepared for the purpose of providing Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for the years ended March 31, 2015 and 2014. This MD&A should be read in conjunction with the March 31, 2015 year-end financial statements of United Corporations Limited ("United" or the "Company") which form part of this Annual Report. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, any forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

First-time Adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Company adopted this basis of accounting in fiscal 2015 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook ("Previous Canadian GAAP"). The Company's results, including for comparative periods, are now being reported in accordance with IFRS.

The Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position as at April 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 16 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended March 31, 2014 prepared under Previous Canadian GAAP as well as explanations of the individual adjustments that resulted from the transition.

The Company

United is a closed-end investment corporation that trades on the Toronto Stock Exchange. United is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The Company has been a closed-end investment corporation since 1929 and has never bought back its Common Shares. The Common Shares have historically traded at a discount to their net asset value, ranging from as high as a 45% discount to as low as a 20% discount. Management believes that shareholders who have invested in the Common Shares of the Company recognize that the Common Shares of the Company usually trade at a discount to their net asset value.

Closed-end funds have the following benefits: they often allow investors the opportunity to purchase assets at a discounted price; they have management expense ratios which are generally much lower than those for open-ended funds; and the management of a closed-end fund's portfolio is not impacted by shareholder subscription or redemption activities.

United has no plans to become an open-ended investment fund.

The external investment portfolio of the Company is managed by Jarislowsky Fraser Limited ("Jarislowsky") and ValueInvest Asset Management S.A. ("ValueInvest"). Each of the managers has a global equity mandate.

The Company has a long-term investment in Algoma Central Corporation ("Algoma"). Algoma and United are related parties. In management's view, the investment in Algoma is consistent with the Company's investment strategy and contributes to achieving the investment objective of the Company. Further related party information is provided in Note 12 to the financial statements and in the schedule of investment portfolio beginning on page 26.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises a mix of predominantly foreign equities. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions.

During the fourth quarter of the previous fiscal year, the Board of Directors announced that, effective January 13, 2014, it had allocated its assets evenly between the Company's two external investment managers, Jarislowsky and ValueInvest, in order to diversify manager risk. As a consequence of this decision, approximately $300 million of assets managed by Jarislowsky was transferred to ValueInvest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Use of Non-GAAP Measures

Current Canadian GAAP is IFRS for these financial statements. This MD&A contains references to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meaning in GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

Net equity value per Common Share is used by investors and management as a comparison to the market price of its Common Shares to determine the discount or premium at which the Company's Common Shares are trading, relative to the net equity value per Common Share. In order to determine its net equity value per Common Share, the Company deducts the cost of redemption of its Preferred Shares from its net assets.

Net investment income per Common Share is used by both investors and management to assess the approximate amount of dividends to be distributed on Common Shares. In order to determine its net investment income per Common Share, the Company deducts the dividends paid on its Preferred Shares.

Net equity value per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	March 31 2015	March 31 2014
Net assets	**$ 1,444,951**	$ 1,221,034
Deduct:		
Cost of redemption		
First Preferred Shares	**1,567**	1,567
1959 and 1963 Series Second Preferred Shares	**6,180**	6,180
	7,747	7,747
Net equity value	**$ 1,437,204**	$ 1,213,287
Common Shares outstanding	**12,194,193**	12,194,193
Net equity value per Common Share	**$ 117.86**	$ 99.50

Net investment income per Common Share is calculated as follows (in thousands of dollars, except number of Common Shares and per Common Share amounts):

	Three months ended March 31		Year ended March 31	
	2015	2014	**2015**	2014
Net income	**$ 152,813**	$ 47,124	**$ 242,952**	$ 230,477
Add (deduct):				
Fair value change in investments	**(170,832)**	(49,496)	**(254,292)**	(243,706)
Tax on fair value change in investments	**22,635**	6,558	**33,693**	32,291
Net increase (decrease) in refundable dividend taxes on hand	**—**	2	**(4)**	2
Net investment income[1]	**4,616**	4,188	**22,349**	19,064
Deduct: Dividends paid on Preferred Shares	**94**	94	**378**	378
Net investment income, net of dividends paid on Preferred Shares[1]	**$ 4,522**	$ 4,094	**$ 21,971**	$ 18,686
Common Shares outstanding	**12,194,193**	12,194,193	**12,194,193**	12,194,193
Net investment income per Common Share[1]	**$ 0.37**	$ 0.33	**$ 1.80**	$ 1.53

[1] On an after-tax basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $117.86 at March 31, 2015 from $99.50 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was 20.2% in fiscal 2015, compared to a return of 23.2% in fiscal 2014.

During the current fiscal year the investments managed by Jarislowsky had a pre-tax total return of 23.4%, whereas the investments managed by ValueInvest had a pre-tax total return of 24.7%.

As the Company is a taxable Canadian corporation, the Company's net equity value is net of a provision for income taxes on net investment income and net realized gains on investments, and net of a deferred income tax provision on its change in unrealized appreciation of investments.

In Canadian dollar terms, in fiscal 2015, the MSCI World Index increased 22.3%, the S&P 500 Index increased 29.3% and the S&P/TSX Composite Index increased 6.9%. Comparatively, in fiscal 2014, the MSCI World Index increased 30.3%, the S&P 500 Index increased 32.6% and the S&P/TSX Composite Index increased 16.0%. All benchmark returns are on a total return (capital gains plus dividends) basis, before deducting any applicable taxes.

Growth in Net Equity Value ("NAV")

For 10 the years ended March 31, the Company's compound annual growth rate in NAV, including dividends, was 7.4%.

Set out below is a table that shows annual growth in NAV in each of the past 10 years:

Annual growth in NAV*

	NAV per Common Share	Annual Growth
		(%)
2006	$ 76.46	15.2
2007	86.03	13.7
2008	77.18	(9.4)
2009	54.81	(28.1)
2010	67.33	24.4
2011	71.82	7.9
2012	72.32	1.9
2013	82.03	15.7
2014	99.50	23.2
2015	117.86	20.2

Compound annual growth*

2006 - 2015 - 10 years	7.4

*This chart was drawn from the individual annual reports and any NAV amounts prior to 2014 have not been restated for any subsequent changes in accounting policies.

Operating Results - Fiscal 2015

Net Income

The Company's net income for fiscal 2015 was $242,952,000, an increase of 5.4%, compared to net income of $230,477,000 in the prior year. On a per Common Share basis, net income increased to $19.89 from $18.87 in the prior year.

The net realized gain for the Company was $80,109,000 for the current fiscal year compared to a net realized gain of $139,474,000 for the prior year, a decrease of $59,365,000 or 42.6%. The primary reason for the decline was the sale of securities in the prior year resulting from the reallocation of securities from Jarislowsky to ValueInvest that occurred during January 2014. In the fiscal current year, the largest contributors to the net realized gain were the sales of Allergan, Inc., Target Corporation, and Staples Inc.

During the current fiscal year, the Company's change in unrealized appreciation was $174,183,000 compared to $104,232,000 during the prior year, an increase of $69,951,000. In the prior year, the change in unrealized appreciation was reduced as a result of $92,890,000 of net gains realized during the fourth quarter resulting primarily from the reallocation of securities between Jarislowsky and ValueInvest. Overall, during the year, North American equities increased by $108,102,000 and equities outside of North America increased by $66,081,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - Fiscal 2015 (continued)

Net investment income

The Company's net investment income for fiscal 2015 increased to $22,349,000 from $19,064,000 for the prior year, an increase of 17.2%. On a per Common Share basis, net investment income increased to $1.80 from $1.53 in the prior year.

During the year, foreign dividend income increased by 19.9% to $35,158,000 from $29,319,000 in fiscal 2014. The year-over-year increase occurred primarily as a result of growth in the average global investment portfolio while the yield-to-market dividend return for the portfolio has remained consistent compared to the same period in the prior year.

Interest and securities lending income increased to $705,000 compared to $409,000 in the prior year. During the current fiscal year, the Company earned approximately $653,000 of securities lending income compared to $369,000 in the prior year.

Expenses of the Company for the year increased to $6,836,000 compared to $5,261,000 in the prior year. The majority of the increase relates primarily to an increase in investment management and administrative costs resulting from a higher average investment portfolio compared to the prior year and increased investment management costs resulting from the $300 million reallocation of assets between Jarislowsky and ValueInvest that occurred in the fourth quarter of the prior fiscal year. Directors and officer's remuneration increased to $354,000 compared to $229,000 in the prior year. The majority of the increase relates to an increase in compensation paid to the Chairman and President. The Company's management expense ratio ("MER") increased in fiscal 2015 to 0.53% of average net assets versus 0.47% in the prior year.

Operating Results - Fourth Quarter, Fiscal 2015

The Company's net equity value per Common Share increased to $117.86 at March 31, 2015 from $105.54 at December 31, 2014. With dividends reinvested at month-end net equity values, the Company's net equity value return was 11.9% in the fourth quarter of fiscal 2015. On a pre-tax basis, ValueInvest's return for the quarter was 14.9% and Jarislowsky's return was 12.5%.

In Canadian dollar terms, in the fourth quarter of fiscal 2015, the MSCI World Index increased 12.0%, the S&P 500 Index 10.4% and the S&P/TSX Composite Index increased 2.6%.

Three-Year Results

A summary of various financial data for each of the last three fiscal years is as follows (in thousands of dollars, except per share amounts):

	IFRS		Previous Canadian GAAP
	2015	2014	2013
Fair value change in investments[1]	**$ 220,599**	$ 211,415	$ 118,150
Fair value change in investments per Common Share[1]	**18.09**	17.34	9.69
Total assets	**1,522,959**	1,267,113	1,048,707
Net investment income[1]	**22,349**	19,064	17,792
Net investment income per Common Share[1]	**1.80**	1.53	1.43
Dividends per Common Share:			
Quarterly	**0.80**	0.80	0.80
Additional	**0.73**	0.63	0.63
Dividends per Preferred Share	**1.50**	1.50	1.50

[1] On an after-tax basis.

United's investment portfolio is affected by equity markets, stock selection and currency movements. In fiscal years 2013 through to 2015, the performance of United was favourably affected by strong recoveries in global markets.

The fluctuations in net investment income are due primarily to changes in dividend income that is earned by the Company, net of management fees. The dividend income is determined by the dividend policies of the corporations that are held as investments in our total investment portfolio.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Review - Fiscal 2015 and 2014

The following tables summarize various financial results on a quarterly basis for the current and prior fiscal years:

	2015 Fiscal Year			
	Quarter ended			
	June 30	**Sept. 30**	**Dec. 31**	**Mar. 31**
	(in thousands of dollars, except per share amounts)			
Investments	**$ 1,234,830**	**$ 1,252,795**	**$ 1,321,516**	**$ 1,481,971**
Net investment income[1, 2]	**10,092**	**3,675**	**3,966**	**4,616**
Fair value change in investments[2]	**(41)**	**12,165**	**60,278**	**148,197**
Per Common Share:				
Net investment income[1,2]	**$ 0.82**	**$ 0.29**	**$ 0.32**	**$ 0.37**
Fair value change in investments[2]	**—**	**1.00**	**4.94**	**12.15**
Net income	**$ 0.82**	**$ 1.29**	**$ 5.26**	**$ 12.52**

	2014 Fiscal Year			
	Quarter ended			
	June 30	Sept. 30	Dec. 31	Mar. 31
	(in thousands of dollars, except per share amounts)			
Investments	$ 1,044,112	$ 1,092,813	$ 1,206,090	$ 1,248,116
Net investment income[1, 2]	8,201	3,250	3,425	4,188
Fair value change in investments[2]	25,028	40,862	102,587	42,938
Per Common Share:				
Net investment income[1, 2]	$ 0.66	$ 0.26	$ 0.28	$ 0.33
Fair value change in investments[2]	2.06	3.35	8.40	3.53
Net income	$ 2.72	$ 3.61	$ 8.68	$ 3.86

1 The net investment income per Common Share is net of dividends paid on Preferred Shares during the period.

2 On an after-tax basis.

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. There is no guarantee that the Company will receive dividend income on its investments at current dividend payout levels.

Overall returns are determined by the performance of the investment managers of the portfolio and may fluctuate significantly as illustrated by the past eight quarters. The returns generated by the investment managers may not correlate with benchmark returns.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian securities laws is recorded, processed, summarized and reported within the specified time periods, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management on a timely basis to allow appropriate decisions regarding public disclosure. Under the supervision of management, an evaluation was carried out on the effectiveness of the Company's disclosure controls and procedures as of March 31, 2015. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2015.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at March 31, 2015. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2015. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2015, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

The Company faces various risks arising from its financial instruments. Under the supervision of the Board of Directors, management has developed policies to identify and monitor these risks. These risks and their management are described below:

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company, from time to time, is exposed to credit risk associated with its securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"), as its lending agent. Security lending may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed by the receipt of collateral and the use of a counterparty whose credit worthiness is considered sufficient based on the lending agent's evaluation. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its security lending obligation. The Company had exposure to securities lending arrangements at March 31, 2015 of approximately $150,061,000 (2014 - $165,589,000). There was no significant exposure with respect to credit risk with respect to other receivable balances because of their short-term nature.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. All liabilities, other than deferred tax liabilities, settle within three months of the fiscal year end.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which includes interest rate risk, foreign currency risk and other price risk.

The Company is not subject to significant interest rate risk, as its only fixed-interest investments are short term in nature.

Currency risk is not considered to arise from financial instruments that are non-monetary items, such as equity investments. The Company considers the foreign exchange exposures relating to non-monetary assets to be a component of other price risk.

The Company is exposed to other price risk through its investment in equity securities. These risks are mitigated by using two investment managers, each of whom manages a diversified portfolio of securities.

The Company's exposure to risks is also addressed in the Company's Annual Information Form.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Share Data

As at March 31, 2015, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 1959 Series Second Preferred Shares, 119,710 1963 Series Second Preferred Shares and 12,194,193 Common Shares.

Liquidity and Capital Resources

Liquidity refers to the Company's ability to maintain a cash flow adequate to fund operations and capital investments on a timely and cost efficient basis. The Company's income from operations after payment of taxable dividends is used to fund operating costs as well as provide resources for additional investments. All securities are marketable.

The Company pays quarterly dividends on its Common and Preferred Shares in February, May, August and November of each year. The quarterly dividend is $0.20 per Common Share and $0.375 per Preferred Share.

The payment of the Company's quarterly dividends is funded by net investment income. For the year ended March 31, 2015, net investment income was $1.80 (2014 - $1.53) per Common Share as compared to total quarterly dividend payments of $0.80 per Common Share.

During the fiscal year, the Board of Directors paid an additional cash dividend of $0.73 (2014 - $0.63) per Common Share. The additional dividend represented a distribution of the balance of net investment income for the prior fiscal year. On May 11, 2015, the Board of Directors declared a cash dividend of $1.00 per Common Share payable June 30, 2015, representing the balance of net investment income for March 31, 2015 fiscal year.

The Company's dividend policy is to distribute annual net investment income, after payment of Preferred Share dividends. The distributions are composed of $0.20 quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year. This additional dividend is paid in the first quarter following the fiscal year end. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

Additional Information

Additional information relating to United, including the Company's Annual Information Form, is available at www.sedar.com.

United's website, www.ucorp.ca, also provides further information on the Company, including historical information on the net equity value per Common Share which is updated weekly.

Duncan N.R. Jackman
Chairman and President
May 11, 2015

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended March 31, 2015:

	IFRS		Previous Canadian GAAP		
DATA PER COMMON SHARE	**2015**	2014	2013	2012	2011
NET EQUITY VALUE, beginning of year[1]	**$ 99.50**	$ 82.06	$ 72.32	$ 71.82	$ 67.33
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS[2]					
Net investment income[3]	**1.80**	1.53	1.43	1.43	1.23
Fair value change in investments[3]	**18.09**	17.34	9.69	(0.13)	4.06
	19.89	18.87	11.12	1.30	5.29
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly	**(0.80)**	(0.80)	(0.80)	(0.80)	(0.80)
Additional	**(0.73)**	(0.63)	(0.63)	—	—
	(1.53)	(1.43)	(1.43)	(0.80)	(0.80)
TAXATION CHANGES					
Net decrease in refundable dividend taxes on hand	**—**	—	0.02	—	—
NET EQUITY VALUE, end of year	**$ 117.86**	$ 99.50	$ 82.03	$ 72.32	$ 71.82

[1] The net equity value at the beginning of fiscal 2014 reflects changes arising from the first-time adoption of IFRS.

[2] For Previous Canadian GAAP, the comparative description is “increase (decrease) in net assets from operations”.

[3] On an after-tax basis.

MANAGEMENT'S REPORT

The accompanying financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of the Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Company are described in Note 3 to the financial statements. Financial information disclosed elsewhere in the Annual Report is consistent with the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Board of Directors carries out its responsibilities principally through its Audit Committee. The Audit Committee reviews the financial statements, the adequacy of internal controls, the audit process and financial reporting with management and the external auditors prior to recommending the audited financial statements and related disclosure for approval by the Board of Directors.

The shareholders of the Company appointed the external auditor, PricewaterhouseCoopers LLP. The external auditor audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Its report is set out on the following page.

Duncan N.R. Jackman
Chairman and President
May 11, 2015

Frank J. Glosnek
Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
United Corporations Limited:

We have audited the accompanying financial statements of United Corporations Limited, which comprise the statements of net assets as at March 31, 2015, March 31, 2014 and April 1, 2013 and the statements of income, changes in shareholders' equity and cash flows for the years ended March 31, 2015 and March 31, 2014, and the related notes, which comprise a summary of significant accounting policies, and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Corporations Limited as at March 31, 2015, March 31, 2014 and April 1, 2013 and its financial performance and its cash flows for the years ended March 31, 2015 and March 31, 2014 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

May 11, 2015
Toronto, Canada

Chartered Professional Accountants, Licensed Public Accountants

STATEMENTS OF NET ASSETS

	March 31 2015	March 31 2014	April 1 2013
		(000's)	
ASSETS			
Cash and cash equivalents	**$ 26,086**	$ 13,362	$ 13,648
Investments (Notes 5 and 12)	**1,481,971**	1,248,116	1,032,691
Receivable in respect of investments sold	**11,001**	2,185	—
Dividends and interest receivable	**2,686**	2,792	2,366
Other assets	**1,215**	658	418
	1,522,959	1,267,113	1,049,123
LIABILITIES			
Accrued expenses	**840**	692	573
Payable in respect of investments purchased	**11,674**	—	—
Income taxes payable	**492**	3,958	12,535
Deferred tax liabilities (Note 8)	**65,002**	41,429	27,642
	78,008	46,079	40,750
NET ASSETS	**$ 1,444,951**	$ 1,221,034	$ 1,008,373
SHAREHOLDERS' EQUITY			
Share capital (Note 11)	**$ 541,000**	$ 541,000	$ 541,000
Retained earnings	**903,951**	680,034	467,373
TOTAL SHAREHOLDERS' EQUITY	**$ 1,444,951**	$ 1,221,034	$ 1,008,373

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN
Director

MICHAEL J. WHITE
Director

(See accompanying notes)

STATEMENTS OF INCOME

	Year ended March 31	
	2015	2014
	(000's)	
INCOME		
Dividends		
Foreign	**$ 35,158**	$ 29,319
Canadian (Note 12)	**1,015**	1,047
	36,173	30,366
Interest and securities lending income	**705**	409
Fair value change in investments (Note 9)	**254,292**	243,706
	291,170	274,481
EXPENSES		
Investment management and administrative costs (Note 12)	**5,735**	4,329
Transfer, registrar and custody fees	**433**	375
Directors' and officer's remuneration	**354**	229
Office and miscellaneous	**231**	262
Professional fees	**83**	66
	6,836	5,261
INCOME BEFORE INCOME TAXES	**284,334**	269,220
Provision for income taxes (Note 8)	**41,382**	38,743
NET INCOME	**$ 242,952**	$ 230,477
EARNINGS PER COMMON SHARE		
Basic and Diluted (Note 13)	**$ 19.89**	$ 18.87

(See accompanying notes)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Retained Earnings	Total
		(000's)	
At April 1, 2014	**$ 541,000**	**$ 680,034**	**$1,221,034**
Net income for the year	**—**	**242,952**	**242,952**
Dividends (Note 11)			
First Preferred Shares	**—**	**(78)**	**(78)**
Second Preferred Shares	**—**	**(300)**	**(300)**
Common Shares	**—**	**(18,657)**	**(18,657)**
At March 31, 2015	**$ 541,000**	**$ 903,951**	**$1,444,951**

At April 1, 2013	$ 541,000	$ 467,373	$1,008,373
Net income for the year	—	230,477	230,477
Dividends (Note 11)			
First Preferred Shares	—	(78)	(78)
Second Preferred Shares	—	(300)	(300)
Common Shares	—	(17,438)	(17,438)
At March 31, 2014	$ 541,000	$ 680,034	$1,221,034

(See accompanying notes)

STATEMENTS OF CASH FLOWS

	Year ended March 31	
	2015	2014
	(000's)	
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net income	**$ 242,952**	$ 230,477
Adjustments for:		
Fair value change in investments	**(254,292)**	(243,706)
Purchases of investments	**(254,229)**	(478,810)
Proceeds from sale of investments	**274,666**	507,091
Dividends and interest receivable	**106**	(426)
Deferred taxes	**23,573**	13,787
Net change in other assets and liabilities	**(1,017)**	(10,883)
	31,759	17,530
Financing		
Dividends paid to shareholders	**(19,035)**	(17,816)
Net increase (decrease) in cash and cash equivalents	**12,724**	(286)
Cash and cash equivalents at beginning of the year	**13,362**	13,648
Cash and cash equivalents at end of the year (Note 7)	**$ 26,086**	$ 13,362
Additional information for operating activities:		
Interest received	**$ 52**	$ 40
Dividends received, net of withholding taxes	**30,903**	26,167

(See accompanying notes)

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

1. Description of business

United Corporations Limited ("United" or the "Company") is a closed-end investment corporation. The head office, principal address and registered office of the Company is located at 165 University Avenue, Toronto, Ontario, M5H 3B8.

United trades on the Toronto Stock Exchange under the symbols UNC, UNC.PR.A, UNC. PR.B and UNC.PR.C. United is an investment vehicle for long-term growth through investments in common equities, as management believes that over long periods of time, common equities, as an asset class, will outperform fixed-income instruments or balanced funds. From time to time, however, assets of the Company may be invested in interest-bearing short-term securities pending the selection of suitable equity investments.

The financial statements are presented in Canadian dollars which is the functional and presentation currency. These financial statements were approved by the Company's Board of Directors on May 11, 2015.

2. Basis of presentation and adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Company adopted this basis of accounting in fiscal 2015 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Company prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook ("Previous Canadian GAAP"). The Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position as at April 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 16 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended March 31, 2014 prepared under Previous Canadian GAAP.

3. Summary of significant accounting policies

Financial instruments

The Company recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The Company's investments are measured at fair value through profit or loss ("FVTPL"). All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Interest income from investments in short-term investments is recognized at the effective interest rate. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the last traded market price where this price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates that transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to financial assets and liabilities are included within "Net realized gain" and "Change in unrealized appreciation", as presented as a component of the "Fair value change in investments" in the statement of income.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid instruments that are subject to insignificant changes in value and are readily convertible into know amounts of cash. Cash equivalents comprise financial assets with maturities of three months or less from the date of acquisition.

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

3. Summary of significant accounting policies (continued)

Securities lending income

Securities lending income is recognized as earned.

Comprehensive income

The Company does not have any other comprehensive income and therefore comprehensive income equals net income which it reports in its statement of income.

Earnings per Common share ("EPS")

Basic and diluted EPS is calculated by dividing the net income, less preferred dividends, by the weighted average number of Common Shares outstanding for the period. Refer to Note 13 for the calculation.

Income taxes

Income tax comprises both current and deferred tax. Income tax is recognized in the statement of income.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are recorded for the expected future income tax consequences of events that have been reflected in the statements or income tax returns.

Deferred income taxes are provided for using the liability method. Under the liability method, deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases for assets and liabilities and for certain carry-forward items.

Deferred income tax assets are recognized only to the extent that, in the opinion of management, it is probable that the deferred income tax assets will be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates, on the date of the enactment or substantive enactment.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

The Company currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded on a gross basis and the related withholding taxes are reflected within the "Provision for income taxes" in the statement of income.

4. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Company has made in preparing the financial statements:

Classification and measurement of investments

In classifying and measuring financial instruments held by the Company, the Company is required to make significant judgments about whether or not the business of the Company is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial instruments – Recognition and Measurement ("IAS 39"). The most significant judgment made includes the determination that the Company can apply the fair value option to its investments.

Deferred taxes

Estimates and assumptions are used primarily in the determination of the Company's deferred tax liabilities, as the income tax rates used in determining the liability are dependent on an assumption as to when a deferred tax liability is expected to be realized.

5. Risks associated with financial instruments

The Company faces various risks arising from its financial instruments. Under the supervision of the Board of Directors, management has developed policies to identify, measure and monitor these risks. These risks and their management are described below:

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

5. Risks associated with financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company, from time to time, is exposed to credit risk associated with its securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"), as its lending agent. Security lending may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. The risk is managed by the receipt of collateral and the use of a counterparty whose credit worthiness is considered sufficient based on the lending agent's evaluation. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its securities lending obligation. The Company had exposure to securities lending arrangements at March 31, 2015 of approximately $150,061,000 (March 31, 2014 - $165,589,000; April 1, 2013 - $114,392,000) and received approximately $157,564,000 (March 31, 2014 - $173,868,000; April 1, 2013 - $120,112,000) in collateral. There was no significant exposure with respect to credit risk to other receivable balances because of their short-term nature.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. All liabilities, other than deferred tax liabilities, settle within three months of the year end.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices which includes interest rate risk, foreign currency risk and other price risk.

The Company is not subject to significant interest rate risk, as its only fixed-interest investments are short term in nature.

Currency risk is not considered to arise from financial instruments that are non-monetary items, such as equity securities. The Company considers the foreign exchange exposures relating to non-monetary assets to be a component of other price risk.

The Company is exposed to other price risk through its investment in equity securities. These risks are mitigated by using investment managers that manage a diversified portfolio of securities.

A 10% fluctuation in global equity market prices, assuming all other factors are constant, would have an after-tax impact of approximately $128,561,000 (2014 - $108,274,000) on net income.

6. Financial instruments

The Company designates all of its Investments as FVTPL. The remainder of the Company's assets are financial assets at amortized cost. All of the Company's liabilities are financial liabilities at amortized cost.

The fair value change in financial instruments at FVTPL by category for the year ended March 31, 2015 included $254,292,000 (2014 - $243,706,000) of net gains on financial assets at FVTPL.

Fair value measurement

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted unadjusted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

At March 31, 2015, March 31, 2014 and April 1, 2013, all of the Company's equity investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 equity investments during the current or prior year.

All cash equivalents at the year end and the prior year end are Level 2 investments. The carrying values of cash, receivable in respect of investments sold, dividends and interest receivable, other assets, accrued expenses, payable in respect of investments purchased, and income taxes payable approximate their fair values due to their short-term nature.

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

7. Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid instruments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. Cash equivalents comprise financial assets with maturities of three months or less from the date of acquisition. Cash and cash equivalents are measured at fair value under Level 1 or Level 2 of the fair value hierarchy. Components of cash and cash equivalents for purposes of the statements of cash flows are as follows:

	2015	2014
	(000's)	
Cash	**$ 7,653**	$ 6,635
Cash equivalents	**18,433**	6,727
	$ 26,086	$ 13,362

The following table presents cash and cash equivalents classified by the fair value hierarchy:

	Level 1	Level 2	Level 3	Total fair value
		(000's)		
March 31, 2015	$ 7,653	$ 18,433	$ —	$ 26,086
March 31, 2014	6,635	6,727	—	13,362

8. Income taxes

The Company is a public corporation under the Income Tax Act and is subject to tax at normal corporate rates on its net realized gains (Note 9) and on investment income other than taxable dividends received from corporations resident in Canada. Income taxes are assessed on net income before income taxes. The current enacted corporate tax rates as they impact the Company in 2015 stand at 26.5% (2014 – 26.5%). The effective tax rate varies from the combined statutory rate as follows:

	2015	2014
	(000's)	
Income taxes at statutory rate	**$ 75,349**	$ 71,343
Variance as a result of:		
Non-taxable portion of gains	**(33,694)**	(32,291)
Tax-paid dividends	**(269)**	(277)
Net refundable dividend taxes	**(4)**	2
Other	**—**	(34)
Provision for income taxes	**$ 41,382**	$ 38,743

The Company's provision for income taxes includes provisions for current and deferred income taxes as follows:

	2015	2014
	(000's)	
Current	**$ 17,809**	$ 24,956
Deferred	**23,573**	13,787
Provision for income taxes	**$ 41,382**	$ 38,743

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

8. Income taxes (continued)

Deferred tax liabilities arise primarily from differences between the carrying value and the tax cost of the investments as well as from the timing of the inclusion of accrued dividends for income tax purposes. Details of the deferred tax liabilities as at March 31 are as follows:

	2015	2014
	(000's)	
Unrealized appreciation of investments	**$ 64,291**	$ 40,688
Accrued dividends	**711**	741
Deferred tax liabilities	**$ 65,002**	$ 41,429

Of the above total, $63,691,000 (2014 - $40,688,000) is expected to be paid more than one year after the reporting date.

Deferred tax expense included in net income represents movements related to the following items:

	2015	2014
	(000's)	
Investments	**$ 23,603**	$ 13,673
Accrued dividends	**(30)**	114
Deferred tax liabilities	**$ 23,573**	$ 13,787

During the year ended March 31, 2015, the Company paid tax instalments and assessments totaling $16,500,000 (2014 - $30,050,000) and received income tax refunds totaling $42,000 (2014 - $50,000). These items are classified as cash flows from operating activities in the cash flow statement.

The Company is also subject to a special tax of up to 33 1/3% on taxable dividends received from corporations resident in Canada. This tax is refundable on payment of taxable dividends to shareholders at the rate of $1.00 of each $3.00 of such dividends paid. The accumulated amount of refundable dividend tax at March 31, 2015 amounts to approximately $nil (2014 - $4,000).

9. Fair value change in investments

The fair value change in investments is comprised as follows:

	2015	2014
	(000's)	
Net realized gain	**$ 80,109**	$ 139,474
Change in unrealized appreciation	**174,183**	104,232
	$ 254,292	$ 243,706

10. Net realized gain

The following are the details of the net realized gain for the years ended:

	2015	2014
	(000's)	
Proceeds on sales of investments	**$ 274,666**	$ 507,091
Cost of investments, beginning of the year	**943,183**	831,990
Cost of investments purchased during the year	**254,229**	478,810
	1,197,412	1,310,800
Cost of investments, end of the year	**1,002,855**	943,183
Cost of investments sold during the year	**194,557**	367,617
Net realized gain	**$ 80,109**	$ 139,474

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

11. Share capital

The classes of shares and, where applicable, the maximum number of shares that the Company is authorized to issue are as follows:

(a) 52,237 First Preferred Shares without nominal or par value redeemable at the option of the Company at $30.00 each;

(b) 200,000 Second Preferred Shares without nominal or par value, issuable in series, of which: 80,290 shares are designated 1959 Series Second Preferred Shares, redeemable at the option of the Company at $30.00 each and 119,710 shares are designated 1963 Series Second Preferred Shares, redeemable at the option of the Company at $31.50 each;

(c) Third Preferred Shares without nominal or par value, issuable in series. The maximum number of Third Preferred Shares that may be outstanding at any time shall be that number for which the aggregate stated value does not exceed $15,000,000; and

(d) an unlimited number of Common Shares.

The capital stock of the Company is as follows:

	Authorized	Issued and outstanding	2015	2014
			(000's)	
First Preferred Shares	52,237	52,237	**$ 119**	$ 119
Second Preferred Shares	200,000	200,000	**6,000**	6,000
Common Shares	unlimited	12,194,193	**534,881**	534,881
			$ 541,000	$ 541,000

Dividends during the year were paid as follows:

	2015	2014
	(000's)	
On Preferred Shares:		
52,237 First Preferred Shares - $1.50 per share	**$ 78**	$ 78
200,000 Second Preferred Shares - $1.50 per share	**300**	300
	378	378
On Common Shares:		
Quarterly - $0.20 quarterly per share	**9,755**	9,755
Additional - $0.73 (2014 - $0.63) per share	**8,902**	7,683
	18,657	17,438
	$ 19,035	$ 17,816

The Company's current dividend policy is to distribute annual net investment income, after payment of Preferred Share dividends. The distributions are composed of $0.20 quarterly dividends together with an additional dividend representing the balance of net investment income for the previous fiscal year, subject to the Board of Directors approval. This additional dividend is paid in the first quarter following the fiscal year end. The Company's dividend policy is established by the Board of Directors at its discretion and is subject to change.

Common Share dividends of $1.00 per Common Share were declared by the Board of Directors at its meeting on May 11, 2015, with a record and payable date of June 15, 2015 and June 30, 2015, respectively.

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

12. Related party information

Included in the Company's Schedule of Investment Portfolio is Algoma Central Corporation ("Algoma"), a related party, with a fair value at March 31, 2015 of $60,549,000 (March 31, 2014 - $57,431,000; April 1, 2013 - $51,883,000). Dividend income from Algoma for the fiscal year ended March 31, 2015 amounted to $1,015,000 (2014 - $1,015,000).

Included in investment management and administrative costs are fees for administrative services paid to its parent company, E-L Financial Corporation Limited. The total fees, including HST, for the year ended March 31, 2015 amounted to $1,436,000 (2014 - $1,233,000).

The ultimate controlling party of the Company and these related parties is The Honourable Henry N.R. Jackman together with a trust created in 1969 by his father, Henry R. Jackman.

Compensation of key management personnel

Key management personnel comprise the Chairman, President and directors of the Company and their remuneration is as follows:

	2015	2014
	(000's)	
Chairman's, President's and director's compensation and other short-term benefits	**$ 354**	$ 229

13. Earnings per Common Share ("EPS")

Basic and diluted EPS

EPS is calculated by dividing the net income, less preferred dividends, by the weighted average number of Common Shares outstanding for the period.

EPS is calculated as follows (in thousands of dollars, except for weighted average number of Common Shares outstanding and per Common Share amounts).

	2015	2014
	(000's)	
Net income	**$ 242,952**	$ 230,477
Less: Preferred dividends	**378**	378
Net income attributed to common shareholders	**$ 242,574**	$ 230,099
Weighted average number of Common shares outstanding	**12,194,193**	12,194,193
Basic and diluted earnings per Common Share	**$ 19.89**	$ 18.87

14. Securities lending

The Company has entered into a securities lending agreement with its custodian, RBC IS. The Company receives collateral of at least 105% of the value of the securities on loan. Collateral generally comprises obligations guaranteed by the Government of Canada or a province thereof, or other governments with appropriate credit ratings. In the event that any of the loaned securities are not returned to RBC IS, RBC IS must restore to the Company securities identical to the loaned securities or pay to the Company the value of the collateral up to but not exceeding the market value of the loaned securities on the date on which the loaned securities were to have been returned ("Valuation date") to RBC IS. If the collateral is not sufficient to allow RBC IS to pay such market value to the Company, RBC IS shall indemnify the Company for the difference between the market value of the securities and the value of such collateral on the Valuation date. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its securities lending obligation.

During the year, the Company recognized approximately $653,000 (2014 - $369,000) in securities lending income. Securities loaned in the program earn income at market securities lending rates. The securities lending agreement can be terminated at any time by the borrower, the custodian or the Company.

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

15. Capital

The Company's capital comprises shareholders' equity, which is invested primarily in common equities on a global basis. The Company's strategy is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The Company monitors its capital via its assessment of shareholders' equity. The shareholders' equity of the Company as at March 31 is as follows:

	2015	2014
	(000's)	
Shareholders' equity	**$ 1,444,951**	$ 1,221,034

16. First-time adoption of IFRS

The Company has adopted IFRS effective April 1, 2014. Prior to the adoption of IFRS, the Company prepared its financial statements in accordance with Previous Canadian GAAP. The Company's financial statements for the year ended March 31, 2015 are the Company's first annual financial statements prepared in accordance with IFRS. Accordingly, the Company is making an unreserved statement of compliance with IFRS beginning with its fiscal 2015 annual financial statements.

The Company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards in preparing these financial statements, with a transition date of April 1, 2013. In accordance with IFRS, the Company has:

- provided comparative financial information restated from Previous Canadian GAAP;
- applied the same accounting policies throughout all periods presented; and
- retrospectively applied all IFRS standards effective as of March 31, 2015, except for certain optional exemptions and mandatory exceptions applicable for first-time adopters of IFRS that the Company has applied, as discussed below.

The effect of the Company's transition to IFRS is summarized in this note as follows:

Transition elections

The only voluntary election adopted by the Company upon transition was the ability to designate a financial asset or financial liability at FVTPL upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Previous Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Statement of cash flows

Under Previous Canadian GAAP, the Company was exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financial statements include a statement of cash flows for the current and comparative periods, without exception.

Revaluation of investments at FVTPL

Under Previous Canadian GAAP, the Company measured the fair values of its investments in accordance with Section 3855, Financial Instruments — Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices were available. Under IFRS, the Company measures the fair values of its investments using the guidance in IFRS 13, which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. As a result, upon adoption of IFRS an adjustment was recognized to increase the carrying amount of the Company's investments by $416,000 at April 1, 2013 and $487,000 at March 31, 2014 and to increase deferred income taxes by $55,000 at April 1, 2013 and $65,000 at March 31, 2014. The impact of this adjustment was to increase the Company's net income by $61,000 for the year ended March 31, 2014.

NOTES TO FINANCIAL STATEMENTS (continued)
March 31, 2015

16. First-time adoption of IFRS (continued)

Reclassification of net provision for refundable dividend taxes

Under Previous Canadian GAAP, the Company presented its net provision for refundable dividend taxes on hand in its statement of retained earnings. Upon adoption of IFRS, the net provision for refundable dividend taxes on hand is recognized as a component of the provision for income taxes. The impact of this adjustment was to decrease the Company's net income by $2,000 for the year ended March 31, 2014. This reclassification, however, did not affect net assets.

Comprehensive income

The Company does not have any other comprehensive income and therefore comprehensive income equals net income in its statement of income.

Reclassification adjustments

In addition to the measurement adjustments noted above, the Company reclassified certain amounts upon transition in order to conform to its financial statement presentation under IFRS. Under Previous Canadian GAAP, the Company presented cash and short-term investments in these statements of net assets as separate line items. Under IFRS, these two items are combined and presented as cash and cash equivalents. Previous Canadian GAAP used the accounting term future income taxes whereas IFRS uses the comparable accounting term deferred taxes. Under Previous Canadian GAAP, in the statement of operations, the net change in unrealized appreciation of investments was presented net of income taxes. In contrast, under IFRS, income taxes related to the fair value change in investments are now reclassified to the provision for income taxes in the statement of income.

Reconciliation of shareholders' equity and net income as previously reported under Previous Canadian GAAP to IFRS:

Shareholders' equity	Mar. 31, 2014	April 1, 2013
	(000's)	
Shareholders' equity as reported under Previous Canadian GAAP	$ 1,220,612	$ 1,008,012
Revalution of investments at FVTPL[1]	487	416
Less: Adjustment for deferred taxes on revaluation	(65)	(55)
Shareholders' equity as reported under IFRS	$ 1,221,034	$ 1,008,373

	Year Ended March 31, 2014
	(000's)
Net income as reported under Previous Canadian GAAP	$ 230,418
Revalution of investments at FVTPL[1]	71
Less: Adjustment for deferred taxes on revaluation	(10)
Less: Reclassification of net increase in refundable dividend taxes on hand	(2)
Net income as reported under IFRS	$ 230,477

[1] From bid to close.

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2015

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	North America			
	Canada			
Common				
3,625,680	Algoma Central Corporation [1]	$ 6,201	$ 60,549	4.1
	United States			
83,600	3M Co.	7,665	17,490	
120,960	Automatic Data Processing Inc.	5,581	13,138	
94,610	Becton, Dickinson and Company	7,161	17,230	
138,730	BorgWarner Inc.	10,623	10,642	
339,070	CA Technologies, Inc.	10,736	14,024	
212,600	Clorox Company (The)	21,875	29,766	
192,510	Colgate-Palmolive Company	10,057	16,930	
97,800	Computer Sciences Corporation	5,431	8,097	
690,100	ConAgra Foods, Inc.	22,250	31,973	
153,910	Dollar Tree, Inc.	5,839	15,840	
109,180	EOG Resources, Inc.	6,486	12,697	
90,520	Exxon Mobil Corporation	6,929	9,759	
147,790	Fiserv, Inc.	4,932	14,883	
557,100	General Mills, Inc.	25,713	39,992	
9,644	Google Inc. Class A	5,110	6,785	
14,360	Google Inc. Class C	8,034	9,981	
424,300	Hormel Foods Corporation	20,877	30,593	
72,520	IBM Corporation	12,985	14,762	
62,878	IMS Health Holdings, Inc.	2,121	2,159	
103,490	Johnson & Johnson	7,221	13,204	
196,920	JPMorgan Chase & Co.	8,143	15,130	
277,700	Kimberly Clark Corporation	26,344	37,725	
197,766	Kraft Foods Inc.	11,539	21,851	
138,300	Merck & Co., Inc.	6,584	10,082	
265,960	MetLife, Inc.	9,197	17,051	
696,770	Microsoft Corporation	29,504	35,927	
303,200	Mondelez International Inc. Class A	11,777	13,878	
350,970	Oracle Corporation	11,847	19,208	
126,170	PepsiCo, Inc.	8,571	15,301	
764,907	Pfizer Inc.	21,877	33,751	
986,200	Staples Inc.	13,946	20,369	
72,440	Time Warner Cable Inc.	6,443	13,770	
285,300	US Bancorp	8,166	15,802	
167,660	Verisk Analytics Inc. Class A	8,280	15,183	
163,550	Walgreen Boots Alliance Inc.	5,619	17,565	
129,900	Waste Management Inc.	5,195	8,935	
271,891	Wells Fargo & Company	13,004	18,759	
		413,662	660,232	44.6
	Mexico			
78,420	Fomento Economico Mexicano, S.A. de C.V. ADR	5,245	9,300	0.6
	Total North America	425,108	730,081	49.3

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SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2015 (continued)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Europe, excluding United Kingdom			
226,106	Adidas AG	$ 19,687	$ 22,646	
70,078	Anheuser-Busch Inbev SA ADR	6,091	10,835	
319,059	AXA	6,421	10,195	
1,179,555	Banco Santander Central Hispano S.A.	10,909	11,276	
86,528	Bayer AG	7,561	16,428	
230,386	Casino Guichard-Perrachon S.A.	25,874	25,902	
1,356,975	Davide Campari-Milano S.p.A.	10,643	12,007	
201,058	Delhaize Group	14,209	22,931	
82,126	Fresenius Medical Care & Co. KGaA	5,658	8,655	
109,320	Fresenius Medical Care & Co. KGaA ADR	1,767	5,747	
300,476	Group Danone S.A.	23,031	25,634	
74,488	Kerry Group plc	3,935	6,342	
1,328,222	Koninklijke Ahold NV	22,372	33,203	
110,279	Lafarge S.A.	7,640	9,067	
117,993	L'Air Liquide S.A.	13,696	19,257	
63,651	LVMH Moet Hennessy Louis Viutton SA	11,828	14,234	
415,382	Nestlé SA	27,353	39,806	
84,270	Nestlé SA ADR	2,904	8,040	
958,962	Orange S.A.	15,580	19,550	
184,151	Publicis Groupe	15,002	18,020	
112,285	Roche Holding AG	32,446	39,303	
117,669	Sanofi	9,955	14,736	
143,286	Schneider Electric S.A.	11,037	14,123	
1,105,905	Securitas AB Class B	11,510	20,110	
114,191	Siemens AG	12,622	15,635	
		329,731	443,682	29.9
	United Kingdom			
524,208	BG Group plc	9,784	8,185	
117,918	Diageo plc	3,676	4,130	
28,020	Diageo plc ADR	2,119	3,929	
350,122	GlaxoSmithKline plc	8,878	10,195	
1,103,176	HSBC Holdings Inc.	10,335	11,926	
349,395	National Grid plc	3,956	5,690	
13,000	National Grid plc ADR	596	1,065	
276,120	Royal Dutch Shell plc	11,127	10,470	
402,388	Standard Chartered plc	9,967	8,287	
2,759,870	Vodafone Group plc	11,915	11,459	
		72,353	75,336	5.1
	Asia			
361,600	Asahi Group Holdings Co.	9,366	14,576	
235,100	FamilyMart Co., Ltd.	11,461	12,525	
55,500	Fanuc Corporation	8,314	15,399	
1,010,700	Inpex Corporation	13,660	14,161	
110,500	Kao Corporation	4,247	7,008	
327,900	KDDI Corporation	5,350	9,429	
16,488	Keyence Corporation	3,921	11,433	
537,000	Kirin Holdings Company, Limited	7,708	8,951	
945,100	Konica Minolta Holdings Inc.	9,328	12,197	
92,800	Lawson Inc.	7,069	8,171	
187,800	Makita Corporation	10,115	12,387	
382,900	Mitsubishi Tanabe Pharma Corporation	6,078	8,345	
968,870	Mitsubishi UFJ Financial Group	6,394	7,616	
2,412,000	Osaka Gas Co., Ltd.	10,501	12,816	
95,600	Secom Co. Ltd.	5,268	8,109	
887,400	Television Broadcasts Limited	5,810	6,945	
179,500	Toyota Motor Corporation	8,102	15,905	
354,100	Unicharm Corporation	7,824	11,797	
		140,516	197,770	13.3

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SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2015 (continued)

Number of Shares		Cost	Carrying value	% of Carrying value
		(000's)		
	Australia			
997,152	AGL Energy Limited	$ 15,044	$ 14,655	
229,169	Austraila and New Zealand Banking Group Limited	6,035	8,119	
118,820	BHP Billiton Ltd-Spon ADR	8,214	7,002	
		29,293	29,776	2.0
	Brazil			
452,532	Banco Bradesco S.A. ADR	5,854	5,326	0.4
	Total investments	$1,002,855	$1,481,971	100.0

[1] This company and United are related parties.

COMPANY BACKGROUND

Consolidated Investment Corporation of Canada was incorporated in February 1929 and its bonds and preferred shares were offered for sale to the public. The Company was capitalized with $15,000,000 4½% First Collateral Trust Gold Bonds due 1959, and $10,000,000 ($100 par) of 5% Cumulative Preferred Shares. 1,375,000 Common Shares (no par value) were issued of which 375,000 were deposited in trust or reserved for sale to the Company's senior security holders. The Company's securities were sold for $32,000,000 plus accrued interest and organizational expenses.

The trust deed securing the First Collateral Trust Gold Bonds covenanted that assets pledged with the trustee should at all times be equal to 125% of the principal amount of bonds outstanding. With the decline in security values beginning in late 1929, the Company attempted to satisfy this covenant by purchasing the Company's bonds for cancellation at discount prices. The continued deterioration of security markets into 1932 made the continuation of this policy impracticable. The Company therefore defaulted under its covenants and the Company was reorganized.

Under the February 13, 1933 arrangement, the Company's remaining $6,427,000 4½% Gold Bonds ($8,573,000 out of the original $15,000,000 had been purchased for cancellation) received 70% of their face value in a new issue of 5% "Income" Bonds due 1953, and 30% of their face value in Class "A" 5% "Preferred" Shares. The bondholders were also given 53.61% of the common equity (Class "B" Shares) with the old preferred shareholders and common shareholders receiving 41.70% and 4.69% of the new equity respectively.

Under the February 13, 1933 reorganization, the Company's name was changed to United Corporations Limited.

On December 23, 1959, United Corporations Limited acquired all of the assets of London Canadian Investment Corporation for $7,925,483. Consideration was satisfied by issuing $2,408,700 par value of 5% Preferred Shares (1959 Series) and Common (Class B) Shares equal to 15.7% of the total Common Shares to be outstanding after the completion of this transaction.

FINANCIAL RECORD: 1929 - 2015
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net Investment Income Available for Common Shares (000's)	Net Investment Income per Common Share**
Consolidated Investment Corporation of Canada							
Feb 1929	$ 32,000	$ 15,000	$ 10,000	$ 7,000	$ N/A	$ N/A	$ N/A
Dec 1931	9,616	7,161	10,000	(7,545)	N/A	N/A	N/A
1932	4,726	6,427	10,000	(11,701)	N/A	N/A	N/A
United Corporations Limited							
1933	6,120	4,499	2,000	(379)	(0.04)	—	—
1934	8,147	4,499	2,097	1,551	0.16	(95)	(0.01)
1935	9,378	4,499	2,161	2,718	0.28	(13)	—
1936	12,892	4,499	2,097	6,296	0.64	49	0.01
1937	9,542	4,499	1,928	3,115	0.32	109	0.01
1938	9,485	3,779	1,620	4,087	0.41	44	0.01
1939	9,844	3,705	1,588	4,550	0.46	58	0.01
1940	8,676	3,705	1,588	3,383	0.34	48	0.01
1941	8,175	3,599	1,588	2,988	0.30	82	0.01
1942	8,712	3,499	1,580	3,633	0.37	108	0.01
1943	9,746	3,000	1,580	5,166	0.52	78	0.01
1944	11,298	2,900	1,580	6,818	0.69	155	0.02
1945	14,444	2,800	1,580	10,064	1.02	173	0.02
1946	14,059	2,700	1,580	9,779	0.99	243	0.03
1947	13,668	2,600	1,580	9,489	0.96	339	0.03
1948	13,443	2,500	1,567	9,376	0.95	370	0.04
1949	14,772	2,400	1,567	10,805	1.10	385	0.04
1950	17,410	2,300	1,567	13,543	1.37	564	0.06
1951	20,392	2,200	1,567	16,625	1.69	578	0.06
1952	19,360	2,000	1,567	15,793	1.60	614	0.06
1953	19,130	1,900	1,567	15,663	1.59	639	0.07
1954	25,101	1,800	1,567	21,734	2.21	699	0.07
1955	29,015	1,700	1,567	25,748	2.62	732	0.07
1956	28,054	1,316	1,567	25,171	2.56	779	0.08
1957	24,447	879	1,567	22,001	2.24	834	0.09
1958	30,381	—	1,567	28,814	2.93	898	0.09
1959	38,197	—	3,976	34,221	2.93	900	0.08
1960	37,600	—	3,976	33,624	2.88	1,110	0.10
1961	44,352	—	3,976	40,376	3.44	1,117	0.10
1962	41,868	—	3,976	37,893	3.22	1,141	0.10
1963	52,321	—	7,747	44,574	3.75	1,179	0.10
1964	62,861	—	7,747	55,114	4.64	1,348	0.11
1965	66,117	—	7,747	58,370	4.91	1,503	0.13
1966	63,156	—	7,747	55,409	4.66	1,583	0.13
1967	74,757	—	7,747	67,010	5.59	1,741	0.15
1968	84,930	—	7,747	77,174	6.43	1,714	0.14
1969	78,769	—	7,747	71,022	5.90	1,866	0.16
1970	71,202	—	7,747	63,456	5.28	1,981	0.17
1971	73,401	—	7,747	65,655	5.46	1,669	0.14
1972	86,757	—	7,747	79,010	6.57	1,724	0.14
1973(a)	83,758	—	7,747	76,012	6.32	374	0.03

FINANCIAL RECORD: 1929 - 2015 (continued)
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net Investment Income Available for Common Shares (000's)	Net Investment Income per Common Share**
1974	$ 82,457	$ —	$ 7,747	$ 74,711	$ 6.21	$ 1,996	$ 0.17
1975	71,674	—	7,747	63,928	5.31	2,791	0.23
1976	80,075	8,000	7,747	64,544	5.36	2,522	0.21
1977	78,614	8,000	7,747	63,083	5.24	2,116	0.18
1978	82,829	8,000	7,747	67,298	5.59	2,335	0.19
1979	116,793	9,506	7,747	100,285	8.32	1,478	0.12
1980	141,700	9,657	7,747	129,232	10.60	3,703	0.30
1981	197,143	8,000	7,747	194,350	15.94	4,808	0.39
1982	127,643	8,000	7,747	121,412	9.95	4,437	0.36
1983	182,227	8,000	7,747	174,692	14.31	4,468	0.37
1984	201,172	8,000	7,747	191,984	15.73	3,934	0.32
1985	247,596	8,000	7,747	234,514	19.22	4,788	0.39
1986	327,327	8,000	7,747	319,783	26.21	4,816	0.40
1987	370,718	—	7,747	371,437	30.44	4,841	0.40
1988	316,009	—	7,747	322,434	26.43	6,785	0.56
1989	329,082	—	7,747	321,668	26.37	8,778	0.72
1990	340,980	—	7,747	343,482	28.16	16,989	1.39
1991	311,586	—	7,747	304,079	24.93	9,339	0.77
1992	308,237	—	7,747	300,992	24.68	7,880	0.65
1993	314,603	—	7,747	308,617	25.30	7,617	0.63
1994	359,673	—	7,747	363,496	29.80	7,192	0.59
1995	355,050	—	7,747	352,874	28.94	7,963	0.65
1996	396,725	—	7,747	399,853	32.79	7,969	0.65
1997	478,172	—	7,747	475,416	38.99	8,960	0.74
1998	649,802	—	7,747	667,137	54.71	9,174	0.75
1999	612,872	—	7,747	620,107	50.85	9,635	0.79
2000	774,519	—	7,747	784,932	64.37	8,403	0.69
2001	723,950	—	7,747	718,712	58.94	10,640	0.87
2002	758,055	—	7,747	750,308	61.53	11,606	0.95
2003	609,269	—	7,747	601,522	49.33	11,772	0.97
2004	755,491	—	7,747	747,744	61.32	11,041	0.91
2005	826,344	—	7,747	818,597	67.13	12,462	1.02
2006	940,068	—	7,747	932,321	76.46	12,676	1.04
2007	1,056,872	—	7,747	1,049,125	86.03	15,121	1.24
2008	948,929	—	7,747	941,182	77.18	15,909	1.30
2009	676,149	—	7,747	668,402	54.81	15,420	1.26
2010	828,840	—	7,747	821,093	67.33	14,155	1.16
2011	883,576	—	7,747	875,829	71.82	14,987	1.23
2012	889,646	—	7,747	881,899	72.32	17,412	1.43
2013	1,008,012	—	7,747	1,000,265	82.03	17,414	1.43
2014	1,220,612	—	7,747	1,212,865	99.46	18,686	1.53
2015	1,444,951	—	7,747	1,437,204	117.86	21,971	1.80

This chart is drawn from the individual annual reports and has not been restated for any subsequent changes in accounting policies.

= Preferred Shares at the cost of redemption, including dividend arrears in 1933 - 1936.
* Total assets less liabilities exclusive of short-term debt.
** Includes the impact of historical stock dividends.
(a) For three months ended March 31, 1973. Figures in this table are for fiscal years ended December 31 prior to 1973 and March 31 thereafter.

FINANCIAL RECORD: 1929 - 2015 (continued)
(Unaudited)

Historical Stock Dividends

Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price	Date	Stock dividend rate	Issue price
1953	4 for 1	Split	1988	1 for 15	$ 65.46	1998	1 for 33.1645	$ 76.61
1964	3 for 1	Split	1989	1 for 8	54.53	1999	1 for 13.5404	78.67
1982	1 for 6.4725	$ 38.81	1989	1 for 55	48.30	2000	1 for 20.9744	69.74
1984	1 for 10	40.41	1991	1 for 16	50.72	2001	1 for 20.94286	80.63
1985	1 for 10	40.93	1993	1 for 38	42.18	2001	1 for 7.9472	76.77
1986	1 for 30	46.53	1995	1 for 16.42525	49.44	2002	1 for 15.3238	64.36
1987	1 for 13	60.52	1997	1 for 14.47926	62.84			

CORPORATE INFORMATION

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ValueInvest Asset Management S.A., Luxembourg

AUDITOR

PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

RBC Investor Services Trust

TRANSFER AGENT AND REGISTRAR

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TORONTO STOCK EXCHANGE LISTINGS

	Ticker Symbol
Common Shares	UNC
First Preferred Shares	UNC.PR.A
Second Preferred Shares, 1959 Series	UNC.PR.B
Second Preferred Shares, 1963 Series	UNC.PR.C

NET EQUITY VALUE

The Company's net equity value per Common Share is published weekly on the Globe and Mail's website (www.globefund.com) and on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

If you have a complaint regarding accounting, internal controls or auditing matters or a concern regarding questionable accounting or auditing matters, you should submit your written complaint or concern to:

Mr. Michael J. White
Chairman of the Audit Committee
United Corporations Limited
165 University Avenue, 10th Floor
Toronto, Ontario
M5H 3B8
Email: michaeljwhite@sympatico.ca
Phone: 416-505-2677

You may submit your complaint or concern anonymously. Your submission will be kept confidential and will be treated in accordance with the Company's policy for reporting accounting or auditing matters.

WEBSITE

www.ucorp.ca