UNITED CORPORATIONS LIMITED

ANNUAL REPORT

2010

THE FISCAL YEAR AT A GLANCE

Year ended March 31	2010 [1]	2009 [1]
Net equity value per Common Share [2]	**$ 67.33**	$ 54.81
Increase (decrease) in net assets from operations per Common Share	**$ 13.32**	$ (21.58)
Net investment income per Common Share [2]	**$ 1.16**	$ 1.26
Dividends per Common Share	**$ 0.80**	$ 0.80
Net assets	**$ 828,840**	$ 676,149
Increase (decrease) in net assets from operations	**$ 162,861**	$ (262,715)
Net investment income	**$ 14,533**	$ 15,797
Number of Common Shares outstanding at year end	**12,194,193**	12,194,193

[1] In thousands of dollars, except number of Common Shares outstanding and per share amounts.
[2] See Management's Discussion and Analysis for Use of Non-GAAP measures.

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:45 a.m. on Thursday, June 24, 2010, at The Sutton Place Hotel, Venice Suite, 2nd Floor, 955 Bay Street, Toronto. All Shareholders are invited to attend.

BOARD OF DIRECTORS

MICHAEL J. COOPER	Vice-Chairman and Chief Executive Officer Dundee Real Estate Investment Trust
JACK S. DARVILLE	Corporate Director
DUNCAN N. R. JACKMAN	Chairman, President and Chief Executive Officer E-L Financial Corporation Limited
KIM SHANNON	President and Chief Investment Officer Sionna Investment Managers Inc.
MARK M. TAYLOR	Executive Vice-President and Chief Financial Officer E-L Financial Corporation Limited
MICHAEL J. WHITE	President and Chief Executive Officer Addenda Capital Inc.
DAVID R. WINGFIELD	Partner WeirFoulds LLP

HONORARY DIRECTORS

J. CHRISTOPHER BARRON	Corporate Director
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 consolidated financial position and results of operations for United Corporations Limited ("United" or the "Company") for the years ended March 31, 2010 and 2009. This MD&A should be read in conjunction with the Company's March 31, 2010 year-end consolidated financial statements, which form part of the Company's 2010 Annual Report dated May 7, 2010. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and, unless otherwise noted, both the consolidated financial statements and this MD&A are expressed in Canadian dollars.

The 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 the results, performance or achievements 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.

Use of Non-GAAP Measures

The Annual Report contains reference 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.

Investors and management use net equity value per Common Share to determine the Company's value on a per Common Share basis. 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 equity value per Common Share is also used by investors and management as a comparison to the market price of its Common Shares to determine the particular discount or premium that the Company's Common Shares are trading at relative to the net equity value per Common Share.

Net investment income per Common Share is used by both investors and management to assess the sustainability and funding of dividends on Common and Preferred Shares.

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

	March 31 2010	March 31 2009
Net assets	**$ 828,840**	$ 676,149
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	**$ 821,093**	$ 668,402
Common Shares outstanding	**12,194,193**	12,194,193
Net equity value per Common Share	**$ 67.33**	$ 54.81

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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	
	2010	2009	**2010**	2009
Increase (decrease) in net assets from operations	**$ 6,496**	$ (45,209)	**$ 162,861**	$ (262,715)
Add (deduct): Net loss (gain) on investments	**(3,235)**	48,226	**(148,328)**	278,512
Net investment income	**3,261**	3,017	**14,533**	15,797
Deduct: Dividends paid on Preferred Shares	**94**	94	**378**	377
Net investment income, net of dividends paid on Preferred Shares	**$ 3,167**	$ 2,923	**$ 14,155**	$ 15,420
Common Shares outstanding	**12,194,193**	12,194,193	**12,194,193**	12,194,193
Net investment income per Common Share	**$ 0.26**	$ 0.24	**$ 1.16**	$ 1.26

Market Review

In Canadian dollar terms, in fiscal 2010, the S&P/TSX Composite Index increased 42.2%, the MSCI World Index 23.5% and the S&P 500 Index 20.7%. Comparatively, in fiscal 2009, the S&P/TSX Composite Index decreased 32.4%, the MSCI World Index declined 29.6% and the S&P 500 Index decreased 24.1%. All benchmark returns are on a total return basis.

During the fiscal year, the investments managed by Jarislowsky Fraser Limited ("Jarislowsky") increased 29.0% on a pre-tax basis, whereas the investments managed by ValueInvest Asset Management S.A. ("ValueInvest") increased 27.4% on a pre-tax basis.

The Company's net equity value per Common Share increased to $67.33 at March 31, 2010 from $54.81 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was 24.4% in fiscal 2010, compared to a negative return of 28.1% in fiscal 2009.

As the Company is a taxable Canadian corporation, these returns are net of a provision for income taxes on investment income and realized gains on investments, and net of a future income tax provision on the unrealized appreciation of investments.

Operating Results - Fiscal 2010

Net Investment Income

The net investment income of the Company decreased to $14,533,000 in fiscal 2010 from $15,797,000 in fiscal 2009. This decrease of 8.0% is attributable primarily to a decline in foreign dividends on a year-over-year basis.

Foreign dividend income decreased to $14,017,000 in fiscal 2010 from $17,711,000 in fiscal 2009. The decline is related primarily to decreased dividend payouts from companies that have been impacted by the recent global recession and in part from lower-yielding foreign securities held in the portfolio.

Interest income decreased as a result of steep declines in short-term interest rates. The Company resumed securities lending activities in February of 2010 after having suspended activities in September 2008 of the prior fiscal year. During the current fiscal year, the Company earned approximately $4,000 of securities lending income compared to approximately $319,000 in the prior year.

The operating expenses of the Company in total were unchanged from the prior year. Investment management and administrative costs increased primarily as a result of an increase in the average market value of the investment portfolio. This increase was offset by a decline in custody fees, resulting from reduced trading activities year over year, and from a decrease in capital tax expense, a component of office and miscellaneous expense. The Company's management expense ratio ("MER") increased in fiscal 2010 to 0.43% of average net assets compared to 0.40% of average net assets in the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Gain (Loss) on Investments

The Company realized a net gain on investments of $15,009,000 in the current fiscal year compared to a net loss of $137,608,000 in fiscal 2009. The largest contributors to the net realized gain during fiscal 2010 were the sale of Enbridge Inc., Henkel AG & Co. and Clariant AG. The prior year's loss reflects equity losses arising from declines in global stock markets and the change in one of the investment managers. The prior year also includes a net realized loss of $10,127,000 relating to forward foreign currency contracts. The Company's two investment managers did not enter into any similar contracts during the current fiscal year.

In fiscal 2010, the Company's net change in unrealized appreciation of investments increased by $133,549,000 compared to a decrease of $140,277,000 in the prior year. The fiscal 2010 increase occurred in the portfolio spread over a broad range of sectors and countries. In the prior fiscal year, the net change in unrealized appreciation of investments was negatively affected by the decline in global stock markets.

Operating Results - Fourth Quarter, Fiscal 2010

Global stock markets posted generally positive returns during the quarter ended March 31, 2010. In Canadian dollar terms, in the fourth quarter of fiscal 2010, the S&P/TSX Composite Index increased 3.1%, the MSCI World Index 0.3% and the S&P 500 Index 2.3%.

The Company's net equity value per Common Share increased to $67.33 at March 31, 2010 from $67.01 at December 31, 2009. With dividends reinvested at month-end net equity values, the Company's net equity value return was 0.8% in the fourth quarter of fiscal 2010. On a pre-tax basis, Jarislowsky's portion of the portfolio increased by 1.6% while ValueInvest's portion of the investment portfolio declined by 1.7%.

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):

	2010	2009	2008
Net gain (loss) on investments	**$ 148,328**	$ (278,512)	$ (109,134)
Net gain (loss) on investments per Common Share	**12.16**	(22.84)	(8.95)
Total assets	**849,847**	679,635	973,747
Investment income	**21,386**	25,577	25,531
Net investment income	**14,533**	15,797	16,287
Net investment income per Common Share	**1.16**	1.26	1.30
Dividends per Common Share	**0.80**	0.80	0.80
Dividends per Preferred Share	**1.50**	1.495	1.50

The value of United's global investment portfolio is impacted by stock selection, equity markets and currency movements. In fiscal 2010, the performance of United was favourably affected by strong recoveries in global markets. In fiscal 2009, the performance of United was negatively affected by a decline in global markets as a result of the global recession. In fiscal 2008, the performance of United was unfavourably affected by negative returns in the MSCI World and S&P 500 indices offset in part by a modest increase in the S&P/TSX 500 Index.

The fluctuations in investment income and net investment income are due primarily to changes in dividend income that is earned by the Company. The dividend income is determined by the dividend policies of the corporations that are held as investments in our global investment portfolio. In the current year, foreign dividend income declined as a result of decreased dividend payouts from companies that were affected by the global recession and in part from a change in foreign security selection by the new investment manager, ValueInvest, which was appointed in December of 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Review - Fiscal 2010 and 2009

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

	2010 Fiscal Year			
	Quarter ended			
	Jun. 30	**Sept. 30**	**Dec. 31**	**Mar. 31**
	(in thousands of dollars, except per share amounts)			
Investments, at fair value, at period end	**$ 712,086**	**$ 777,435**	**$ 812,712**	**$ 825,406**
Investment income	**8,030**	**4,468**	**4,090**	**4,798**
Net investment income	**5,338**	**3,146**	**2,788**	**3,261**
Net gain on investments	**73,491**	**49,682**	**21,920**	**3,235**
Per Common Share: [1]				
Net investment income	**$ 0.43**	**$ 0.25**	**$ 0.22**	**$ 0.26**
Net gain on investments	**6.03**	**4.07**	**1.80**	**0.26**
Increase in net assets from operations	**$ 6.46**	**$ 4.32**	**$ 2.02**	**$ 0.52**

	2009 Fiscal Year			
	Quarter ended			
	Jun. 30	Sept. 30	Dec. 31	Mar. 31
	(in thousands of dollars, except per share amounts)			
Investments, at fair value, at period end	$ 956,571	$ 800,709	$ 665,821	$ 610,834
Investment income	10,714	4,827	5,414	4,622
Net investment income	7,119	3,185	2,476	3,017
Net loss on investments	(3,077)	(123,611)	(103,598)	(48,226)
Per Common Share: [1]				
Net investment income	$ 0.58	$ 0.25	$ 0.19	$ 0.24
Net loss on investments	(0.26)	(10.13)	(8.49)	(3.96)
Increase (decrease) in net assets from operations	$ 0.32	$ (9.88)	$ (8.30)	$ (3.72)

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

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. Given the recent overall decline in global stock markets, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. During four of the previous five quarters, the Company experienced a year-over-year decline in foreign dividend income compared to the same quarter in the prior fiscal year. In the fourth quarter of fiscal 2010, foreign dividend income has increased compared to the same quarter in the prior year.

Net gain (loss) on investments is determined by the performance of the investment managers of the portfolio. The returns of the portfolio may fluctuate significantly as illustrated by the quarterly returns for fiscal 2009 and 2010. The returns generated by the investment managers may also not necessarily correlate with benchmark returns.

Investment Strategy

United is a closed-end investment corporation that trades on the Toronto Stock Exchange. United has always been 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The objective of the Company is to earn an above average rate of return through long-term capital appreciation and dividend income from the Company's portfolio of equity investments. The equity investments in the portfolio currently reflect investment opportunities all over the world.

The investment portfolio of the Company comprises a mix of high yielding and low yielding foreign and Canadian equities. Net investment income, net realized gains / losses on investments, net change in unrealized appreciation of investments and net equity value per Common Share may vary significantly from period to period depending on the selection of global equities which move with the constantly changing economic environment and market conditions.

The external investment portfolio of the Company is managed by Jarislowsky and 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, as both companies can be significantly influenced by the same party. 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 8 to the consolidated financial statements and in the consolidated statement of investments.

Change in Note Disclosure

Effective October 1, 2009, the Company adopted amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosures", as issued by The Canadian Institute of Chartered Accountants. The amendments require improved and consistent disclosures about fair value measurements of financial instruments and liquidity risk.

These amendments impact the Company's disclosures but do not affect the Company's results of operations or financial statements. These disclosures are provided in Note 7 to these consolidated financial statements.

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, 2010. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2010.

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 GAAP. Under the supervision of management, an evaluation of the Company's internal control over financial reporting was carried out as at March 31, 2010. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2010. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2010, 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 may, from time to time, be exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"), as its lending agent. RBC Dexia currently has an approved credit rating of AA- (S&P). There was no significant exposure 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 future income taxes, 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 foreign currency risk, interest rate risk and other price risk.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

The Company is exposed to market risk through its investment in equity securities. Many of these investments are in companies which do business in different countries and accordingly, the market value of these securities is subject to foreign currency risk as well as many other risk factors inherent in equity investments. These risks are mitigated by using two different investment managers, each of whom manages a diversified portfolio of securities.

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

Share Data

As at March 31, 2010, 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. For Common Shares, the quarterly dividend is $0.20 per Common Share. Commencing with the payment of the fourth fiscal quarter Preferred Share dividend in February, 2009, dividends are $0.375 per Preferred Share per quarter. Prior to this date, the amount of the dividend per Preferred Share alternated on a quarterly basis. The dividends were $0.38 per Preferred Share in August 2008 and $0.37 per Preferred Share in May 2008 and November 2008.

The payment of the Company's regular quarterly dividends is funded by net investment income. For the year ended March 31, 2010, net investment income was $14,533,000 as compared to dividend payments of $10,134,000. On a per Common Share basis, net investment income of $1.16 exceeded dividend payments of $0.80 per share.

Future Accounting Changes

Transition to International Financial Reporting Standards ("IFRS")

IFRS will replace Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. The Company will begin to report its financial results, including comparative information, in accordance with IFRS in the first quarter of fiscal 2012.

Senior management of the Company oversees the transition and provides quarterly reports to the Company's Audit Committee. Senior management continues to develop financial reporting expertise in IFRS.

Additional changes to IFRS accounting standards are expected to be issued during fiscal years 2011 and 2012. As a result, there is some uncertainty regarding the expected accounting standards that will be in place in fiscal 2012. The following disclosures reflect the Company's current expectations based on the information that is available as of this report's date. As a result of changing circumstances during our transition, the Company may change accounting policy choices or elections initially selected.

The Company's project plan includes four phases: analysis, design and planning, solution development, and implementation. The current standards that are expected to be relevant to the Company's recognition, measurement, presentation and disclosure of its financial statements have been identified. Preliminary accounting policy choices have been made based on the expected accounting requirements in fiscal 2012. Model financial statements have been prepared and related note disclosures will be finalized in fiscal 2011. No system changes resulting from IFRS have been identified by senior management. Management anticipates modest changes to internal controls over financial reporting, and to disclosure controls and procedures. These changes to the controls and procedures will be finalized in fiscal 2011.

At this point in the project, the Company anticipates that on transition to IFRS there will be no impact to the calculation of net assets or net equity value per Common Share. The transition to IFRS is expected to affect overall presentation of the financial statements, including the addition of a statement of cash flows, and certain other items which may result in additional disclosures in the accompanying notes to the financial statements.

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 7, 2010

CONSOLIDATED STATEMENT OF FINANCIAL HIGHLIGHTS
For each of the years in the five year period ended March 31, 2010

DATA PER COMMON SHARE	**2010**	2009	2008	2007	2006
NET EQUITY VALUE, beginning of year	**$ 54.81**	$ 77.18	$ 85.63 [1]	$ 76.46	$ 67.13
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	**1.16**	1.26	1.30	1.24	1.04
Net gain (loss) on investments	**12.16**	(22.84)	(8.95)	9.13	9.09
	13.32	(21.58)	(7.65)	10.37	10.13
CASH DIVIDENDS TO SHAREHOLDERS					
Common Shares	**(0.80)**	(0.80)	(0.80)	(0.80)	(0.80)
TAXATION CHANGES					
Net decrease in refundable dividend tax on hand	**—**	0.01	—	—	—
NET EQUITY VALUE, end of year	**$ 67.33**	$ 54.81	$ 77.18	$ 86.03 [1]	$ 76.46

[1] The net equity value at the beginning of fiscal 2008 reflects the change in accounting policy, adopted April 1, 2007, from the valuation of investments at closing market prices to closing bid prices.

MANAGEMENT'S REPORT

The accompanying consolidated 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 consolidated 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 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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 2 to the consolidated financial statements. Financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated 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 consolidated financial statements, adequacy of internal controls, the audit process and financial reporting with management and the external auditors prior to the approval of the audited consolidated financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external auditors and licensed public accountants, who are appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their report is set out on this page.

Duncan N.R. Jackman
Chairman and President
May 7, 2010

Frank J. Glosnek
Treasurer

AUDITORS' REPORT

To the Shareholders of United Corporations Limited

We have audited the accompanying consolidated statements of net assets of United Corporations Limited as at March 31, 2010 and 2009, and the consolidated statement of investments as at March 31, 2010 and the consolidated statements of operations, retained earnings and changes in net assets for the years ended March 31, 2010 and 2009. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2010 and 2009 and the results of its operations and the changes in its net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

May 7, 2010
Toronto, Canada

CONSOLIDATED STATEMENTS OF NET ASSETS

	March 31 2010	March 31 2009
	(000's)	
ASSETS		
Investments, at fair value (Notes 4, 7 and 8)	**$ 825,406**	$ 610,834
Cash	**4,866**	5,333
Short-term investments	**16,903**	27,337
Receivable in respect of investments sold	**118**	1,397
Accrued income on investments	**1,956**	1,533
Income taxes receivable	**—**	31,616
Other assets	**598**	491
Future income taxes (Note 3)	**—**	1,094
	849,847	679,635
LIABILITIES		
Accounts payable and accrued liabilities	**560**	673
Payable in respect of investments purchased	**2,090**	2,813
Income taxes payable	**894**	—
Future income taxes (Note 3)	**17,463**	—
	21,007	3,486
NET ASSETS	**$ 828,840**	$ 676,149
SHAREHOLDERS' EQUITY		
Share capital (Note 6)		
Issued:		
52,237 First Preferred Shares	**$ 119**	$ 119
200,000 Second Preferred Shares	**6,000**	6,000
12,194,193 Common Shares	**534,881**	534,881
	541,000	541,000
Retained earnings (Note 2)	**174,103**	154,961
Unrealized appreciation (depreciation) of investments (Notes 2 and 4)	**113,737**	(19,812)
TOTAL SHAREHOLDERS' EQUITY	**$ 828,840**	$ 676,149

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN, Director

MICHAEL J. WHITE, Director

(See accompanying notes)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended March 31	
	2010	2009
	(000's)	
INVESTMENT INCOME		
Dividends		
Foreign	**$ 14,017**	$ 17,711
Canadian (Note 8)	**7,322**	7,210
	21,339	24,921
Interest, including securities lending income (Note 9)	**47**	656
	21,386	25,577
EXPENSES		
Investment management and administrative costs (Note 8)	**2,748**	2,477
Directors' and officer's remuneration	**209**	209
Office and miscellaneous	**219**	288
Transfer, registrar and custody fees	**151**	365
Professional fees	**77**	65
	3,404	3,404
Investment income before income taxes	**17,982**	22,173
Provision for income taxes (Note 3)	**3,449**	6,376
NET INVESTMENT INCOME	**14,533**	15,797
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments (Note 5)	**15,009**	(137,608)
Net change in unrealized appreciation (depreciation) of investments (Note 4)	**133,549**	(140,277)
Transaction costs on purchase and sale of investments	**(230)**	(627)
NET GAIN (LOSS) ON INVESTMENTS	**148,328**	(278,512)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	**$ 162,861**	$ (262,715)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ 13.32**	$ (21.58)

(See accompanying notes)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Years ended March 31	
	2010	2009
	(000's)	
BEGINNING OF YEAR	**$ 154,961**	$ 287,464
Add:		
Net investment income	**14,533**	15,797
Net realized gain (loss) on investments	**15,009**	(137,608)
Refundable dividend taxes recovered	**2,198**	2,262
	31,740	(119,549)
Deduct:		
Dividends:		
First Preferred Shares (per share - $1.50) (2009 - $1.495)	**78**	78
Second Preferred Shares (per share - $1.50) (2009 - $1.495)	**300**	299
Common Shares (per share - $0.80)	**9,756**	9,756
Transaction costs on purchase and sale of investments	**230**	627
Provision for refundable dividend taxes	**2,234**	2,194
	12,598	12,954
END OF YEAR	**$ 174,103**	$ 154,961

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Years ended March 31	
	2010	2009
	(000's)	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	**$ 162,861**	$ (262,715)
DIVIDENDS TO SHAREHOLDERS		
Preferred Shares	**(378)**	(377)
Common Shares	**(9,756)**	(9,756)
	(10,134)	(10,133)
TAXATION CHANGES		
Net (increase) decrease in refundable dividend taxes on hand	**(36)**	68
INCREASE (DECREASE) IN NET ASSETS	**152,691**	(272,780)
NET ASSETS, BEGINNING OF YEAR	**676,149**	948,929
NET ASSETS, END OF YEAR	**$ 828,840**	$ 676,149

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2010

1. Description of business

United Corporations Limited ("United" or the "Company") is a closed-end investment corporation, incorporated under The Companies Act (Canada) by letters patent dated May 6, 1933 and continued under the Canada Business Corporations Act on September 20, 1977 by articles of continuance.

United trades on the Toronto Stock Exchange (UNC, UNC.PR.A, UNC.PR.B, UNC.PR.C). United has always been 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.

2. Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, UNC Holdings No. 3 Limited.

Carrying value of investments

The Company is an investment company as defined by accounting guideline AcG-18 "Investment Companies". In accordance with AcG-18, the Company has categorized its investments as held for trading and has recorded its investments at fair value established by the bid price for a security on the recognized stock exchange on which it is principally traded, as defined in CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement".

These fair values do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those bid prices.

Accounting estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reported period. Actual results could differ from these estimates. Estimates and assumptions are used primarily in the determination of the Company's future income tax assets and liabilities, as the income tax rates used in determining the asset or liability is dependent on an assumption as to when a future income tax asset or liability is expected to be realized.

Short-term investments

Short-term investments consist of treasury bills, commercial paper, guaranteed investment certificates and bankers' acceptances held for investment purposes. These investments are carried at cost, which together with accrued interest, approximate fair value.

Investment transactions

Investment transactions are accounted for on a trade date basis, and realized gains and losses from investment transactions are calculated on an average cost basis. Transaction costs on the purchase and sale of investments are recognized immediately in net gain (loss) on investments.

Dividend and interest income

Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.

Securities lending income

Securities lending income is recognized as earned.

Retained earnings and unrealized appreciation of investments

The Company recognizes realized gains on investments and the net change in unrealized appreciation of investments in the consolidated statement of operations. Within shareholders' equity, net realized gains on investments are accumulated in retained earnings, while net changes in unrealized appreciation of investments, a component of retained earnings, are accumulated and separately presented as unrealized appreciation of investments.

Translation of foreign currency

- Assets including the fair value of investments and liabilities denominated in foreign currencies are converted into Canadian dollars at the rates of exchange established on each valuation date;
- Purchases and sales of investments, dividends and interest income denominated in foreign currencies are converted into Canadian dollars at the rates of exchange prevailing on the respective dates of such transactions;
- Realized foreign currency exchange gains (losses) on investments are included in net realized gain (loss) on investments in the consolidated statement of operations; and
- Unrealized exchange gains (losses) on investments are included in net change in unrealized appreciation of investments in the consolidated statement of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) MARCH 31, 2010

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which the capital gains are expected to be realized.

Financial instruments

Investments are carried at fair value. Fair value of all other financial assets and liabilities approximates their carrying values due to their short term to maturity.

Significant disclosure change

Effective October 1, 2009, the Company adopted amendments to CICA Handbook Section 3862, “Financial Instruments – Disclosures”, that require improved and consistent disclosures about fair value measurements of financial instruments and liquidity risk.

The enhanced requirements include classifying and disclosing fair value measurements based on a three-level hierarchy, reconciling beginning balances to ending balances for Level 3 measurements (as defined in Note 7), identifying and explaining movements between levels of the fair value hierarchy, providing a maturity analysis for derivative financial liabilities based on how the entity manages liquidity risk, and disclosing the remaining expected maturities of non-derivative financial liabilities if liquidity risk is managed on that basis.

These amendments impact the Company’s disclosures provided but do not affect the Company’s results of operations or financial position. These disclosures are provided in Note 7 to these financial statements.

3. Income taxes

The Company is a public corporation under the Income Tax Act (Canada) and is subject to tax at normal corporate rates on its realized net taxable capital gains (losses) and on investment income other than taxable dividends received from corporations resident in Canada. 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 special 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 amount eligible for refund for accounting purposes at March 31, 2010, all of which is included in the consolidated statements of retained earnings, amounted to approximately $132,000 (2009 - $96,000).

The Company’s provision for income taxes is determined as follows:

	2010	2009
Basic combined federal and provincial rate	**32.75%**	33.38%
Tax effect related to dividends from taxable Canadian corporations	**(13.33)**	(10.85)
Effect of foreign withholding taxes	**—**	6.26
Effect of other adjustments	**(0.24)**	(0.03)
Effective income tax rate	**19.18%**	28.76%

The Company’s income tax expense includes provisions for current and future income taxes as follows:

	2010	2009
	(000’s)	
Current	**$ 3,387**	$ 6,708
Future	**62**	(332)
Provision for income taxes	**$ 3,449**	$ 6,376

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) MARCH 31, 2010

Future income tax liabilities (assets) arise primarily from differences between the fair value and the tax cost of the investments as well as the timing of the inclusion of accrued dividends for income tax purposes:

	2010	2009
	(000's)	
Unrealized appreciation (depreciation) of investments	**$ 16,854**	$ (755)
Accrued dividends	**602**	504
Ontario Corporate Minimum Tax recovery	**—**	(769)
Other	**7**	(74)
Future income tax (asset) liability	**$ 17,463**	$ (1,094)

4. Unrealized appreciation (depreciation) of investments

The details of unrealized appreciation (depreciation) of investments and the change for the years then ended are as follows:

	March 31 2010	March 31 2009	**Change in 2010**	Change in 2009
		(000's)		
Investments at fair value	**$ 825,406**	$ 610,834	**$ 214,572**	$ (341,814)
Investments at cost	**694,735**	631,401	**63,334**	(179,022)
Unrealized appreciation (depreciation) of investments before provision for (recovery of) future income taxes	**130,671**	(20,567)	**151,238**	(162,792)
Provision for (recovery of) future income taxes	**16,934**	(755)	**17,689**	(22,515)
Unrealized appreciation (depreciation) of investments	**$ 113,737**	$ (19,812)	**$ 133,549**	$ (140,277)

5. Net realized gain (loss) on investments

The following are the details of the net realized gain (loss) on investments for the years ended:

	2010	2009
	(000's)	
Proceeds on sales of investments	**$ 106,322**	$ 287,693
Cost of investments, beginning of year	**631,401**	810,423
Cost of investments purchased during the year	**151,715**	275,949
	783,116	1,086,372
Cost of investments, end of year	**694,735**	631,401
Cost of investments sold during the year	**88,391**	454,971
Realized gain (loss) on investments sold before income taxes	**17,941**	(167,278)
Provision for (recovery of) income taxes	**2,932**	(29,670)
Net realized gain (loss) on investments	**$ 15,009**	$ (137,608)

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS (continued)
MARCH 31, 2010

6. 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.

7. Risk management of 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:

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 Dexia Investor Services Trust ("RBC Dexia"), as its lending agent. There was no significant exposure to credit risk from 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 future income taxes, 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.

The Company is exposed to market risk through its investment in equity securities. Many of these investments are in companies which do business in different countries and accordingly, the market value of these securities is subject to foreign currency risk as well as many other risk factors inherent in equity investments. These risks are mitigated by using two different investment managers, each of whom manages 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 $71,298,000 (2009 - $51,676,000) on net assets from operations.

Classification of fair value measurements

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, 2010, all of the Company's investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 investments during the year.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS (continued)
MARCH 31, 2010

8. Related party transactions and balances

Included in the Company's investments is Algoma Central Corporation ("Algoma") with a fair value of $27,736,000 (2009 - $21,047,000). Dividend income from Algoma for the fiscal year ended March 31, 2010 was $653,000 (2009 - $653,000). Included in investment management and administrative costs are fees for administrative services paid to E-L Financial Corporation Limited ("E-L Financial"). The total fees for the year ended March 31, 2010 amounted to $783,000 (2009 - $816,000). E-L Financial, directly or indirectly, has a significant ownership in both the Company and Algoma. E-L Financial and Algoma can be significantly influenced by a party that can significantly influence the Company.

These transactions were conducted in the ordinary course of operations, and are recorded at their exchange amount, representing the amount of consideration paid (or received) as established and agreed by the related parties.

9. Securities lending

The Company has entered into a securities lending agreement with its custodian, RBC Dexia. The Company will receive collateral of at least 105% of the value of the securities on loan. Collateral will generally comprise 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 Dexia, RBC Dexia must restore to the Company securities identical to the loaned securities or, in limited circumstances, it will pay to the Company the value of the collateral up to the fair value of the loaned securities on the date on which the loaned securities were to have been returned ("Valuation date") to RBC Dexia. If the collateral is not sufficient to allow RBC Dexia to pay such fair value to the Company, RBC Dexia shall indemnify the Company for the difference between the fair value of the securities and the value of such collateral on the Valuation date. The Royal Bank of Canada also provides an indemnity to the Company should RBC Dexia fail to perform its obligations to the Company.

As at March 31, 2010, the Company has on loan approximately $151,814,000 (2009 - $ nil) in securities and received in excess of approximately $159,405,000 (2009 - $ nil) in collateral. During the year, the Company recognized approximately $4,000 (2009 - $319,000) in securities lending income. Securities loaned in the program earn income at market securities lending rates. The securities lending agreements can be terminated at any time by the borrower, the agent or the Company.

10. 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 net investment income, net realized gains and appreciation on investments. The Company aims to manage its capital in order to provide an adequate return to its shareholders over the long term.

The Company monitors its capital via its assessment of shareholders' equity. The current year and prior year amounts are as follows:

	2010	2009
	(000's)	
Shareholder's equity	**$ 828,840**	$ 676,149

11. Statement of cash flows

A statement of cash flows has not been provided as it would not provide any additional meaningful information that is not already disclosed in the financial statements.

12. Future accounting changes

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP and IFRS over an expected five year transitional period. In February 2009, the AcSB announced that January 1, 2011 is the transition date for most publicly reporting companies to adopt IFRS. The corresponding transition date for the Company will be April 1, 2011 which will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. At this point in the transition to IFRS, the Company anticipates that there will not be a material impact to its consolidated financial statements or in the calculation of its net equity value per Common Share.

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2010

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	North America			
	Canada			
Preferred				
140,000	Nortel Networks Limited $1.275 Series F	$ 3,512	$ —	—
Common				
362,568	Algoma Central Corporation	6,201	27,736	
92,000	Bank of Montreal	5,617	5,671	
331,805	Bank of Nova Scotia	5,755	16,882	
357,670	CAE, Inc.	3,621	3,527	
80,000	Cameco Corporation	279	2,222	
136,330	Canadian National Railway Company	5,471	8,376	
112,470	Canadian Natural Resources Ltd.	6,611	8,454	
115,280	Canadian Tire Corp. Ltd. Class A	4,101	6,391	
44,505	Canadian Utilities Limited Class A	1,089	2,184	
222,702	Canfor Corporation	1,436	2,100	
273,565	Cenovus Energy Inc.	5,399	7,247	
151,466	Enbridge Inc.	2,065	7,337	
197,085	Encana Corporation	3,001	6,206	
138,700	Goldcorp, Inc.	4,501	5,246	
300,000	Great-West Lifeco Inc.	4,287	8,742	
157,430	Imperial Oil Limited	1,576	6,176	
210,676	Jean Coutu Group Inc.	1,949	2,086	
218,625	Kinross Gold Corporation	3,809	3,784	
111,094	Loblaw Cos. Limited	5,489	4,162	
525,210	Manulife Financial Corporation	8,848	10,489	
206,705	Metro Inc.	2,139	8,692	
425,260	Nexen Inc.	3,555	10,674	
93,750	Potash Corporation of Saskatchewan	2,770	11,365	
161,000	Power Financial Corporation	926	5,392	
107,775	Quebecor Inc. Class B	3,923	3,719	
100,890	Research In Motion Limited	8,544	7,578	
147,775	Rogers Communications Inc. Class B	1,516	5,113	
368,396	Royal Bank of Canada	5,594	21,835	
338,400	Shaw Communications Inc. Class B	5,393	6,805	
109,210	Shoppers Drug Mart	4,764	4,766	
304,350	SNC-Lavalin Group Inc. Class A	1,283	15,056	
310,430	Suncor Energy Inc.	12,416	10,238	
704,310	Talisman Energy Inc.	4,347	12,213	
293,810	Thomson Reuters Corporation	11,941	10,842	
50,000	Tim Hortons Inc.	1,681	1,653	
220,708	Toronto-Dominion Bank	4,593	16,701	
233,643	TransCanada Corporation	4,526	8,694	
200,000	Transcontinental Inc Class A	3,808	2,724	
240,000	TVA Group Inc. Class B	3,202	3,612	
90,600	West Fraser Timber Co. Ltd.	2,067	3,440	
55,000	Weston (George) Limited	5,071	3,850	
		175,164	319,980	38.7
	United States			
72,000	3M Co.	6,571	6,113	
63,000	Altria Group, Inc.	1,254	1,312	
85,000	Automatic Data Processing, Inc.	3,838	3,838	
180,000	Bank of New York Mellon Corporation	6,004	5,649	
60,000	Chevron Corporation	4,113	4,622	
200,000	Cisco Systems, Inc.	5,927	5,287	
80,000	Colgate-Palmolive Company	5,695	6,929	
106,680	Community Health Systems Inc.	4,006	4,004	
291,400	ConAgra Foods, Inc.	5,862	7,414	
113,000	ConocoPhillips	6,546	5,872	
82,000	Computer Sciences Corporation	4,228	4,538	
203,000	CVS Caremark Corporation	5,011	7,537	
624,600	Dairy Farm International Holdings Limited	2,804	4,104	
121,000	Emerson Electric Company	5,089	6,184	
58,800	Exxon Mobil Corporation	3,716	4,001	
82,000	Fiserv, Inc.	4,202	4,227	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2010 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	United States (continued)			
246,000	General Electric Company	$ 7,549	$ 4,542	
83,100	General Mills, Inc.	6,093	5,974	
165,000	Halliburton Company	5,181	5,044	
110,000	Hartford Financial Services Group, Inc.	6,758	3,169	
101,900	H.J. Heinz Company	4,795	4,720	
108,000	Johnson & Johnson	7,578	7,153	
119,800	Kraft Foods Inc.	3,897	3,681	
115,700	Kimberly Clark Corporation	7,336	7,386	
164,200	Merck & Co. Inc.	5,710	6,225	
120,000	Metlife, Inc.	4,231	5,280	
74,500	Microsoft Corporation	1,669	2,214	
55,000	Monsanto Company	4,531	3,988	
55,120	NIKE, Inc. Class B	3,235	4,115	
115,000	Pepsico, Inc.	7,448	7,728	
507,700	Pfizer Inc.	15,138	8,843	
119,000	Philip Morris International Inc.	5,496	6,304	
130,875	Proctor & Gamble Company	7,585	8,412	
87,000	Scripps Networks Interactive	4,333	3,917	
220,000	Spectra Energy Corporation	4,874	5,036	
122,950	Time Warner Inc.	5,538	3,905	
140,000	U.S. Bancorp	3,586	3,674	
25,060	Verisk Analytics, Inc. Class A	711	716	
203,900	Waste Management, Inc.	6,495	7,124	
200,161	Wells Fargo & Company	14,487	6,321	
		219,120	207,102	25.1
	Mexico			
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	4,823	0.6
	Total North America	400,523	531,905	64.4
	Europe, excluding United Kingdom			
155,780	ABB Limited	2,892	3,458	
84,900	Adidas AG	3,801	4,615	
2,872,000	Alapis SA	1,871	1,657	
186,669	AXA	4,934	4,223	
384,175	Banco Santander Central Hispano SA	5,238	5,190	
51,000	Bayer AG	3,958	3,508	
95,200	Casino Guichard-Perrachon SA	8,141	8,193	
120,000	Celesio AG	5,856	3,904	
274,500	Clariant AG	2,069	3,551	
138,390	CSM	2,391	4,371	
51,764	Danone S.A.	2,650	3,171	
303,000	Davide Campari-Milano S.p.A.	2,588	3,286	
102,900	Delhaize Group	8,043	8,409	
100,240	Essilor International SA	3,118	6,504	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	5,305	
50,700	Heineken NV	1,900	2,648	
371,426	ING Groep N.V. ADR	7,802	3,761	
130,700	Kerry Group plc	3,449	4,112	
352,600	Koninklijke Ahold NV	5,073	4,780	
30,278	L'Air Liquide SA	2,299	3,691	
28,160	L'Oreal SA	2,643	3,011	
36,938	Lafarge SA	2,995	2,642	
131,100	OMV AG	6,187	4,965	
139,200	Publicis Groupe	4,725	6,056	
167,500	Nestlé S.A. ADR	5,652	8,710	
181,400	Nestlé S.A.	8,262	9,440	
62,125	Roche Holding AG	9,739	10,241	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2010 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	Europe, excluding United Kingdom (continued)			
100,000	SAP AG Spons ADR	$ 5,564	$ 4,893	
43,767	Schneider Electric SA	5,964	5,220	
54,000	Siemens AG	7,040	5,502	
209,900	SKF AB	2,339	3,794	
46,000	Synthes, Inc.	5,505	5,835	
350,000	Telenor ASA	6,107	4,785	
83,000	Total SA ADR	5,004	4,892	
		158,805	168,323	20.4
	United Kingdom			
115,000	BP plc ADR	9,285	6,665	
325,400	Britvic plc	1,554	2,327	
353,015	Dairy Crest Group plc	1,271	2,024	
45,000	Diageo plc ADR	3,404	3,084	
441,812	GlaxoSmithKline plc	9,644	8,616	
506,000	HSBC Holdings Inc.	3,848	5,213	
172,165	Next plc	3,744	5,743	
100,600	Reckitt Benckiser plc	3,735	5,610	
140,000	Standard Chartered plc	3,961	3,881	
1,350,000	Thomas Cook Group Plc	5,421	5,600	
297,000	Vodafone Group Plc ADR	8,861	7,025	
		54,728	55,788	6.8
	Asia			
151,600	Asahi Breweries, Ltd.	3,222	2,887	
120,100	Astellas Pharma Inc.	5,293	4,413	
3,392,000	China Pharmaceutical Group Limited	1,898	2,107	
116,100	Circle K Sunkus Co., Ltd.	2,401	1,463	
123,100	Daiichi Sankyo Company, Limited	3,223	2,342	
881,600	Daiwa Securities Group Inc.	8,518	4,705	
33,800	Eisai Co., Ltd.	1,655	1,223	
52,100	Fanuc Ltd.	5,783	5,612	
67,000	Itochu Techno-Solutions Corporation	1,944	2,232	
725	KDDI Corporation	4,022	3,810	
14,080	Keyence Corporation	2,888	3,413	
340,000	Konica Minolta Holdings Inc.	3,259	4,025	
78,400	Makita Corporation	2,014	2,616	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	2,806	
6,500	Nintendo Co. Ltd.	1,934	2,219	
70,800	Secom Co. Ltd.	3,320	3,144	
837,000	Sumitomo Trust and Banking Co., Ltd. (The)	7,708	4,977	
230,000	Suzuki Motor Corporation	6,594	5,150	
52,600	Takeda Pharmaceutical Company Limited.	3,237	2,353	
780,000	Television Broadcasts Limited	4,579	3,815	
		76,827	65,312	7.9
	Australia			
50,000	BHP Billiton Limited ADR	3,852	4,078	0.5
	Total investments	$ 694,735	$ 825,406	100.0

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 - 2010

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 Income available for Common Shares (000's)	Net 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 - 2010 (continued)

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 Income available for Common Shares (000's)	Net 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

= Preferred Shares at the cost of redemption, including dividend arrears in 1933 - 1936.
* Total assets less liabilities exclusive of short term debt.
(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.

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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EXTERNAL INVESTMENT MANAGERS	Jarislowsky Fraser Limited, Toronto ValueInvest Asset Management S.A., Luxembourg
BANKER	The Bank of Nova Scotia
AUDITORS	PricewaterhouseCoopers LLP, Toronto
CUSTODIAN	RBC Dexia Investor Services Trust
TRANSFER AGENT AND REGISTRAR	Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Toll Free: 1-800-564-6253 Web Contact form: www.computershare.com/service

TORONTO STOCK EXCHANGE LISTINGS

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

NET EQUITY VALUE

The Company's Net Equity Value per Common Share is published 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