UNITED CORPORATIONS LIMITED

ANNUAL REPORT

2011

THE FISCAL YEAR AT A GLANCE

Year ended March 31	**2011** [1]	2010 [1]
Net equity value per Common Share [2]	**$ 71.82**	$ 67.33
Net investment income per Common Share [2]	**$ 1.23**	$ 1.16
Increase in net assets from operations per Common Share	**$ 5.29**	$ 13.32
Dividends per Common Share	**$ 0.80**	$ 0.80
Net assets	**$ 883,576**	$ 828,840
Increase in net assets from operations	**$ 64,903**	$ 162,861
Investment income	**$ 22,513**	$ 21,386
Net investment income	**$ 15,365**	$ 14,533
Common Shares outstanding at year end	**12,194,193**	12,194,193

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

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:45 a.m. on Wednesday, June 22, 2011, 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
RICHARD B. CARTY	Corporate Secretary
FRANK J. GLOSNEK	Treasurer

MANAGEMENT'S DISCUSSION AND ANALYSIS

This document has been prepared for the purpose of providing Management's Discussion and Analysis ("MD&A") of the financial position and results of operations for United Corporations Limited ("United" or the "Company") for the years ended March 31, 2011 and 2010. This MD&A should be read in conjunction with the Company's March 31, 2011 year-end financial statements, which form part of this Annual Report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and, unless otherwise noted, both the 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

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

Investors and management use net equity value per Common Share to determine the Company's value on a per Common Share basis. In order to determine its net equity value per Common Share, the Company deducts the cost of redemption of its Preferred Shares from its net assets.

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

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

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

	March 31 2011	March 31 2010
Net assets	**$ 883,576**	$ 828,840
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	**$ 875,829**	$ 821,093
Common Shares outstanding	**12,194,193**	12,194,193
Net equity value per Common Share	**$ 71.82**	$ 67.33

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	
	2011	2010	**2011**	2010
Increase in net assets from operations	**$ 21,222**	$ 6,496	**$ 64,903**	$ 162,861
Deduct: Net gain on investments	**(17,212)**	(3,235)	**(49,538)**	(148,328)
Net investment income	**4,010**	3,261	**15,365**	14,533
Deduct: Dividends paid on Preferred Shares	**94**	94	**378**	378
Net investment income, net of dividends paid on Preferred Shares	**$ 3,916**	$ 3,167	**$ 14,987**	$ 14,155
Common Shares outstanding	**12,194,193**	12,194,193	**12,194,193**	12,194,193
Net investment income per Common Share	**$ 0.32**	$ 0.26	**$ 1.23**	$ 1.16

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $71.82 at March 31, 2011 from $67.33 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was 7.9% in fiscal 2011, compared to a return of 24.4% in fiscal 2010.

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

During the fiscal year, the investments managed by Jarislowsky Fraser Limited ("Jarislowsky") increased 10.70% on a pre-tax basis, whereas the investments managed by ValueInvest Asset Management S.A. ("ValueInvest") increased 1.4% on a pre-tax basis.

In Canadian dollar terms, in fiscal 2011, the S&P/TSX Composite Index increased 20.4%, the MSCI World Index increased 9.1% and the S&P 500 Index increased 10.7%. Comparatively, in fiscal 2010, the S&P/TSX Composite Index increased 42.2%, the MSCI World Index increased 23.5% and the S&P 500 Index increased 20.7%. All benchmark returns are on a total return (capital gains plus dividends) basis.

Operating Results - Fiscal 2011

Net Investment Income

The net investment income of the Company increased to $15,365,000 in fiscal 2011 from $14,533,000 in fiscal 2010. This increase of 5.7% is attributable primarily to increases in dividend income and securities lending income on a year-over-year basis.

Foreign dividend income increased by 0.9% to $14,141,000 in fiscal 2011 from $14,017,000 in fiscal 2010. Canadian dividend income increased by 10.5% to $8,093,000 in fiscal 2011 compared to $7,322,000 in the prior year. The majority of the increase resulted from the Company receiving a $426,000 special dividend from George Weston Limited during the fourth fiscal quarter.

Interest income, including securities lending income, increased to $279,000 in fiscal 2011 from $47,000 in fiscal 2010. In February 2010, the Company resumed securities lending activities. During the current fiscal year, the Company earned approximately $230,000 of income compared to $4,000 of securities lending income in the prior year.

Expenses of the Company increased to $3,843,000 in fiscal 2011 from $3,404,000 in fiscal 2010. Effective July 1, 2010, Ontario provincial sales tax ("PST") was harmonized with the federal goods and services tax ("GST"), resulting in a federally administered harmonized sales tax ("HST") of 13%. Investment management and administrative costs and certain other service costs of the Company, which were previously subject to only the 5% GST, are now subject to the new HST. The additional HST expense for the current fiscal year was approximately $194,000. The balance of the expense increase relates to higher investment management and administrative costs, and transfer, registrar and custody fees, both resulting from a larger average investment portfolio value compared to the prior year. The Company's management expense ratio ("MER") increased in fiscal 2011 to 0.46% of average net assets compared to 0.43% of average net assets in the prior year, primarily as a result of the HST impact to the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Net Gain (Loss) on Investments

The Company realized a net loss on investments of $1,169,000 in the current fiscal year compared to a net gain of $15,009,000 in fiscal 2010. The largest contributors to the net realized loss during fiscal 2011 were the sale of Daiwa Securities Group Inc., Nortel Networks Limited and Celesios AG. These losses were offset in part from gains realized on the sale of Potash Corporation of Saskatchewan, Shoppers Drug Mart, and Clariant AG.

In fiscal 2011, the Company's net change in unrealized appreciation of investments was an increase of $50,859,000 compared to an increase of $133,549,000 in the prior year. The fiscal 2011 increase occurred over a broad range of countries and sectors.

Operating Results - Fourth Quarter, Fiscal 2011

The Company's net equity value per Common Share increased to $71.82 at March 31, 2011 from $70.28 at December 31, 2010. With dividends reinvested at month-end net equity values, the Company's net equity value return was 2.5% in the fourth quarter of fiscal 2011. On a pre-tax basis, Jarislowsky's portion of the portfolio increased by 4.1% while ValueInvest's portion of the investment portfolio declined by 2.1%.

In Canadian dollar terms, in the fourth quarter of fiscal 2011, the S&P/TSX Composite Index increased 5.6%, the MSCI World Index 2.5% and the S&P 500 Index 3.5%.

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):

	2011	2010	2009
Net gain (loss) on investments	**$ 49,538**	$ 148,328	$ (278,512)
Net gain (loss) on investments per Common Share	**4.06**	12.16	(22.84)
Total assets	**908,069**	849,847	679,635
Investment income	**22,513**	21,386	25,577
Net investment income	**15,365**	14,533	15,797
Net investment income per Common Share	**1.23**	1.16	1.26
Dividends per Common Share	**0.80**	0.80	0.80
Dividends per Preferred Share	**1.50**	1.50	1.495

The value of United's global investment portfolio is impacted by stock selection, equity markets and currency movements. In fiscal 2011 and 2010, the performance of United was favourably impacted by strong recoveries in global markets. In fiscal 2009, the performance of United was negatively affected by a decline in global markets as a result of the global financial crisis and fears of recession.

The fluctuations in investment income and net investment income are due primarily to changes in dividend income that is earned by the Company. The dividend income is determined by the dividend policies of the corporations that are held as investments in our global investment portfolio. In the current fiscal year, George Weston Limited paid a special dividend of $426,000 in addition to its normal dividend payout.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Review - Fiscal 2011 and 2010

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

	2011 Fiscal Year			
	Quarter ended			
	June 30	**Sept. 30**	**Dec. 31**	**Mar. 31**
	(in thousands of dollars, except per share amounts)			
Investments, at fair value, at period end	**$ 773,350**	**$ 833,844**	**$ 873,567**	**$ 897,570**
Investment income	**7,800**	**4,405**	**4,469**	**5,839**
Net investment income	**5,404**	**2,900**	**3,051**	**4,010**
Net gain (loss) on investments	**(53,376)**	**53,333**	**32,369**	**17,212**
Per Common Share: [1]				
Net investment income	**$ 0.44**	**$ 0.23**	**$ 0.24**	**$ 0.32**
Net gain (loss) on investments	**(4.38)**	**4.37**	**2.66**	**1.41**
Increase (decrease) in net assets from operations	**$ (3.94)**	**$ 4.60**	**$ 2.90**	**$ 1.73**

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

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

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay regular quarterly dividends, investments outside of North America often pay less frequently. In general, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. Given the volatility in global stock markets and the value of the Canadian dollar relative to other currencies, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. During the past two quarters, the Company experienced a year-over-year increase in foreign dividend income compared to the same quarter in the prior fiscal year, reversing a negative trend that had occurred in the six immediately preceding quarters.

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

Investment Strategy

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

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

The external investment portfolio of the Company is managed by Jarislowsky and ValueInvest. Each of the managers has a global equity mandate.

The Company has a long-term investment in Algoma Central Corporation ("Algoma"). Algoma and United are related parties, as both companies can be significantly influenced by the same party. In management's view, the investment in Algoma is consistent with the Company's investment strategy and contributes to achieving the investment objective of the Company. Further related party information is provided in Note 8 to the financial statements and in the 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, 2011. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2011.

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, 2011. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2011. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks

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

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company may, from time to time, be exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"), as its lending agent. RBC Dexia currently has an approved credit rating of AA- (S&P). The Company has recourse to the Royal Bank of Canada in the event RBC Dexia fails to discharge its securities lending obligation. There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

Liquidity risk

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

Market risk

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

Share Data

As at March 31, 2011, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 1959 Series Second Preferred Shares, 119,710 1963 Series Second Preferred Shares and 12,194,193 Common Shares.

Liquidity and Capital Resources

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

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

The payment of the Company's regular quarterly dividends is funded by net investment income. For the year ended March 31, 2011, net investment income was $15,365,000 as compared to dividend payments of $10,134,000. On a per Common Share basis, net investment income of $1.23 per share exceeded dividend payments of $0.80 per share.

Future Accounting Changes

Transition to International Financial Reporting Standards ("IFRS") for Investment Companies

For fiscal years beginning on or after January 1, 2011, IFRS has replaced Canadian generally accepted accounting principles for most publicly accountable enterprises.

However, as reported in the prior quarter, the Canadian Accounting Standards Board ("AcSB"), in January 2011, approved a deferral for the adoption of IFRS for investment companies applying Accounting Guideline 18, Investment Companies, to January 1, 2013.

United is an investment company and as a result, its first set of financial statements prepared in accordance with IFRS will be for the quarter ending June 30, 2013, which will provide corresponding comparative financial information for fiscal 2013, including an opening statement of financial position as at April 1, 2012.

To date management has identified the IFRS accounting standards that are expected to have a significant impact on the Company's financial statements. Preliminary accounting policy choices have been made based on the expected accounting requirements in fiscal 2014. Draft model financial statements, excluding note disclosures, have been prepared and presented to the Company's Audit Committee. Final steps of implementation will be executed throughout fiscal 2013.

Management does not anticipate that the conversion to IFRS will affect the calculation of the Company's net assets or net equity value per Common Share. The primary impact of IFRS on the Company's financial statements will be in financial statement presentation and note disclosure. In addition, management believes that the conversion to IFRS will not materially affect the Company's business arrangements, systems, internal controls over financial reporting, or disclosure controls and procedures. Management continues to monitor any changes that might occur prior to the final transition date and will update its transition plan if any changes occur.

Additional Information

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

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

Duncan N.R. Jackman
Chairman and President
May 6, 2011

STATEMENT OF FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended March 31, 2011

DATA PER COMMON SHARE	**2011**	2010	2009	2008	2007
NET EQUITY VALUE, beginning of year	**$ 67.33**	$ 54.81	$ 77.18	$ 85.63 [1]	$ 76.46
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	**1.23**	1.16	1.26	1.30	1.24
Net gain (loss) on investments	**4.06**	12.16	(22.84)	(8.95)	9.13
	5.29	13.32	(21.58)	(7.65)	10.37
CASH DIVIDENDS TO SHAREHOLDERS					
Common Shares	**(0.80)**	(0.80)	(0.80)	(0.80)	(0.80)
TAXATION CHANGES					
Net decrease in refundable dividend tax on hand	—	—	0.01	—	—
NET EQUITY VALUE, end of year	**$ 71.82**	$ 67.33	$ 54.81	$ 77.18	$ 86.03 [1]

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

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with 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 financial statements. Financial information presented elsewhere in the Annual Report is consistent with the financial statements.

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

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

Duncan N.R. Jackman
Chairman and President
May 6, 2011

Frank J. Glosnek
Treasurer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of United Corporations Limited:

We have audited the accompanying financial statements of United Corporations Limited, which comprise the statement of net assets as at March 31, 2011 and the consolidated statement of net assets as at March 31, 2010, the statement of investments as at March 31, 2011 and the statements of operations, retained earnings and changes in net assets for the year ended March 31, 2011 and the consolidated statements of operations, retained earnings and changes in net assets for the year ended March 31, 2010 , and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Corporations Limited as at March 31, 2011 and the consolidated financial position as at March 31, 2010 and the results of its operations and the changes in its net assets and its cash flows for the year ended March 31, 2011, and the consolidated results of its operations and the changes in its net assets and its cash flows for the year ended March 31, 2010 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

May 6, 2011
Toronto, Canada

Chartered Accountants, Licensed Public Accountants

STATEMENTS OF NET ASSETS

	March 31	
		Consolidated
	2011	2010
	(000's)	
ASSETS		
Investments, at fair value (Notes 4, 7 and 8)	**$ 897,570**	$ 825,406
Cash	**1,979**	4,866
Short-term investments	**4,870**	16,903
Receivable in respect of investments sold	**—**	118
Accrued income on investments	**2,422**	1,956
Income taxes receivable	**962**	—
Other assets	**266**	598
	908,069	849,847
LIABILITIES		
Accounts payable and accrued liabilities	**547**	560
Payable in respect of investments purchased	**—**	2,090
Income taxes payable	**—**	894
Future income taxes (Note 3)	**23,946**	17,463
	24,493	21,007
NET ASSETS	**$ 883,576**	$ 828,840
SHAREHOLDERS' EQUITY		
Share capital (Note 6)		
Issued:		
52,237 First Preferred Shares	**$ 119**	$ 119
200,000 Second Preferred Shares	**6,000**	6,000
12,194,193 Common Shares	**534,881**	534,881
	541,000	541,000
Retained earnings (Note 12)	**342,576**	287,840
TOTAL SHAREHOLDERS' EQUITY	**$ 883,576**	$ 828,840

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN, Director

MICHAEL J. WHITE, Director

(See accompanying notes)

STATEMENTS OF OPERATIONS

	Years ended March 31	
		Consolidated
	2011	2010
	(000's)	
INVESTMENT INCOME		
Dividends		
Foreign	**$ 14,141**	$ 14,017
Canadian (Note 8)	**8,093**	7,322
	22,234	21,339
Interest, including securities lending income (Note 9)	**279**	47
	22,513	21,386
EXPENSES		
Investment management and administrative costs (Note 8)	**3,151**	2,748
Directors' and officer's remuneration	**210**	209
Office and miscellaneous	**225**	219
Transfer, registrar and custody fees	**191**	151
Professional fees	**66**	77
	3,843	3,404
Investment income before income taxes	**18,670**	17,982
Provision for income taxes (Note 3)	**3,305**	3,449
NET INVESTMENT INCOME	**15,365**	14,533
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments (Note 5)	**(1,169)**	15,009
Net change in unrealized appreciation of investments (Note 4)	**50,859**	133,549
Transaction costs on purchase and sale of investments	**(152)**	(230)
NET GAIN ON INVESTMENTS	**49,538**	148,328
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 64,903**	$ 162,861
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ 5.29**	$ 13.32

(See accompanying notes)

STATEMENTS OF RETAINED EARNINGS

	Years ended March 31	Consolidated
	2011	2010
	(000's)	
BEGINNING OF YEAR (Note 12)	**$ 287,840**	$ 135,149
Add:		
Increase in net assets from operations	**64,903**	162,861
Refundable dividend taxes recovered	**2,457**	2,198
	67,360	165,059
Deduct:		
Dividends:		
First Preferred Shares (per share - $1.50)	**78**	78
Second Preferred Shares (per share - $1.50)	**300**	300
Common Shares (per share - $0.80)	**9,756**	9,756
Provision for refundable dividend taxes	**2,490**	2,234
	12,624	12,368
END OF YEAR	**$ 342,576**	$ 287,840

STATEMENTS OF CHANGES IN NET ASSETS

	Years ended March 31	Consolidated
	2011	2010
	(000's)	
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 64,903**	$ 162,861
DIVIDENDS TO SHAREHOLDERS		
Preferred Shares	**(378)**	(378)
Common Shares	**(9,756)**	(9,756)
	(10,134)	(10,134)
TAXATION CHANGES		
Net increase in refundable dividend taxes on hand (Note 3)	**(33)**	(36)
INCREASE IN NET ASSETS	**54,736**	152,691
NET ASSETS, BEGINNING OF YEAR	**828,840**	676,149
NET ASSETS, END OF YEAR	**$ 883,576**	$ 828,840

(See accompanying notes)

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

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 under the symbols UNC, UNC.PR.A, UNC.PR.B and 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 prior year's consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, UNC Holdings No. 3 Limited. During the year-ended March 31, 2011, management has determined that the Company's investment in UNC Holdings No. 3 Limited no longer meets the criteria for consolidation and as a result has been de-consolidated.

Carrying value of investments

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

The fair values of investments listed on stock exchanges are based on closing bid prices. These fair values do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those bid prices.

Accounting estimates

The preparation of 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 liabilities, as the income tax rates used in determining the liability is dependent on an assumption as to when a future income tax liability is expected to be realized.

Short-term investments

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

Investment transactions

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

Dividend and interest income

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

Securities lending income

Securities lending income is recognized as earned.

Translation of foreign currency

- Monetary assets and liabilities and the fair value of investments 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 Statement of Operations; and
- Unrealized foreign currency exchange gains (losses) on investments are included in "net change in unrealized appreciation of investments" in the Statement of Operations.

NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2011

Income taxes

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

Financial instruments

The Company's financial instruments consist of investments, cash and short-term investments which are categorized as held for trading, receivables in respect of investments sold, accrued income on investments, income taxes receivable, other assets, accounts payable and accrued liabilities, payables in respect of investments purchased, and income taxes payable. Receivables in respect of investments sold, accrued income on investments, income taxes receivable, and other assets are designated as loans and receivables and are recorded at amortized cost. Similarly, accounts payable and accrued liabilities, payables in respect of investments purchased, and income taxes payable are designated as financial liabilities and are reported at amortized cost. Amortized cost approximates fair value for these assets and liabilities due to their short-term nature.

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 net increase in refundable dividends taxes on hand for the year ended March 31, 2011 was approximately $33,000 (2010 - $36,000). This net change resulted in an amount eligible for refund for accounting purposes at March 31, 2011, all of which is included in the Statements of Retained Earnings, of approximately $165,000 (2010 - $132,000).

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

	2011	2010
Basic combined federal and provincial rate	**30.13%**	32.75%
Tax effect related to dividends from taxable Canadian corporations	**(13.06)**	(13.33)
Effect of foreign withholding taxes	**0.48**	—
Effect of other adjustments	**0.15**	(0.24)
Effective income tax rate	**17.70%**	19.18%

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

	2011	2010
	(000's)	
Current	**$ 3,166**	$ 3,387
Future	**139**	62
Provision for income taxes	**$ 3,305**	$ 3,449

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. Details of future income taxes as at March 31 are as follows:

	2011	2010
	(000's)	
Unrealized appreciation of investments	**$ 23,246**	$ 16,854
Accrued dividends	**700**	602
Other	**—**	7
Future income taxes	**$ 23,946**	$ 17,463

NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2011

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 2011	March 31 2010	**Change in 2011**	Change in 2010
		(000's)		
Investments at fair value	**$ 897,570**	$ 825,406	**$ 72,164**	$ 214,572
Investments at cost	**709,728**	694,735	**14,993**	63,334
Unrealized appreciation of investments before provision for income taxes	**187,842**	130,671	**57,171**	151,238
Provision for income taxes	**23,246**	16,934	**6,312**	17,689
Unrealized appreciation of investments	**$ 164,596**	$ 113,737	**$ 50,859**	$ 133,549

5. Net realized gain (loss) on investments

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

	2011	2010
	(000's)	
Proceeds on sales of investments	**$ 93,627**	$ 106,322
Cost of investments, beginning of year	**694,735**	631,401
Cost of investments purchased during the year	**109,543**	151,715
	804,278	783,116
Cost of investments, end of year	**709,728**	694,735
Cost of investments sold during the year	**94,550**	88,391
Realized gain (loss) on investments sold before income taxes	**(923)**	17,941
Provision for income taxes	**246**	2,932
Net realized gain (loss) on investments	**$ (1,169)**	$ 15,009

6. Share capital

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

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

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

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

(d) an unlimited number of Common Shares.

NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2011

7. Risk management of financial instruments

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

Credit risk

Credit risk is the risk of financial loss resulting from a counterparty's failure to discharge an obligation. The Company, from time to time, is exposed to credit risk associated with its securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"), as its lending agent. The Company had exposure to securities lending arrangements at March 31, 2011 of approximately $122,740,000 (2010 - $nil). The Company has recourse to the Royal Bank of Canada in the event RBC Dexia fails to discharge its securities lending obligation. There was no significant exposure to credit risk to other receivable balances because of their short-term nature.

Liquidity risk

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

Market risk

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

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

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

- A 10% fluctuation in global equity market prices, assuming all other factors are constant, would have an after-tax impact of approximately $78,089,000 (2010 - $71,298,000) on net assets from operations.

Classification of fair value measurements

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

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

At March 31, 2011 and March 31, 2010, all of the Company's investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 investments during either year.

8. Related party information

Included in the Company's investments is Algoma Central Corporation ("Algoma") with a fair value of $35,532,000 (2010 - $27,736,000). Dividend income from Algoma for the fiscal year ended March 31, 2011 was $653,000 (2010 - $653,000). Included in investment management and administrative costs are fees for administrative services paid to E-L Financial Corporation Limited ("E-L Financial"). The total fees for the year ended March 31, 2011 amounted to $912,000 (2010 - $783,000). 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 FINANCIAL STATEMENTS (continued)
MARCH 31, 2011

9. Securities lending

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

At March 31, 2011, the Company has loaned approximately $122,740,000 (2010 - $151,814,000) in securities and received approximately $133,683,000 (2010 - $159,405,000) in collateral. During the year, the Company recognized approximately $230,000 (2010 - $4,000) in securities lending income. Securities loaned in the program earn income at market securities lending rates. The securities lending agreements are revolving and 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 shareholders' equity of the Company as at March 31 is as follows:

	2011	2010
	(000's)	
Shareholder's equity	**$ 883,576**	$ 828,840

11. Statement of cash flows

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

12. Comparative figures

As a result of the financial statement reporting format adopted for the current fiscal year, the prior year comparative figures have been reclassified. In particular, the unrealized appreciation of investments at March 31, 2010, of $113,737,000, reported as a separate component of shareholders' equity in the fiscal 2010 financial statements, has been grouped with retained earnings under the current financial statement format.

13. Future accounting changes

International Financial Reporting Standards ("IFRS")

In January 2011, the Canadian Accounting Standards Board decided to extend the deferral of mandatory adoption of IFRS for Investment Companies to January 1, 2013 from January 1, 2011. The decision is in response to the International Accounting Standard Board's announcement in late 2010 that its Investment Company project is delayed and will not likely be issued before January 1, 2012. The Company's transition date of April 1, 2013 will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2013. At this point in the transition from Canadian GAAP to IFRS, the Company anticipates that there will not be a material impact to its financial statements or in the calculation of its net equity value per Common Share.

STATEMENT OF INVESTMENTS AS AT MARCH 31, 2011

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	North America			
	Canada			
Common				
362,568	Algoma Central Corporation [1]	$ 6,201	$ 35,532	
70,720	Bank of Montreal	4,318	4,449	
321,805	Bank of Nova Scotia	5,582	19,144	
322,670	CAE, Inc.	3,267	4,143	
80,000	Cameco Corporation	279	2,326	
136,330	Canadian National Railway Company	5,471	9,940	
246,270	Canadian Natural Resources Ltd.	7,508	11,789	
86,260	Canadian Tire Corp. Ltd. Class A	3,069	5,532	
44,505	Canadian Utilities Limited Class A	1,089	2,348	
202,702	Canfor Corporation	1,307	2,984	
273,565	Cenovus Energy Inc.	5,399	10,437	
80,000	Cogeco Cable Inc.	2,649	3,592	
151,466	Enbridge Inc.	2,065	9,000	
286,435	Encana Corporation	5,822	9,576	
300,000	Great-West Lifeco Inc.	4,287	8,064	
30,000	Industrial Alliance Insurance and Financial Services Inc.	1,102	1,250	
147,430	Imperial Oil Limited	1,476	7,289	
210,676	Jean Coutu Group Inc.	1,949	2,155	
198,625	Kinross Gold Corporation	3,460	3,025	
113,560	Loblaw Cos. Limited	5,584	4,398	
609,606	Manulife Financial Corporation	10,226	10,449	
206,705	Metro Inc.	2,139	9,539	
392,710	Nexen Inc.	3,283	9,472	
151,890	Potash Corporation of Saskatchewan	1,496	8,668	
161,000	Power Financial Corporation	926	5,036	
107,775	Quebecor Inc. Class B	3,923	3,728	
116,870	Research In Motion Limited	9,510	6,401	
224,165	Rogers Communications Inc. Class B	4,224	7,895	
379,796	Royal Bank of Canada	6,580	22,776	
338,400	Shaw Communications Inc. Class B	5,393	6,903	
169,620	Shoppers Drug Mart	6,996	6,746	
269,350	SNC-Lavalin Group Inc. Class A	1,135	14,836	
254,430	Suncor Energy Inc.	10,176	11,060	
704,310	Talisman Energy Inc.	4,347	16,833	
293,810	Thomson Reuters Corporation	11,941	11,179	
66,100	Tim Hortons Inc.	2,320	2,899	
254,928	Toronto-Dominion Bank	7,076	21,865	
234,273	TransCanada Corporation	4,705	9,193	
200,000	Transcontinental Inc Class A	3,808	2,990	
240,000	TVA Group Inc. Class B	3,202	3,362	
73,600	West Fraser Timber Co. Ltd.	1,679	4,426	
55,000	Weston (George) Limited	5,071	3,631	
		182,040	356,860	39.8
	United States			
80,000	3M Co.	7,246	7,266	
5,000	Apple Computer Inc.	1,570	1,693	
110,000	Automatic Data Processing Inc.	4,940	5,484	
191,000	BB&T Corporation	5,395	5,097	
58,000	Becton Dickinson & Co.	4,169	4,488	
3,554,000	Chaoda Modern Agriculture	3,270	2,137	
80,000	Chevron Corporation	5,728	8,357	
300,000	Cisco Systems, Inc.	8,625	5,000	
95,000	Colgate-Palmolive Company	6,877	7,453	
291,400	ConAgra Foods, Inc.	5,862	6,720	
166,400	Computer Sciences Corp.	8,280	7,874	
203,000	CVS Caremark Corporation	5,011	6,765	
610,200	Dairy Farm International Holdings Limited	2,740	4,922	
121,000	Emerson Electric Company	5,089	6,871	
90,000	Exxon Mobil Corporation	5,839	7,365	
82,000	Fiserv, Inc.	4,202	4,997	
61,300	Fluor Corporation	3,072	4,389	

STATEMENT OF INVESTMENTS AS AT MARCH 31, 2011 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	United States (continued)			
320,000	General Electric Company	$ 8,878	$ 6,232	
194,000	General Mills, Inc.	7,076	6,891	
93,000	Gilead Sciences, Inc.	3,220	3,837	
165,000	Halliburton Company	5,181	7,993	
110,000	Hartford Financial Services Group, Inc.	6,758	2,880	
101,900	H.J. Heinz Company	4,795	4,834	
33,970	International Business Machines Corporation	5,092	5,389	
108,000	Johnson & Johnson	7,577	6,221	
111,000	JPMorgan Chase & Co.	4,901	4,978	
74,500	Kraft Foods Inc.	2,423	2,275	
115,700	Kimberly Clark Corporation	7,336	7,335	
164,200	Merck & Co. Inc.	5,710	5,271	
120,000	Metlife, Inc.	4,231	5,212	
261,200	Microsoft Corporation	6,663	6,437	
65,000	Monsanto Co.	5,118	4,563	
55,120	NIKE, Inc. Class B	3,235	4,054	
111,820	Oracle Corporation.	3,410	3,626	
115,000	Pepsico, Inc.	7,448	7,199	
536,200	Pfizer Inc.	15,630	10,583	
140,000	Philip Morris International Inc.	6,598	8,926	
142,875	Proctor & Gamble Company	8,346	8,557	
87,000	Scripps Networks Interactive	4,333	4,232	
220,000	Spectra Energy Corporation	4,874	5,811	
230,000	US Bancorp	5,990	5,905	
90,700	Verisk Analytics Inc. Class A	2,574	2,882	
146,600	Waste Management Inc.	4,670	5,320	
200,161	Wells Fargo & Company	14,487	6,165	
		254,469	250,486	27.9
	Mexico			
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	5,700	0.6
	Total North America	439,236	613,046	68.3
	Europe, excluding United Kingdom			
230,780	ABB Limited	4,126	5,402	
42,579	Adidas AG	1,906	2,612	
206,669	AXA	5,300	4,200	
425,937	Banco Santander Central Hispano SA	5,782	4,809	
51,000	Bayer AG	3,958	3,845	
67,553	Casino Guichard-Perrachon SA	5,777	6,218	
138,390	CSM	2,391	4,754	
419,841	Davide Campari-Milano S.p.A.	1,793	2,750	
112,182	Delhaize Group	8,729	8,882	
100,240	Essilor International SA	3,118	7,239	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	6,098	
50,700	Heineken NV	1,900	2,694	
371,426	ING Groep N.V. ADR	7,802	4,591	
130,700	Kerry Group plc	3,449	4,739	
352,600	Koninklijke Ahold NV	5,073	4,601	
32,497	L'Air Liquide SA	2,299	4,199	
28,160	L'Oreal SA	2,643	3,190	
50,938	Lafarge SA	3,866	3,090	
131,100	OMV AG	6,187	5,800	
122,738	Publicis Groupe	4,166	6,694	
167,500	Nestlé S.A. ADR	5,652	9,356	
167,122	Nestlé S.A.	7,611	9,337	
62,125	Roche Holding AG	9,739	8,649	
120,000	SAP AG Spons ADR	6,607	7,156	
33,654	Schneider Electric SA	4,557	5,589	
110,488	SKF AB	1,231	3,120	
46,000	Synthes, Inc.	5,505	6,057	
440,000	Telenor ASA	7,522	7,031	
83,000	Total SA ADR	5,005	4,918	
		136,700	157,620	17.6

STATEMENT OF INVESTMENTS AS AT MARCH 31, 2011 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	United Kingdom			
115,000	BP plc ADR	$ 9,285	$ 4,934	
325,400	Britvic plc	1,554	2,004	
353,015	Dairy Crest Group plc	1,271	1,977	
45,000	Diageo plc ADR	3,404	3,334	
491,812	GlaxoSmithKline plc	10,637	9,119	
506,000	HSBC Holdings Inc.	3,848	5,058	
110,000	National Grid plc ADR	4,983	5,138	
184,174	Next plc	4,143	5,681	
100,600	Reckitt Benckiser plc	3,735	5,022	
120,948	Standard Chartered plc	3,321	3,050	
2,446,015	Thomas Cook Group Plc	9,024	6,500	
312,000	Vodafone Group Plc ADR	9,261	8,714	
		64,466	60,531	6.7
	Asia			
151,600	Asahi Breweries, Ltd.	3,222	2,454	
71,100	Astellas Pharma Inc.	3,133	2,563	
3,392,000	China Pharmaceutical Group	1,898	1,946	
152,400	Circle K Sunkus Co., Ltd.	2,900	2,256	
67,400	Eisai Co., Ltd.	2,827	2,361	
37,100	Fanuc Ltd.	4,118	5,466	
601	Inpex Corporation	3,634	4,438	
67,000	Itochu Techno-Solutions Corp.	1,944	2,109	
907	KDDI Corp.	5,123	5,473	
14,080	Keyence Corporation	2,888	3,501	
144,000	Kirin Holdings Company, Limited	1,944	1,844	
340,000	Konica Minolta Holdings Inc.	3,259	2,778	
78,400	Makita Corporation	2,014	3,544	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	3,093	
6,500	Nintendo Co. Ltd.	1,934	1,698	
70,800	Secom Co. Ltd.	3,320	3,200	
1,366,330	Sumitomo Mitsui Trust Holdings, Inc.	8,144	4,716	
220,000	Suzuki Motor Corporation	6,030	4,783	
780,000	Television Broadcasts Limited	4,578	4,421	
		66,245	62,644	7.0
	Australia			
40,000	BHP Billiton Limited Spons ADR	3,081	3,729	0.4
	Total investments	$ 709,728	$ 897,570	100.0

[1] This company and United can be significantly influenced by the same party.

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 - 2011
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net 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 - 2011 (continued)
(Unaudited)

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

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

FINANCIAL RECORD: 1929 - 2011 (continued)
(Unaudited)

Historical Stock Dividends **

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

CORPORATE INFORMATION

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
AUDITORS	PricewaterhouseCoopers LLP, Toronto
CUSTODIAN	RBC Dexia Investor Services Trust
TRANSFER AGENT AND REGISTRAR	Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Toll Free: 1-800-564-6253 www.computershare.com

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