UNITED CORPORATIONS LIMITED

2008 ANNUAL REPORT

THE FISCAL YEAR AT A GLANCE

Year ended March 31	2008 [1]	2007 [1]
Net equity value per Common Share [2]	$ 77.18	$ 86.03
Increase (decrease) in net assets from operations per Common Share	$ (7.65)	$ 10.37
Net investment income per Common Share [2]	$ 1.30	$ 1.24
Dividends per Common Share	$ 0.80	$ 0.80
Net assets	$ 948,929	$ 1,056,872
Increase (decrease) in net assets from operations	$ (92,847)	$ 126,894
Net investment income	$ 16,287	$ 15,499
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 Wednesday, June 25, 2008, at the Head Office of the Company at The Dominion of Canada General Insurance Company Building, 4th Floor, 165 University Avenue, Toronto. All Shareholders are invited to attend.

BOARD OF DIRECTORS

JACK S. DARVILLE	Corporate Director
DUNCAN N. R. JACKMAN	Chairman, President and Chief Executive Officer E-L Financial Corporation Limited
A. STEPHEN PROBYN	Chairman and Chief Executive Officer The Probyn Group
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 Weir Foulds 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
MARK M. TAYLOR	Vice-President
RICHARD B. CARTY	Corporate Secretary
TRAVIS R. EPP	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, 2008 and 2007. This MD&A should be read in conjunction with the Company's March 31, 2008 year-end consolidated financial statements, which form part of the Company's 2008 Annual Report dated May 2, 2008. 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.

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 2008	April 1 2007 [1]	March 31 2007
Net assets, at fair value	$ 948,929	$ 1,051,933	$ 1,056,872
Deduct:			
Cost of redemption			
First Preferred Shares	1,567	1,567	1,567
1959 and 1963 Series Second Preferred Shares	6,180	6,180	6,180
	7,747	7,747	7,747
Net equity value	$ 941,182	$ 1,044,186	$ 1,049,125
Common Shares outstanding	12,194,193	12,194,193	12,194,193
Net equity value per Common Share	$ 77.18	$ 85.63	$ 86.03

[1] Refer to Note 2 of the consolidated financial statements.

Net investment income per Common Share is calculated as follows:

	Three months ended March 31		Year ended March 31	
	2008	2007	2008	2007
Increase (decrease) in net assets from operations per Common Share	$ (4.10)	$ 0.20	$ (7.65)	$ 10.37
Less: Net gain (loss) on investments per Common Share	(4.43)	(0.08)	(8.95)	9.13
Net investment income per Common Share	$ 0.33	$ 0.28	$ 1.30	$ 1.24

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Market Review

In Canadian dollar terms, in fiscal 2008, the S&P/TSX Composite Index increased 4.0%, the MSCI World Index decreased 13.7% and the S&P 500 Index decreased 15.4%. The negative market performance in fiscal 2008 lagged fiscal 2007 in which the S&P/TSX Composite Index increased 11.4%, the MSCI World Index increased 14.0% and the S&P 500 Index increased 10.5%.

The performance of the Company's global investment portfolio reflected the negative performance of the non-Canadian equity markets in fiscal 2008. The investments managed by Jarislowsky Fraser Limited ("Jarislowsky") outperformed the investments managed by Sanford C. Bernstein & Co. Inc., LLC ("Bernstein"), a wholly owned subsidiary of AllianceBernstein L.P., in fiscal 2008. Jarislowsky's portfolio declined 8.1% while Bernstein's declined 16.7%. As at March 31, 2008, the allocation of the investments under management was as follows: Jarislowsky - 67%, Bernstein - 28% and the Company - 5%.

The Company's net equity value per Common Share decreased to $77.18 at March 31, 2008 from $86.03 at March 31, 2007. Based on the reinvestment of dividends at month-end net equity values, the Company's net equity value per Common Share decreased 9.4% in fiscal 2008, compared to an increase of 13.7% in fiscal 2007. As a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation of investments. Future income taxes are recorded as a liability on the consolidated balance sheet.

Accounting Policy Change

Effective April 1, 2007, the Company adopted Section 3855 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net gain (loss) on investments. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the market value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying market values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, 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 market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated prospectively and comparative balances have not been restated.

Effective April 1, 2007, the accounting policy change to closing bid price from closing market quotation resulted in a decrease in the fair value of investments of $5,957,000, a decrease in future income taxes of $1,018,000 and a decrease in unrealized appreciation of investments and net assets of $4,939,000.

Operating Results - Fiscal 2008

Net Investment Income

Net investment income increased to $16,287,000 from $15,499,000 in fiscal 2007, an increase of 5.1%. The increase was partially due to increases in both foreign and Canadian dividends as many of the investees increased their dividends in fiscal 2008. In addition, the expenses of the Company declined marginally from fiscal 2007. Management and administrative costs were relatively unchanged at $3,204,000 in fiscal 2008 compared to $3,193,000 in fiscal 2007. These costs are market based and will fluctuate as the assets under management increase or decrease. The administrative services are provided by E-L Financial Corporation Limited, which is a related party (Note 8). The Company continued to maintain its low management expense ratio ("MER") at 0.40% (2007 - 0.42%).

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Gain (Loss) on Investments

The Company realized a net gain on investments sold of $42,185,000 in the current year compared to a net gain of $53,288,000 in fiscal 2007. The largest gains on equities realized were from dispositions of Petroleo Brasileiro S.A., ADR, Potash Corporation of Saskatchewan, Posco and Xstrata PLC. The most significant losses realized during the year were from sales of Countrywide Financial Corporation and Wal-Mart Stores Inc. During the year, Bernstein continued to mitigate its exposure to U.S. dollar denominated investments by utilizing forward currency contracts. The use of forward currency contracts on a portion of the Company's exposure to foreign currencies resulted in a realized gain of $14,450,000 in fiscal 2008 compared to a realized loss of $4,575,000 in fiscal 2007.

In fiscal 2008, the Company's unrealized appreciation of investments decreased by $150,675,000 (2007 - increase of $58,107,000) as negative returns were generated in each significant region of the Company's global portfolio. The largest unrealized gains were from the investments in Potash Corporation of Saskatchewan, Encana Corporation and SNC-Lavalin Group Inc. The poorest performers in fiscal 2008 were Royal Bank of Scotland Group plc, Wachovia Corporation, American Int'l Group Inc. and Time Warner Inc.

Operating Results - Fourth Quarter, Fiscal 2008

Global stock markets posted generally negative results in the quarter ended March 31, 2008. The Canadian dollar, however, depreciated in the quarter which resulted in a positive contribution to the global investment portfolio. In Canadian dollar terms, in the fourth quarter of fiscal 2008, the S&P/TSX Composite Index decreased 2.8%, the MSCI World Index decreased 5.4% and the S&P 500 Index decreased 5.8%.

The Company's net equity value per Common Share decreased to $77.18 at March 31, 2008 from $81.48 at December 31, 2007. Including the reinvestment of dividends at month-end net equity values, the Company's net equity value per Common Share decreased 5.0% in the fourth quarter of fiscal 2008. Jarislowsky's portion of the investment portfolio declined by 3.7% while Bernstein's portion of the investment portfolio declined by 9.3%.

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):

	2008	2007	2006
Net investment income per Common Share	$ 1.30	$ 1.24	$ 1.04
Net gain (loss) on investments per Common Share	(8.95)	9.13	9.09
Cash dividends per Common Share	0.80	0.80	0.80
Cash dividends per Preferred Share	1.50	1.50	1.50
Total assets, at fair value	973,747	1,119,782	995,988
Investment income	25,531	24,840	20,480
Net investment income	16,287	15,499	13,054
Net gain (loss) on investments	(109,134)	111,395	110,863

The performance of United is consistent with global equity markets in recent years. After positive returns in fiscal 2006 and fiscal 2007, both the MSCI World Index (C$) and S&P 500 Index (C$) incurred negative returns in fiscal 2008. The S&P/TSX Composite Index was positive in each of the last three fiscal years.

The fluctuations in investment income and net investment income are due 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 recent years, a number of investments in our portfolio has paid special dividends or increased its dividends. For example, in fiscal 2007, Vodafone Group PLC, Whitbread PLC and Canfor Corporation each paid special dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Review - Fiscal 2008 and 2007

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

	2008 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	$ 1,100,232	$ 1,053,387	$ 1,021,684	$ 952,648
Investment income	9,106	5,154	4,828	6,443
Net investment income	5,633	3,212	3,107	4,335
Per Common Share:				
Net investment income [1]	$ 0.47	$ 0.25	$ 0.25	$ 0.33
Net gain (loss) on investments	0.88	(3.06)	(2.34)	(4.43)
Increase (decrease) in net assets from operations	$ 1.35	$ (2.81)	$ (2.09)	$ (4.10)

	2007 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	$ 935,334	$ 973,555	$ 1,106,835	$ 1,093,562
Investment income	8,440	5,738	4,818	5,844
Net investment income	5,344	3,613	3,082	3,460
Per Common Share:				
Net investment income [1]	$ 0.43	$ 0.29	$ 0.24	$ 0.28
Net gain (loss) on investments	(2.23)	2.77	8.67	(0.08)
Increase (decrease) in net assets from operations	$ (1.80)	$ 3.06	$ 8.91	$ 0.20

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

Investment income is primarily derived 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. Generally, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. Further, there are occasions when investments pay special dividends. Recent examples of special dividends paid include Whitbread PLC in the first quarter of fiscal 2007, Vodafone Group PLC in the second quarter of fiscal 2007 and Canfor Corporation in the third quarter of fiscal 2007.

Net gain (loss) on investments is determined by the performance of the investment managers of the portfolio. The returns of the portfolio will fluctuate significantly as illustrated by the negative returns in the fourth quarter of fiscal 2008 and the very positive returns in the third quarter of fiscal 2007. The returns generated by the investment managers will not necessarily correlate with the various 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 share will vary significantly from period to period depending on the selection of the global equities which moves with the constantly changing economic environment and market conditions.

The external investment portfolio of the Company is managed by Jarislowsky and Bernstein. Each of the managers has a global equity mandate and is allowed to hedge the foreign currency exposure of any non-Canadian investment.

The Company also manages a portion of the investments in the portfolio. The two investments managed by the Company are Algoma Central Corporation ("Algoma") and the Emerging Markets Investors Fund. 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.

Risks

The Company faces a broad range of risks and uncertainties in managing a global equity portfolio. The Board reviews the investment portfolio on a quarterly basis.

Market Risk

The Company is subject to market risk as all investments are subject to volatility and present a risk of capital loss. The Company has contracted experienced global investment managers, Jarislowsky and Bernstein, to manage a majority of the global investment portfolio. Both manage diversified investment portfolios and report to the Company on a monthly basis.

Foreign Currency Risk

A global investment portfolio creates foreign currency risk. Jarislowsky and Bernstein have the authority to utilize forward currency contracts to manage foreign currency risk. Bernstein utilizes forward currency contracts and monitors its currency exposures on a regular basis and reports to the Company on a monthly basis.

Credit Risk

The Company 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. RBC Dexia is a joint venture equally owned by Royal Bank of Canada and Dexia. If the borrower of securities is unable to return the securities to the Company or if the value of the collateral provided by the borrower is less than the value of the securities, the Company would suffer a loss. The Company is indemnified for this loss by RBC Dexia. The Company receives reports on securities lending from RBC Dexia on a monthly basis.

The Company is also exposed to counterparty risk associated with forward currency contracts. All counterparties have an approved credit rating of at least A - 1+. The Company receives reports on forward currency contracts from Bernstein on a monthly basis.

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

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 is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, 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. As of March 31, 2008, an evaluation was carried out, under the supervision of and with the participation of management, of the effectiveness of the Company's disclosure controls and procedures as defined under Multilateral Instrument 52-109. Based on that evaluation, management concluded that the design and operation of the Company's disclosure controls and procedures were effective as at March 31, 2008.

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. Management assessed the design effectiveness of the Company's internal control over financial reporting as at March 31, 2008, and based on that assessment determined that the Company's design of internal control over financial reporting was effective. No changes were made in the Company's internal control over financial reporting during the quarter ended March 31, 2008, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Share Data

As at March 31, 2008, 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. The amount of the dividend on the Preferred Shares alternates on a quarterly basis. The dividends are $0.38 per Preferred Share in February and August and $0.37 per Preferred Share in May and November. The payment of the Company's regular quarterly dividends is funded by net investment income. For the year ended March 31, 2008, net investment income was $16,287,000 as compared to dividend payments of $10,134,000.

Additional Information

Additional information relating to United, including the Company's Annual Information Form, may be found at www.sedar.com.

Contribution of Director

The Board acknowledges with regret the untimely death of fellow Board member, A. Stephen Probyn, on March 30, 2008. Mr. Probyn was first appointed a director of the Company in May 2001. Mr. Probyn's extraordinary intellect and experience in international policy-making gave him a remarkable understanding of global issues. His contributions to the Company benefited all involved, and his absence will be deeply felt.

Duncan N.R. Jackman
Chairman of the Board
May 2, 2008

STATEMENT OF FINANCIAL HIGHLIGHTS

For each of the years in the five year period ended March 31, 2008

DATA PER COMMON SHARE	2008	2007	2006	2005	2004
NET EQUITY VALUE, beginning of year [1]	$ 85.63	$ 76.46	$ 67.13	$ 61.32	$ 49.33
INCOME (LOSS) FROM INVESTMENT OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	1.30	1.24	1.04	1.02	0.91
Net realized and unrealized gain (loss) on investments	(8.95)	9.13	9.09	5.60	11.88
	(7.65)	10.37	10.13	6.62	12.79
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
From net investment income	(0.80)	(0.80)	(0.80)	(0.80)	(0.80)
TAXATION CHANGES					
Net increase in refundable dividend tax on hand	—	—	—	(0.01)	—
NET EQUITY VALUE, end of year	$ 77.18	$ 86.03	$ 76.46	$ 67.13	$ 61.32

[1] The net equity value per Common Share at the beginning of fiscal 2008 reflects the change in accounting policy adopted April 1, 2007.

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 2, 2008

Travis R. Epp
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, 2008 and 2007, and the consolidated statement of investments as at March 31, 2008 and the consolidated statements of operations, retained earnings and changes in net assets for the years then ended. 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, 2008 and 2007 and the results of its operations and the changes in its net assets and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

May 2, 2008
Toronto, Canada

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

CONSOLIDATED STATEMENTS OF NET ASSETS

	March 31 2008	2007
	(000's)	
ASSETS		
Investments, at fair value		
(cost - $810,423; 2007 - $760,231) (Notes 2 and 8)	$ 952,648	$ 1,093,562
Cash	7,889	5,851
Short-term investments	9,782	3,005
Receivable in respect of investments sold	180	14,277
Accrued income on investments	2,810	2,524
Other assets	438	563
	973,747	1,119,782
LIABILITIES		
Accounts payable and accrued liabilities	765	926
Payable in respect of investments purchased	653	—
Income taxes payable	772	3,604
Future income taxes (Note 3)	22,628	58,380
	24,818	62,910
NET ASSETS, AT FAIR VALUE	$ 948,929	$ 1,056,872
SHAREHOLDERS' EQUITY		
Share capital (Note 6)		
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	287,464	239,793
Unrealized appreciation of investments (Notes 2 and 4)	120,465	276,079
TOTAL SHAREHOLDERS' EQUITY	$ 948,929	$ 1,056,872

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN, Director

MICHAEL J. WHITE, Director

(See accompanying notes)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended March 31 2008		2007
		(000's)	
INVESTMENT INCOME			
Dividends			
Foreign	$ 17,672		$ 17,462
Canadian	6,954		6,664
	24,626		24,126
Interest, including securities lending income (Note 9)	905		714
	25,531		24,840
EXPENSES			
Investment management and administrative costs (Note 8)	3,204		3,193
Directors' and officers' remuneration	183		179
Office and miscellaneous	220		224
Transfer, registrar and custodial agents' fees	372		434
Professional fees	63		59
Capital tax	100		82
	4,142		4,171
Investment income before income taxes	21,389		20,669
Provision for income taxes (Note 3)	5,102		5,170
NET INVESTMENT INCOME	16,287		15,499
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS			
Net realized gain on investments (Note 5)	42,185		53,288
Net change in unrealized appreciation of investments (Note 4)	(150,675)		58,107
Transaction costs on purchase and sale of investments (Note 2)	(644)		—
NET GAIN (LOSS) ON INVESTMENTS	(109,134)		111,395
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	$ (92,847)		$ 126,894
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	$ (7.65)		$ 10.37

(See accompanying notes)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Years ended March 31 2008	2007
	(000's)	
BEGINNING OF YEAR	$ 239,793	$ 181,096
Add:		
Net investment income	16,287	15,499
Net realized gain on investments	42,185	53,288
Refundable dividend taxes recovered	2,133	2,106
	300,398	251,989
Deduct:		
Dividends:		
First Preferred Shares (per share - $1.50)	78	78
Second Preferred Shares (per share - $1.50)	300	300
Common Shares (per share - $0.80)	9,756	9,756
Provision for refundable dividend taxes	2,156	2,062
Transaction costs on purchase and sale of investments	644	—
	12,934	12,196
END OF YEAR	$ 287,464	$ 239,793

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Years ended March 31 2008	2007
	(000's)	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	$ (92,847)	$ 126,894
DIVIDENDS TO SHAREHOLDERS		
Cash dividends to Common Shareholders	(9,756)	(9,756)
Cash dividends to Preferred Shareholders	(378)	(378)
	(10,134)	(10,134)
TAXATION CHANGE		
Decrease (increase) in refundable dividend taxes on hand	(23)	44
INCREASE (DECREASE) IN NET ASSETS	(103,004)	116,804
NET ASSETS, BEGINNING OF YEAR, AS RESTATED (NOTE 2)	1,051,933	940,068
NET ASSETS, END OF YEAR	$ 948,929	$ 1,056,872

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2008

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. 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.

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 reporting date of the financial statements and the amounts of income and expense during the reported period. Actual results could differ from these estimates.

Carrying value of investments

Investments are recorded at fair value. Fair values of investments listed on stock exchanges are based on closing bid prices at March 31, 2008. Investments with no available bid prices are valued at their closing value.

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 such transactions are calculated on an average cost basis. Transaction costs 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.

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 exchange gains (losses) on investments are included in net realized gain (loss) on investments in the consolidated statements of operations; and
- Unrealized exchange gains (losses) on investments are included in net change in unrealized appreciation of investments in the consolidated statements of operations.

Forward currency contracts

The Company periodically utilizes forward currency contracts to reduce foreign currency exposure on foreign equity investments. Contracts are carried at fair value and, upon maturity, the realized gain or loss is included in net realized gain (loss) on investments.

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 temporary differences are expected to be settled on the unrealized net capital gain on the investments held by the Company.

Financial instruments

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

Significant accounting changes

Effective April 1, 2007, the Company adopted Section 3855 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net gain (loss) on investments. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the fair value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying fair values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, 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 market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated retroactively without restatement of prior periods and comparative balances have not been restated. The effect of the accounting policy change is as follows:

	As reported March 31, 2007	Decrease	As adjusted April 1, 2007
		(000's)	
Investments, at fair value	$ 1,093,562	$ 5,957	$1,087,605
Investments, at cost	760,231	—	760,231
Unrealized appreciation of investments before provision for future income taxes	333,331	5,957	327,374
Provision for future income taxes	57,252	1,018	56,234
Unrealized appreciation of investments	$ 276,079	$ 4,939	$ 271,140
Net assets, at fair value	$ 1,056,872	$ 4,939	$1,051,933

In fiscal 2008, the Company adopted Section 1535, "Capital Disclosures", as issued by the Canadian Institute of Chartered Accountants. This section requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital. This disclosure is provided in Note 10 to these consolidated financial statements.

Also, in fiscal 2008, the Company adopted Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation". These sections replace Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing disclosure requirements, and carrying forward unchanged presentation requirements. These new Sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. These standards impact the Company's disclosures provided but do not affect the Company's results or financial statements. These disclosures are provided in Note 7 to these consolidated 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 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, 2008, all of which is included in the consolidated statements of retained earnings, amounted to approximately $163,000 (2007 - $140,000).

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

	2008	2007
Basic combined federal and provincial rate	**35.47%**	36.12%
Effect of tax on subsidiaries' income at basic tax rate and other adjustments	**(0.12)**	0.80
Effective income tax rate	**35.35%**	36.92%

	2008	2007
	(000's)	
Applied to:		
Investment income before income taxes	**$ 21,389**	$ 20,669
Less: Dividends from taxable Canadian corporations	**6,954**	6,664
	$ 14,435	$ 14,005
Provision for income taxes	**$ 5,102**	$ 5,170

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

	2008	2007
	(000's)	
Current	**$ 5,108**	$ 5,012
Future	**(6)**	158
Provision for income taxes	**$ 5,102**	$ 5,170

Future income tax liabilities 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:

	2008	2007
	(000's)	
Unrealized appreciation of investments	**$ 21,760**	$ 57,252
Accrued dividends	**904**	886
Other	**(36)**	242
Future income taxes	**$ 22,628**	$ 58,380

4. Unrealized appreciation of investments

The details of unrealized appreciation of investments and the change for the year then ended are as follows:

	March 31 2008	April 1 2007 [(1)]	**Change in 2008**	Change in 2007
		(000's)		
Investments at fair value	**$ 952,648**	$ 1,087,605	**$ (134,957)**	$ 122,687
Investments at cost	**810,423**	760,231	**50,192**	55,779
Unrealized appreciation of investments before provision for future income taxes	**142,225**	327,374	**(185,149)**	66,908
Provision for future income taxes	**21,760**	56,234	**(34,474)**	8,801
Unrealized appreciation of investments	**$ 120,465**	$ 271,140	**$ (150,675)**	$ 58,107

[(1)] See Note 2. Reflects change in accounting policy on April 1, 2007.

5. Net realized gain on investments

The following are the details of the net realized gain on investments during the years indicated:

	2008	2007
	(000's)	
Proceeds on sales of investments	**$ 231,274**	$ 202,516
Cost of investments, beginning of year	**760,231**	704,452
Cost of investments purchased during the year	**229,230**	193,496
	989,461	897,948
Cost of investments, end of year	**810,423**	760,231
Cost of investments sold during the year	**179,038**	137,717
Realized gain on investments sold before income taxes	**52,236**	64,799
Income taxes on realized net taxable capital gains	**10,051**	11,511
Net realized gain on investments	**$ 42,185**	$ 53,288

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 of which the 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 and monitor these risks. These risks and their management are described below:

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.

The Company is subject to insignificant interest rate risk as its only fixed-interest investments are short term in nature. The Company's exposure to foreign currency risk may be mitigated by the use of forward currency contracts by the investment managers. The other price risk of the portfolio is the volatility and risk of capital loss which is associated with investments in equities, which is partly mitigated through diversification.

The impact on net assets from operations of a reasonably possible change in each of foreign currency and other price risk, as at March 31, 2008, is described below:

- Foreign currency – The primary foreign currency exposure is the United States dollar. As at March 31, 2008, a 10% fluctuation in the unhedged United States dollar would have an impact of approximately $27,035,000 on net assets from operations. There are forward currency contracts in place that reduce the impact to approximately $21,957,000.
- Other price risk – A 10% fluctuation in market prices would have an impact of approximately $80,430,000 on net assets from operations.

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company is exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia, as its lending agent. The Company is also exposed to counterparty risk associated with forward currency contracts. The Company reviews the credit worthiness of the counterparties on an ongoing basis.

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.

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

8. Related party transactions and balances

Included in the Company's investments is Algoma Central Corporation ("Algoma") with a fair value of $45,321,000 (2007 - $46,934,000). Dividend income from Algoma for the fiscal year ended March 31, 2008 was $508,000 (2007 - $508,000). 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, 2008 amounted to $1,056,000 (2007 - $1,053,000). 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 currently receives collateral of at least 105% of the value of the securities on loan. Collateral will generally comprise of 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 at its option, may either restore to the Company securities identical to the loaned securities or it will pay to the Company the value of the collateral up to but not exceeding 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 only for the difference between the fair value of the securities and the value of such collateral on the Valuation date.

As at March 31, 2008, the Company has on loan approximately $148,356,000 (2007 - $190,316,000) in securities, received approximately $157,669,000 (2007 - $202,648,000) in collateral, and recognized $274,000 (2007 - $274,000) in securities lending income. Securities lent in the program earn income at current securities lending rates. The Company has the right to direct RBC Dexia to call or terminate any particular loan in accordance with the applicable loan agreement.

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:

	2008	2007
	(000's)	
Shareholder's equity	**$ 948,929**	$ 1,056,872

11. Cash flow statement

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

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2008

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	$ 1,555	0.2
Common				
362,568	Algoma Central Corporation	6,201	45,321	
123,150	Bank of Montreal	7,828	5,656	
343,425	Bank of Nova Scotia	5,921	15,931	
80,000	Cameco Corporation	279	2,707	
167,300	Canadian National Railway Company	6,713	8,322	
120,370	Canadian Natural Resources Ltd.	7,076	8,452	
101,200	Canadian Tire Corp. Ltd. Class A	2,886	6,695	
149,160	Canadian Utilities Limited Class A	3,650	6,177	
222,702	Canfor Corporation	1,436	1,779	
246,826	Enbridge Inc.	3,369	10,441	
223,720	Encana Corporation	6,807	17,470	
191,470	Goldcorp, Inc.	6,213	7,622	
300,000	Great-West Lifeco Inc.	4,287	9,282	
174,320	Imperial Oil Limited	1,746	9,371	
210,676	Jean Coutu Group Inc.	1,949	2,180	
194,745	Kinross Gold Corporation	3,445	4,442	
108,940	Loblaw Cos. Limited	5,420	3,310	
470,400	Manulife Financial Corporation	7,784	18,454	
260,005	Metro Inc.	2,691	6,316	
525,060	Nexen Inc.	4,208	15,983	
52,400	Nova Chemicals Corporation	1,491	1,284	
59,000	Petro-Canada	2,953	2,636	
85,520	Potash Corp. of Saskatchewan	1,243	13,622	
161,000	Power Financial Corporation	926	5,651	
107,775	Quebecor Inc. Class B	3,923	2,760	
147,775	Rogers Communications Inc. Class B	1,516	5,448	
129,290	Rothmans Inc.	1,392	3,373	
355,026	Royal Bank of Canada	5,160	16,999	
338,400	Shaw Communications Inc. Class B	5,393	6,315	
304,350	SNC-Lavalin Group Inc. Class A	1,283	13,534	
96,495	Suncor Energy Inc.	8,681	9,543	
704,310	Talisman Energy Inc.	4,347	12,797	
203,130	Thomson Corporation (The)	8,872	7,004	
237,608	Toronto-Dominion Bank	4,866	14,993	
198,521	TransCanada Corporation	3,369	7,844	
170,000	Transcontinental Inc - Class A	3,402	3,162	
240,000	TVA Group Inc. Class B	3,202	3,782	
90,600	West Fraser Timber Co. Ltd.	2,067	3,044	
55,000	Weston (George) Limited	5,066	2,598	
		159,061	342,300	35.9
	United States			
66,000	3M Co.	6,082	5,360	
58,000	Abbott Laboratories	3,526	3,283	
144,500	Altria Group, Inc.	2,756	3,290	
205,400	American Int'l Group Inc.	13,803	9,134	
70,000	Anheuser-Busch Companies, Inc.	3,370	3,416	
63,800	Bank of America Corporation	3,290	2,485	
16,000	Black & Decker Corporation	1,513	1,085	
185,300	CBS Corporation	5,989	4,207	
171,300	Chevron Corporation	11,743	15,005	
180,000	Cisco Systems, Inc.	5,425	4,459	
81,500	Citigroup Inc.	4,997	1,787	
16,260	Clorox Company (The)	1,102	947	
72,000	Colgate-Palmolive Company	5,087	5,760	
160,480	Community Health Systems Inc.	6,027	5,534	
177,300	ConocoPhillips	11,546	13,878	
185,000	CVS/Caremark Corp.	4,433	7,698	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2008 (Continued)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
	United States (continued)			
164,700	Dairy Farm International Holdings Limited.	748	743	
149,300	Dow Chemical Company (The)	6,879	5,648	
100,000	Emerson Electric Company	4,279	5,291	
87,000	E.W. Scripps Company (The) Class A	4,680	3,748	
64,800	Exxon Mobil Corporation	4,095	5,659	
54,100	Fannie Mae	4,773	1,463	
75,000	Fiserv, Inc.	3,848	3,707	
65,900	Freddie Mac	5,017	1,716	
160,700	General Electric Company	6,863	6,090	
110,000	Halliburton Company	4,030	4,448	
82,200	Hartford Financial Services Group, Inc.	7,309	6,394	
81,700	Johnson & Johnson	5,847	5,441	
153,500	JPMorgan Chase & Co.	7,731	6,777	
76,400	Kroger Co.	1,759	1,990	
122,700	Macy's, Inc.	5,832	2,901	
142,300	Marathon Oil Corporation	8,775	6,667	
52,400	McKesson Corporation	3,304	2,818	
99,000	Merrill Lynch & Co.	7,208	4,131	
39,100	Metlife, Inc.	1,383	2,419	
32,800	Northrop Grumman Corporation	2,708	2,622	
80,000	Pepsico, Inc.	5,243	5,930	
503,100	Pfizer Inc.	16,544	10,798	
91,875	Proctor & Gamble Company	5,185	6,609	
144,500	Philip Morris International Inc.	6,280	7,495	
90,000	Quest Diagnostics Incorporated	4,715	4,186	
15,900	Safeway Inc.	404	479	
130,000	Spectra Energy Corporation	3,276	3,035	
204,800	Sprint Nextel Corporation	5,720	1,402	
28,000	Tim Hortons Inc.	952	979	
462,350	Time Warner Inc.	11,197	6,668	
154,000	Wachovia Corporation	9,892	4,260	
124,000	Wells Fargo & Company	4,112	3,703	
27,500	XL Capital Ltd Class A	3,053	829	
		264,330	224,374	23.6
	Mexico			
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	4,283	0.4
	Total North America	429,630	572,512	60.1
	Latin America			
112,300	Companhia Vale do Rio Doce	3,106	3,351	0.4
	Europe, excluding United Kingdom			
37,800	Air France - KLM	1,426	1,094	
34,750	Allianz SE	8,562	7,094	
207,251	Anglo Irish Bank Corporation plc	3,726	2,841	
65,982	ArcelorMittal	2,611	5,552	
120,000	AXA	3,961	4,479	
324,000	Banco Santander Central Hispano SA	4,888	6,637	
32,300	BASF AG	3,265	4,491	
51,000	Bayer AG	3,958	4,205	
25,000	BNP Paribas SA	2,440	2,594	
90,000	Celesio AG	4,637	4,607	
104,800	Credit Suisse Group	4,960	5,456	
38,300	Deutsche Bank AG	5,290	4,473	
138,000	Deutsche Lufthansa AG	2,777	3,849	
23,300	E.ON AG	2,763	4,459	
96,300	ENI S.p.A.	2,211	3,385	
105,240	Essilor International SA	3,274	7,072	
47,400	Fondiaria - SAI S.P.A.	2,325	2,017	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2008 (Continued)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
	Europe, excluding United Kingdom (continued)			
10,000	Fondiaria - SAI SPA-RNC	364	276	
209,300	Fortis Group	6,375	5,423	
113,000	Fresenius Medical Care & Co. KGaA ADR	3,653	5,836	
50,000	Groupe Danone	2,692	4,600	
140,600	ING Groep N.V.	5,039	5,415	
145,000	ING Groep N.V. (ADR)	6,057	5,570	
277,000	Irish Life & Permanent PLC	7,750	5,458	
34,486	L'Air Liquide SA	2,907	5,410	
37,000	L'Oreal SA	3,550	4,832	
32,800	Lafarge SA	3,484	5,860	
19,800	Lukoil	1,675	1,708	
125,000	Luxottica Group S.p.A. ADR	3,096	3,234	
8,300	Michelin CIE CL B	878	891	
25,800	Muenchener Rueckversicherungs-Gesellschaft AG	3,765	5,190	
67,000	Nestlé S.A. ADR	5,652	8,550	
47,600	Renault SA	5,176	5,420	
32,000	Roche Holding AG	4,261	6,189	
37,785	Sanofi-Aventis	2,969	2,915	
92,000	SAP AG Spons ADR	5,183	4,682	
41,000	Schneider Electric SA	5,778	5,459	
49,000	Siemens AG	6,473	5,405	
190,000	STMicroelectronics NV - NY SHS	3,744	2,076	
154,250	StatoilHydro ASA	4,527	4,757	
173,300	Stora Enso Oyj	3,395	2,058	
29,000	Synthes, Inc.	3,326	4,170	
1,666,500	Telefonaktiebolaget LM Ericsson B	5,854	3,361	
102,000	Total SA ADR	6,153	7,760	
63,660	Xstrata PLC	1,117	4,582	
		177,967	201,392	21.1
	United Kingdom			
33,200	Astrazeneca PLC	2,324	1,276	
267,437	Aviva PLC	2,884	3,367	
115,000	BP plc ADR	9,285	7,174	
40,000	Diageo plc ADR	3,056	3,344	
57,700	Glaxosmithkline PLC	1,379	1,254	
279,900	HBOS plc	5,150	3,199	
120,600	Reckitt Benckiser plc	4,478	6,869	
974,854	Royal Bank of Scotland Group plc	12,107	6,704	
137,000	Royal Dutch Shell PLC	5,590	4,863	
290,000	Smith & Nephew plc	3,427	3,941	
155,000	Standard Chartered plc	4,385	5,447	
1,431,662	Vodafone Group Plc	4,354	4,406	
200,000	Vodafone Group Plc ADR	6,730	6,088	
		65,149	57,932	6.1
	Asia			
495,000	Asustek Computer Inc.	1,247	1,489	
144,892	AU Optronics Corp. ADR	2,143	2,559	
697,000	Bank Hapoalim Ltd.	2,116	2,758	
92,000	Canon Inc. ADR	4,065	4,378	
1,119,000	China Netcom Group Corporation (Hong Kong) Limited	2,242	3,296	
2,484,000	China Petroleum and Chemical Corporation (Sinopec)	899	2,182	
604,942	Compal Electronics Inc.	3,422	2,798	
133,900	Credit Saison Co., Ltd.	6,325	3,817	
490,000	Daiwa Securities Group Inc.	6,202	4,331	
47,100	Fanuc Ltd.	5,260	4,575	
171,000	Fujitsu Limited	1,225	1,142	
107,786	Emerging Markets Investors Fund	6,501	7,167	
144,000	Hoya Corporation	5,082	3,445	
112,700	Hynix Semiconductor Inc.	4,097	3,240	
34,710	Hyundai Mobis	3,678	2,771	
101,800	JFE Holdings, Inc.	3,863	4,599	
17,800	Keyence Corporation	4,016	4,189	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2008 (Continued)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
	Asia (continued)			
40,800	Kookmin Bank	1,727	2,346	
262,000	Mitsubishi Chemical Holdings Corporation	2,441	1,769	
108,000	Mitsui Chemicals Inc.	906	731	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	2,887	
210,000	Nippon Yusen Kabushiki Kaisha	2,025	2,012	
765,300	Nissan Motor Co., Ltd.	8,605	6,442	
25,840	Orix Corporation	4,973	3,592	
5,500	Posco	707	2,700	
4,250	Samsung Electronics Co. Ltd.	2,635	2,744	
178,000	Sharp Corporation	3,457	3,092	
37,200	Siam Investment Fund	527	181	
74,820	Sony Corporation ADR	4,822	3,076	
664	Sumitomo Mitsui Financial Group, Inc.	4,388	4,468	
489,000	Sumitomo Trust and Banking Co., Ltd. (The)	5,718	3,437	
180,000	Suzuki Motor Corporation	5,533	4,640	
290,000	Tata Motors Limited ADR	5,864	4,644	
680,000	Television Broadcasts Limited	4,137	3,745	
1,357,655	United Microelectronics Corporation ADR	5,421	4,717	
		128,639	115,959	12.2
	Australia			
77,000	BHP Billiton Limited ADR	5,932	5,201	0.5
	Total equities	810,423	956,347	100.4
	Forward Currency Contracts, net - Schedule 1	—	(3,699)	(0.4)
	Total investments	$ 810,423	$ 952,648	100.0

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value	Currency	Number of Contracts	Contract Rates	Settlement Date	Net Unrealized Gain/(Loss)
(in millions)					(000's)
58.8	U.S. Dollar	5	1.0006 - 1.00088	June 16, 2008	$ (2,158)
11.8	Pound Sterling	5	1.9536 - 2.02738	June 16, 2008	(901)
924.6	Japanese Yen	2	0.009494 - 0.009728	June 16, 2008	(640)
					$ (3,699)

All counterparties have an approved credit rating equivalent to A-1+.

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 - 2008

Year	Total Net Assets at Fair Value* (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 - 2008 (continued)

Year	Total Net Assets at Fair Value* (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

= Preferred Shares at the cost of redemption, including dividend arrears in 1933 - 1936.
* Total assets at market value less liabilities exclusive of short term debt.
(a) For three months ending March 31, 1973. Figures in this table are for fiscal years ending 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

HEAD OFFICE	Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8 Tel: 416-947-2578 Fax: 416-362-2592
EXTERNAL INVESTMENT MANAGERS	Jarislowsky Fraser Limited, Toronto Sanford C. Bernstein & Co., LLC, New York
BANKER	Bank of Nova Scotia
AUDITOR	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 Telephone: 416-981-9633 Toll Free: 1-800-564-6253

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