UNITED CORPORATIONS LIMITED

2009 ANNUAL REPORT

THE FISCAL YEAR AT A GLANCE

Year ended March 31	2009 [1]	2008 [1]
Net equity value per Common Share [2]	$ 54.81	$ 77.18
Decrease in net assets from operations per Common Share	$ (21.58)	$ (7.65)
Net investment income per Common Share [2]	$ 1.26	$ 1.30
Dividends per Common Share	$ 0.80	$ 0.80
Net assets	$ 676,149	$ 948,929
Decrease in net assets from operations	$ (262,715)	$ (92,847)
Net investment income	$ 15,797	$ 16,287
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 24, 2009, 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

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
MARK M. TAYLOR	Vice-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, 2009 and 2008. This MD&A should be read in conjunction with the Company's March 31, 2009 year-end consolidated financial statements, which form part of the Company's 2009 Annual Report dated May 5, 2009. 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 at fair value.

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 dollars, except number of Common Shares and per Common Share amounts):

	March 31 2009	March 31 2008
Net assets, at fair value	$ 676,149	$ 948,929
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	$ 668,402	$ 941,182
Common Shares outstanding	12,194,193	12,194,193
Net equity value per Common Share	$ 54.81	$ 77.18

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	
	2009	2008	2009	2008
Decrease in net assets from operations	$ (45,209)	$ (49,865)	$ (262,715)	$ (92,847)
Add: Net loss on investments	48,226	54,065	278,512	109,134
Net investment income	3,017	4,200	15,797	16,287
Deduct: Dividends paid on Preferred Shares	94	95	377	378
Net investment income, net of dividends paid on Preferred Shares	$ 2,923	$ 4,105	$ 15,420	$ 15,909
Common Shares outstanding	12,194,193	12,194,193	12,194,193	12,194,193
Net investment income per Common Share	$ 0.24	$ 0.33	$ 1.26	$ 1.30

Market Review

In Canadian dollar terms, 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%. Comparatively, 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 declined 15.4%. All benchmark returns are on a total return basis.

The performance of the Company's global investment portfolio was impacted by the global recession and steep decline in the global stock markets, resulting in one of the worst stock market years in recent history.

On December 17, 2008, the Company appointed ValueInvest Asset Management S.A. ("ValueInvest"), a global equity manager based in Luxembourg, to provide portfolio management services to approximately 25% of the managed assets of the Company. ValueInvest provides services to Canadian clients through Pier 21 Asset Management Inc., a registered portfolio manager based in Montreal, Quebec. ValueInvest replaced Sanford C. Bernstein & Co., LLC ("Bernstein") whose services were terminated in December 2008.

During the fiscal year, the investments managed by Jarislowsky Fraser Limited ("Jarislowsky") declined 25.8% whereas the investments managed by ValueInvest decreased 7.8% since their appointment in December. The investments managed by Bernstein, prior to their replacement, declined by approximately 38% on a fiscal year-to-date basis.

The Company's net equity value per Common Share decreased to $54.81 at March 31, 2009 from $77.18 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 28.1% in fiscal 2009, compared to a negative return of 9.4% in fiscal 2008. As a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation (depreciation) of investments. Future income taxes are recorded as a liability (asset) on the consolidated balance sheet.

Operating Results - Fiscal 2009

Net Investment Income

Net investment income decreased to $15,797,000 from $16,287,000 in fiscal 2008, a decrease of 3.0%. As a result of large realized losses on investments during the fiscal year, the Company could not utilize its foreign withholding taxes as a credit against Canadian income taxes. Instead these foreign withholding taxes were taken as a deduction in the calculation of taxable income. The increased income tax impact for the year relating to these foreign withholding taxes was approximately $1,389,000, which in turn, reduced net investment income.

Foreign and Canadian dividends were both up marginally over the prior year. Interest, including securities lending income, declined 27.5% primarily as a result of the Company suspending its securities lending activities during the second quarter of the fiscal year and as a result of the steep decline in short-term interest rates that occurred in the fourth quarter of fiscal 2009. Investment management and administrative costs decreased as a result of lower average net assets managed compared to the prior year. Administrative services are provided to the Company by E-L Financial Corporation Limited, which is a related party (Note 8). Directors' and officers' remuneration increased over the prior year due to additional board meetings. The Company continued to maintain its low management expense ratio ("MER") at 0.40% which was unchanged from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Gain (Loss) on Investments

The Company realized a net loss on the sale of investments, including the maturity of forward foreign currency contracts, of $137,608,000 in the current year compared to a net gain of $42,185,000 in fiscal 2008. The large decrease from the prior year reflects equity losses resulting from the global recession. As part of the transition from Bernstein to ValueInvest, the significant majority of the assets managed by Bernstein were liquidated at a realized loss and replaced with ValueInvest equity purchases. Overall the most significant losses realized during the year occurred in the global financial services sector and in particular were from sales of American International Group, Inc., Royal Bank of Scotland Group plc, and Irish Life & Permanent plc. The use of forward foreign currency contracts on a portion of the Company's exposure to foreign currencies resulted in a net realized loss of $10,127,000 in fiscal 2009 compared to a net realized gain of $14,450,000 in fiscal 2008.

In fiscal 2009, the Company's unrealized appreciation of investments decreased by $140,277,000 (2008 – decrease of 150,675,000) to an unrealized depreciation of investments of $19,812,000 at the year end. The unrealized depreciation of investments amount is net of a $755,000 recovery of future income taxes, which represents the maximum income tax recovery which may arise from future realized losses on investments. Negative returns were generated over most investment sectors. The largest declines in unrealized appreciation of investments during the year were from investments in Algoma Central Corporation, Manulife Financial Corporation, and Encana Corporation.

Operating Results - Fourth Quarter, Fiscal 2009

Global stock markets in general continued to decline during the quarter ended March 31, 2009. In Canadian dollar terms, in the fourth quarter of fiscal 2009, the S&P/TSX Composite Index decreased 2.0%, the MSCI World Index declined 9.4% and the S&P 500 Index decreased 8.4%.

The Company's net equity value per Common Share decreased to $54.81 at March 31, 2009 from $58.73 at December 31, 2008. With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 6.3% in the fourth quarter of fiscal 2009. On a pre-tax basis, Jarislowsky's portion of the portfolio declined by 6.9% while ValueInvest's portion of the investment portfolio declined by 10.1%.

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):

	2009	2008	2007
Net investment income per Common Share	$ 1.26	$ 1.30	$ 1.24
Net gain (loss) on investments per Common Share.....	(22.84)	(8.95)	9.13
Dividends per Common Share	0.80	0.80	0.80
Dividends per Preferred Share....................................	1.495	1.50	1.50
Total assets, at fair value...	679,635	973,747	1,119,782
Investment income	25,577	25,531	24,840
Net investment income..	15,797	16,287	15,499
Net gain (loss) on investments	(278,512)	(109,134)	111,395

The performance of United is generally consistent with global equity markets in recent years. After positive returns in fiscal 2007, both the MSCI World Index (C$) and S&P 500 Index (C$) incurred negative returns in fiscal 2008 and 2009. The S&P/TSX Composite Index experienced a negative return in 2009 and was positive in the prior two 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 2009 and 2008

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

	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)

	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	5,768	3,212	3,107	4,200
Net gain (loss) on investments	10,788	(37,361)	(28,496)	(54,065)
Per Common Share: [1]				
Net investment income	$ 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)

[1] The net investment income per Common Share is net of dividends paid on preferred shares 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. Given the current global recession, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. During the fourth quarter of fiscal 2009, the Company experienced a decline in dividend income 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 will fluctuate significantly as illustrated by the negative returns in six of the last seven quarters. 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.

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 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 ValueInvest. Each of the managers has a global equity mandate.

The Company has long-term investments in 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.

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, 2009. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2009.

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, 2009. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2009. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2009, 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 be, from time to time, exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"), as its lending agent. The Company may also be, from time to time, exposed to counterparty risk associated with forward foreign currency contracts. The Company reviews the credit worthiness of the counterparties on an ongoing basis. At the year end, the Company had no exposure to these types of arrangements.

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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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.

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

Share Data

As at March 31, 2009, 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 in the prior year and for the first three payments in the current year alternates on a quarterly basis. The dividends were $0.38 per Preferred Share in February and August and $0.37 per Preferred Share in May and November. Commencing with the payment of the Preferred Shares fourth quarter dividend in February, 2009, dividends are $0.375 per Preferred Share for all four quarterly dividend payments. The payment of the Company's regular quarterly dividends is funded by net investment income. For the year ended March 31, 2009, net investment income was $15,797,000 as compared to dividend payments of $10,133,000.

Transition to International Financial Reporting Standards ("IFRS")

IFRS will replace Canadian GAAP for most 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 from 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.

Significant changes to IFRS accounting standards are expected to be issued during the remainder of calendar 2009 and up to and including the Company's transition date of April 1, 2011 and as a result, there is 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 analysis phase has been completed and the standards that are expected to have a significant impact on the Company's recognition, measurement, presentation and disclosure of its financial statements have been identified. During the balance of fiscal 2010, preliminary accounting policy choices will be made based on the expected accounting requirements in fiscal 2012. Model financial statement presentation and disclosures will be prepared in the latter part of fiscal 2010 and system changes will be identified. The Company is currently reviewing system changes resulting from the changeover to IFRS. Changes to internal controls over financial reporting and disclosure controls and procedures will be identified later in the fiscal year. At this point in the project, the Company is not able to reasonably estimate the financial reporting impact of the transition to IFRS

Additional Information

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

Duncan N.R. Jackman

Chairman of the Board

May 5, 2009

STATEMENT OF FINANCIAL HIGHLIGHTS

For each of the years in the five year period ended March 31, 2009

DATA PER COMMON SHARE	2009	2008	2007	2006	2005
NET EQUITY VALUE,					
beginning of year [1]	$ 77.18	$ 85.63 [1]	$ 76.46	$ 67.13	$ 61.32
INCOME (LOSS) FROM INVESTMENT OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	1.26	1.30	1.24	1.04	1.02
Net realized and unrealized gain (loss) on investments	(22.84)	(8.95)	9.13	9.09	5.60
	(21.58)	(7.65)	10.37	10.13	6.62
CASH DIVIDENDS TO SHAREHOLDERS					
Common Shares	(0.80)	(0.80)	(0.80)	(0.80)	(0.80)
TAXATION CHANGES					
Net decrease (increase) in refundable dividend tax on hand	0.01	—	—	—	(0.01)
NET EQUITY VALUE, end of year	$ 54.81	$ 77.18	$ 86.03 [1]	$ 76.46	$ 67.13

[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 5, 2009

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, 2009 and 2008, and the consolidated statement of investments as at March 31, 2009 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, 2009 and 2008 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.

PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

May 5, 2009
Toronto, Canada

CONSOLIDATED STATEMENTS OF NET ASSETS

	March 31 2009	March 31 2008
	(000's)	
ASSETS		
Investments, at fair value (cost - $631,401; 2008 - $810,423) (Note 8)	$ 610,834	$ 952,648
Cash	5,333	7,889
Short-term investments	27,265	9,782
Receivable in respect of investments sold	1,397	180
Accrued income on investments	1,605	2,810
Income taxes receivable	31,616	—
Other assets	491	438
Future income taxes (Note 3)	1,094	—
	679,635	973,747
LIABILITIES		
Accounts payable and accrued liabilities	673	765
Payable in respect of investments purchased	2,813	653
Income taxes payable	—	772
Future income taxes (Note 3)	—	22,628
	3,486	24,818
NET ASSETS, AT FAIR VALUE	$ 676,149	$ 948,929
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	154,961	287,464
Unrealized appreciation (depreciation) of investments (Note 4)	(19,812)	120,465
TOTAL SHAREHOLDERS' EQUITY	$ 676,149	$ 948,929

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN, Director

MICHAEL J. WHITE, Director

(See accompanying notes)

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years ended March 31	
	2009	2008
	(000's)	
INVESTMENT INCOME		
Dividends		
Foreign	$ 17,711	$ 17,672
Canadian	7,210	6,954
	24,921	24,626
Interest, including securities lending income (Note 9)	656	905
	25,577	25,531
EXPENSES		
Investment management and administrative costs (Note 8)	2,477	3,204
Directors' and officers' remuneration	209	183
Office and miscellaneous	288	320
Transfer, registrar and custody fees	365	372
Professional fees	65	63
	3,404	4,142
Investment income before income taxes	22,173	21,389
Provision for income taxes (Note 3)	6,376	5,102
NET INVESTMENT INCOME	15,797	16,287
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments (Note 5)	(137,608)	42,185
Net change in unrealized appreciation (depreciation) of investments (Note 4)	(140,277)	(150,675)
Transaction costs on purchase and sale of investments	(627)	(644)
NET LOSS ON INVESTMENTS	(278,512)	(109,134)
DECREASE IN NET ASSETS FROM OPERATIONS	$ (262,715)	$ (92,847)
DECREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	$ (21.58)	$ (7.65)

(See accompanying notes)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Years ended March 31 2009	2008
	(000's)	
BEGINNING OF YEAR	$ 287,464	$ 239,793
Add:		
Net investment income	15,797	16,287
Net realized gain (loss) on investments	(137,608)	42,185
Refundable dividend taxes recovered	2,262	2,133
	167,915	300,398
Deduct:		
Dividends:		
First Preferred Shares (per share - $1.495) (2008 - $1.50)	78	78
Second Preferred Shares (per share - $1.495) (2008 - $1.50)	299	300
Common Shares (per share - $0.80)	9,756	9,756
Provision for refundable dividend taxes	2,194	2,156
Transaction costs on purchase and sale of investments	627	644
	12,954	12,934
END OF YEAR	$ 154,961	$ 287,464

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Years ended March 31 2009	2008
	(000's)	
DECREASE IN NET ASSETS FROM OPERATIONS	$ (262,715)	$ (92,847)
DIVIDENDS TO SHAREHOLDERS		
Preferred Shares	(377)	(378)
Common Shares	(9,756)	(9,756)
	(10,133)	(10,134)
TAXATION CHANGE		
Net decrease (increase) in refundable dividend taxes on hand	68	(23)
DECREASE IN NET ASSETS	(272,780)	(103,004)
NET ASSETS, BEGINNING OF YEAR	948,929	1,051,933
NET ASSETS, END OF YEAR	$ 676,149	$ 948,929

(See accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2009

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". Consequently, as required by AcG-18, the Company has measured all of its investments at fair value, and has presented them on this basis in these consolidated financial statements.

The fair values of investments listed on stock exchanges are based on closing bid prices. The fair values of investments not listed on stock exchanges (the Emerging Markets Investors Fund) have been determined by management based on the underlying fair values of the net assets represented by such investments.

These fair values, determined on the basis of closing bid prices of such investments, 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.

Forward foreign currency contracts

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

Dividend and interest income

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

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.

Net realized and unrealized gain (loss) on investments

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

Income taxes

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

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, 2009, all of which is included in the consolidated statements of retained earnings, amounted to approximately $96,000 (2008 - $163,000).

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

	2009	2008
Basic combined federal and provincial rate	**33.38%**	35.47%
Tax effect related to dividends from taxable Canadian corporations	**(10.85)**	(11.53)
Effect of foreign withholding taxes	**6.26**	—
Effect of other adjustments	**(0.03)**	(0.09)
Effective income tax rate	**28.76%**	23.85%

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

	2009	2008
	(000's)	
Current	**$ 6,708**	$ 5,108
Future	**(332)**	(6)
Provision for income taxes	**$ 6,376**	$ 5,102

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:

	2009	2008
	(000's)	
Unrealized appreciation (depreciation) of investments	**$ (755)**	$ 21,760
Ontario Corporate Minimum Tax recovery	**(769)**	—
Accrued dividends	**504**	904
Other	**(74)**	(36)
Future income tax (asset) liability	**$ (1,094)**	$ 22,628

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 2009	March 31 2008	**Change in 2009**	Change in 2008
		(000's)		
Investments at fair value	**$ 610,834**	$ 952,648	**$ (341,814)**	$ (134,957)
Investments at cost	**631,401**	810,423	**(179,022)**	50,192
Unrealized appreciation (depreciation) of investments before provision for future income taxes	**(20,567)**	142,225	**(162,792)**	(185,149)
Provision for (recovery of) future income taxes	**(755)**	21,760	**(22,515)**	(34,474)
Unrealized appreciation (depreciation) of investments	**$ (19,812)**	$ 120,465	**$ (140,277)**	$ (150,675)

5. Net realized gain (loss) on investments

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

	2009	2008
	(000's)	
Proceeds on sales of investments	**$ 287,693**	$ 231,274
Cost of investments, beginning of year	**810,423**	760,231
Cost of investments purchased during the year	**275,949**	229,230
	1,086,372	989,461
Cost of investments, end of year	**631,401**	810,423
Cost of investments sold during the year	**454,971**	179,038
Realized gain (loss) on investments sold before income taxes	**(167,278)**	52,236
Provision for (recovery of) income taxes on realized net capital gain (loss)	**(29,670)**	10,051
Net realized gain (loss) on investments	**$ (137,608)**	$ 42,185

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:

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, as its lending agent. The Company is also exposed, from time to time, to counterparty risk associated with forward foreign currency contracts. The Company reviews the credit worthiness of the counterparties on an ongoing basis. At the year end, the Company had no exposure to these types of arrangements.

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.

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.

The impact on net assets from operations of a reasonably possible change in global equity market prices, as at March 31, 2009, is described below:

- A 10% fluctuation in global equity market prices would have an after-tax impact of approximately $51,676,000 on net assets from operations.

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 $21,047,000 (2008 - $45,321,000). Dividend income from Algoma for the fiscal year ended March 31, 2009 was $653,000 (2008 - $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, 2009 amounted to $816,000 (2008 - $1,056,000). 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.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS (continued)
MARCH 31, 2009

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 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, 2009, the Company has no securities on loan (2008 - $148,356,000) and held no collateral (2008 - $157,669,000) During the year, the Company recognized $319,000 (2008 - $274,000) 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:

	2009	2008
	(000’s)	
Shareholder’s equity	**$ 676,149**	$ 948,929

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.

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 2008, 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. While the Company has begun assessing the adoption of IFRS for April 1, 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2009 (Continued)

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	$ 22	0.0
Common				
362,568	Algoma Central Corporation	6,201	21,047	
79,600	Bank of Montreal	5,060	2,616	
331,805	Bank of Nova Scotia	5,755	10,233	
301,440	CAE, Inc.	3,232	2,276	
80,000	Cameco Corporation	279	1,723	
136,330	Canadian National Railway Company	5,471	6,079	
120,370	Canadian Natural Resources Ltd.	7,076	5,845	
133,040	Canadian Tire Corp. Ltd. Class A	4,733	5,774	
87,115	Canadian Utilities Limited Class A	2,132	3,194	
222,702	Canfor Corporation	1,436	1,058	
246,826	Enbridge Inc.	3,366	8,972	
201,155	Encana Corporation	6,120	10,271	
191,470	Goldcorp, Inc.	6,213	8,061	
300,000	Great-West Lifeco Inc.	4,287	5,307	
157,430	Imperial Oil Limited	1,576	7,139	
210,676	Jean Coutu Group Inc.	1,949	1,599	
218,625	Kinross Gold Corporation	3,809	4,930	
108,940	Loblaw Cos. Limited	5,420	3,401	
470,400	Manulife Financial Corporation	7,784	6,623	
54,810	Manulife Financial Corporation - Restricted April 12, 2009	1,063	772	
236,315	Metro Inc.	2,446	8,916	
495,210	Nexen Inc.	3,968	10,583	
98,830	Potash Corporation of Saskatchewan	2,373	10,076	
161,000	Power Financial Corporation	926	3,268	
107,775	Quebecor Inc. Class B	3,923	1,921	
45,960	Research In Motion Limited	4,471	2,489	
147,775	Rogers Communications Inc. Class B	1,516	4,256	
368,396	Royal Bank of Canada	5,594	13,454	
338,400	Shaw Communications Inc. Class B	5,393	6,504	
304,350	SNC-Lavalin Group Inc. Class A	1,283	9,678	
255,580	Suncor Energy Inc.	10,507	7,169	
704,310	Talisman Energy Inc.	4,347	9,339	
203,130	Thomson Reuters Corporation	8,873	6,500	
220,708	Toronto-Dominion Bank	4,593	9,592	
209,719	TransCanada Corporation	3,763	6,243	
170,000	Transcontinental Inc Class A	3,402	972	
240,000	TVA Group Inc. Class B	3,202	2,100	
90,600	West Fraser Timber Co. Ltd.	2,067	2,020	
55,000	Weston (George) Limited	5,070	3,208	
		160,679	235,208	38.5
	United States			
66,000	3M Co.	6,082	4,126	
63,000	Altria Group, Inc.	1,254	1,269	
90,000	Bank of New York Mellon Corporation	3,207	3,193	
69,000	Chevron Corporation	4,730	5,838	
180,000	Cisco Systems, Inc.	5,425	3,795	
80,000	Colgate-Palmolive Company	5,695	5,941	
145,480	Community Health Systems Inc.	5,464	2,814	
261,000	ConAgra Foods, Inc.	5,094	5,549	
64,000	ConocoPhillips	4,168	3,162	
185,000	CVS Caremark Corporation	4,433	6,395	
624,600	Dairy Farm International Holdings Limited	2,804	3,495	
90,000	Emerson Electric Company	3,851	3,239	
58,800	Exxon Mobil Corporation	3,716	5,031	
75,000	Fiserv, Inc.	3,848	3,432	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2009 (Continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	United States (continued)			
148,000	General Electric Company	$ 5,915	$ 1,886	
83,100	General Mills, Inc.	6,093	5,213	
150,000	Halliburton Company	4,875	2,921	
65,000	Hartford Financial Services Group, Inc.	5,779	643	
101,900	H.J. Heinz Company	4,795	4,242	
81,700	Johnson & Johnson	5,847	5,413	
119,800	Kraft Foods Inc.	3,896	3,359	
164,200	Merck & Co. Inc.	5,710	5,527	
122,300	Microsoft Corporation	2,740	2,825	
55,120	NIKE, Inc. Class B	3,235	3,253	
88,000	Pepsico, Inc.	5,723	5,710	
398,300	Pfizer Inc.	13,098	6,836	
75,000	Philip Morris International Inc.	3,390	3,357	
100,875	Proctor & Gamble Company	5,724	5,976	
90,000	Quest Diagnostics Incorporated	4,715	5,365	
87,000	Scripps Networks Interactive	4,333	2,462	
200,000	Spectra Energy Corporation	4,516	3,556	
50,000	Tim Hortons Inc.	1,681	1,603	
23,331	Time Warner Cable Inc.	1,674	729	
92,950	Time Warner Inc.	5,079	2,262	
110,161	Wells Fargo & Company	12,211	1,991	
		170,800	132,408	21.7
	Mexico			
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	3,188	0.5
	Total North America	337,718	370,826	60.7
	Europe, excluding United Kingdom			
30,130	ABB Limited	431	526	
102,500	Adidas AG	4,712	4,285	
130,000	AXA	3,941	1,966	
250,000	Banco Santander Central Hispano SA	3,772	2,168	
176,400	BASF SE	9,231	6,762	
51,000	Bayer AG	3,958	3,095	
95,200	Casino Guichard-Perrachon SA	8,141	7,760	
120,000	Celesio AG	5,856	2,781	
424,300	Clariant AG	3,312	2,074	
132,100	CSM	2,391	1,931	
205,000	Davide Campari-Milano S.p.A.	1,651	1,620	
102,900	Delhaize Group	8,043	8,372	
298,500	Electrolux AB	3,225	2,929	
100,240	Essilor International SA	3,118	4,854	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	4,526	
50,000	Groupe Danone	2,692	3,063	
107,700	Heineken NV	4,036	3,829	
130,000	Henkel AG & Co. KGaA	4,872	4,431	
145,000	ING Groep N.V. ADR	6,057	1,003	
101,700	Kerry Group plc	2,497	2,585	
209,600	Koninklijke Ahold NV	3,215	2,886	
314,100	Koninklijke Wessanen NV	2,375	1,336	
38,278	L'Air Liquide SA	2,907	3,917	
37,000	L'Oreal SA	3,550	3,188	
32,800	Lafarge SA	3,484	1,857	
125,000	Luxottica Group S.p.A. ADR	3,096	2,429	
99,600	MAN AG	5,861	5,449	
99,200	Publicis Groupe	3,195	3,201	
161,100	Nestlé S.A.	7,327	6,819	
167,500	Nestlé S.A. ADR	5,652	6,854	
56,800	Roche Holding AG	8,828	9,761	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT MARCH 31, 2009 (Continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	Europe, excluding United Kingdom (continued)			
92,000	SAP AG Spons ADR	$ 5,183	$ 4,093	
41,000	Schneider Electric SA	5,778	3,432	
54,000	Siemens AG	7,040	3,907	
360,200	SKF AB	4,013	3,905	
29,000	Synthes, Inc.	3,326	4,044	
220,000	Telenor ASA	4,316	1,582	
83,000	Total SA ADR	5,009	5,140	
		169,097	144,360	23.6
	United Kingdom			
115,000	BP plc ADR	9,285	5,813	
325,400	Britvic plc	1,554	1,325	
353,015	Dairy Crest Group plc	1,271	1,664	
45,000	Diageo plc ADR	3,404	2,531	
313,600	GlaxoSmithKline plc	7,133	6,138	
326,120	HSBC Holdings Inc.	2,283	2,319	
157,200	Next plc	3,244	3,748	
100,600	Reckitt Benckiser plc	3,735	4,743	
290,000	Smith & Nephew plc	3,427	2,257	
140,000	Standard Chartered plc	3,961	2,186	
200,000	Vodafone Group Plc ADR	6,731	4,395	
		46,028	37,119	6.1
	Asia			
151,600	Asahi Breweries, Ltd.	3,222	2,258	
70,100	Astellas Pharma Inc.	3,340	2,691	
92,000	Canon Inc. ADR	4,065	3,375	
69,000	Circle K Sunkus Co., Ltd.	1,607	1,224	
123,100	Daiichi Sankyo Company, Limited	3,223	2,574	
490,000	Daiwa Securities Group Inc.	6,202	2,666	
33,800	Eisai Co., Ltd.	1,655	1,237	
107,786	Emerging Markets Investors Fund	6,715	4,632	
47,100	Fanuc Ltd.	5,260	3,957	
28,100	Hakuhodo DY Holdings Inc.	1,473	1,507	
23,500	HOYA	829	575	
14,080	Keyence Corporation	2,888	3,293	
340,000	Konica Minolta Holdings Inc.	3,259	3,604	
186,400	Makita Corporation	4,789	5,212	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	2,419	
28,700	Shin-Etsu Chemical Co. Ltd.	1,612	1,736	
37,200	Siam Investment Fund	527	222	
489,000	Sumitomo Trust and Banking Co., Ltd. (The)	5,718	2,318	
180,000	Suzuki Motor Corporation	5,534	3,720	
52,600	Takeda Pharmaceutical Company Limited.	3,237	2,273	
680,000	Television Broadcasts Limited	4,137	2,704	
		72,627	54,197	8.9
	Australia			
77,000	BHP Billiton Limited ADR	5,931	4,332	0.7
	Total investments	$ 631,401	$ 610,834	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 - 2009

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 - 2009 (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
2009	676,149	—	7,747	668,402	54.81	15,420	1.26

= 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 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 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