UNITED CORPORATIONS LIMITED

ANNUAL REPORT

2013

THE FISCAL YEAR AT A GLANCE

Year ended March 31	**2013** [1]	2012 [1]
Net equity value per Common Share [2]	**$ 82.03**	$ 72.32
Net investment income per Common Share [2]	**$ 1.43**	$ 1.43
Increase in net assets from operations per Common Share	**$ 11.12**	$ 1.30
Dividends per Common Share		
Quarterly	**$ 0.80**	$ 0.80
Additional [3]	**$ 0.63**	$ —
Net assets	**$ 1,008,012**	$ 889,646
Increase in net assets from operations	**$ 135,942**	$ 16,281
Investment income	**$ 26,446**	$ 25,422
Net investment income	**$ 17,792**	$ 17,790
Common Shares outstanding at year end	**12,194,193**	12,194,193

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

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held at 11:30 a.m. on Wednesday, June 26, 2013, at The Dominion of Canada General Insurance Company Building, 165 University Avenue, 4th floor, 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, 2013 and 2012. This MD&A should be read in conjunction with the Company's March 31, 2013 year-end financial statements, which form part of this Annual Report. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and both the financial statements and this MD&A are expressed in Canadian dollars.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that 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.

The Company

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

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

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

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

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

The Company has a long-term investment in Algoma Central Corporation ("Algoma"). Algoma and United are related parties, 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 beginning on page 21.

Investment Strategy

The objective of the Company is to earn an above-average rate of return, primarily through long-term capital appreciation and dividend income. Short-term volatility is expected and tolerated. Net equity value and net investment income may vary significantly from period to period depending on the economic environment and market conditions. Management remains confident that the Company's investment strategy will reward shareholders over the long term.

The investment portfolio of the Company comprises a mix of predominantly foreign equities. During the year, the Board of Directors announced that, after careful consideration, it was reducing United's exposure to Canadian equities and increasing its exposure to foreign equities. Prior to the announcement, Canadian equities had constituted approximately 30-35% of United's externally managed assets for many years. While this strategy had served United well, as a result of the outperformance of the Canadian equity market and the appreciation of the Canadian dollar, the Board believes that the objective of United, to earn an above-average rate of return through long-term capital appreciation and dividend income, will be better served in the future by investing the significant majority of its externally managed assets in foreign equities and reducing its concentration in Canadian equities. United's exposure to non-Canadian equities is now approximately 95% of United's investments. The change in asset allocation during the year did not result in any change in the portion of the Company's total assets managed by each of Jarislowsky and ValueInvest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 in Canadian GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

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

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

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

	March 31 2013	March 31 2012
Net assets	**$ 1,008,012**	$ 889,646
Deduct:		
Cost of redemption		
First Preferred Shares	**1,567**	1,567
1959 and 1963 Series Second Preferred Shares	**6,180**	6,180
	7,747	7,747
Net equity value	**$ 1,000,265**	$ 881,899
Common Shares outstanding	**12,194,193**	12,194,193
Net equity value per Common Share	**$ 82.03**	$ 72.32

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	
	2013	2012	**2013**	2012
Increase in net assets from operations	**$ 90,229**	$ 49,038	**$ 135,942**	$ 16,281
Add: Net loss (gain) on investments	**(86,858)**	(44,731)	**(118,150)**	1,509
Net investment income	**3,371**	4,307	**17,792**	17,790
Deduct: Dividends paid on Preferred Shares	**94**	94	**378**	378
Net investment income, net of dividends paid on Preferred Shares	**$ 3,277**	$ 4,213	**$ 17,414**	$ 17,412
Common Shares outstanding	**12,194,193**	12,194,193	**12,194,193**	12,194,193
Net investment income per Common Share	**$ 0.27**	$ 0.35	**$ 1.43**	$ 1.43

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Equity Value per Common Share

The Company's net equity value per Common Share increased to $82.03 at March 31, 2013 from $72.32 at the prior year end. With dividends reinvested at month-end net equity values, the Company's net equity value return was 15.7% in fiscal 2013, compared to a return of 1.9% in fiscal 2012.

As the Company is a taxable Canadian corporation, its 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 net change in unrealized appreciation of investments.

During the fiscal year, on a pre-tax basis, the investments managed by Jarislowsky increased 17.0%, whereas the investments managed by ValueInvest increased 21.2%.

In Canadian dollar terms, in fiscal 2013, the S&P/TSX Composite Index increased 6.1%, the MSCI World Index increased 14.4% and the S&P 500 Index increased 15.9%. Comparatively, in fiscal 2012, the S&P/TSX Composite Index decreased 9.8%, the MSCI World Index increased 4.0% and the S&P 500 Index increased 11.6%. All benchmark returns are on a total return (capital gains plus dividends) basis.

Operating Results - Fiscal 2013

Net Investment Income

The Company's net investment income of $17,792,000 in fiscal 2013 was relatively unchanged from the prior year's net investment income of $17,790,000. On a per Common Share basis, net investment income for each fiscal year was $1.43.

Foreign dividend income increased by 22.3% to $20,207,000 in fiscal 2013 from $16,519,000 in fiscal 2012. Canadian dividend income decreased by 31.6% to $5,860,000 in fiscal 2013 compared to $8,568,000 in the prior fiscal year. These changes occurred as a result of the increase in the Company's exposure to foreign equities during the year.

Interest income, including securities lending income, increased to $379,000 in fiscal 2013 from $335,000 in fiscal 2012. During the current fiscal year, the Company earned approximately $335,000 of securities lending income compared to $268,000 of income in the prior year.

Expenses of the Company increased to $4,180,000 in fiscal 2013 from $3,912,000 in fiscal 2012. The increase relates primarily to an increase in investment management and administrative costs resulting from a higher average investment portfolio value compared to the prior year. The Company's management expense ratio ("MER") remained unchanged at 0.46% of average net assets for both fiscal years.

The provision for income taxes has increased by 20.3% to $4,474,000 in fiscal 2013 from $3,720,000 in fiscal year 2012. Although investment income before income taxes has increased by only 3.5% compared to the prior fiscal year, the amount of taxable income has increased by 17.8% as foreign dividend income is subject to Part I tax whereas Canadian dividend income is not subject to the same tax. Given that the Company increased its exposure to foreign securities commencing in November 2012, the effective income tax rate has increased in fiscal 2013 to 20.09% from 17.29%. Management anticipates that this effective income tax rate will increase further in fiscal 2014 when the full-year impact of foreign dividend income will occur.

Net Gain (Loss) on Investments

The net gain on investments for the Company increased to $118,150,000 in fiscal 2013 compared to a net loss of $1,509,000 in the prior year.

The Company realized a net gain on investments of $103,637,000 in the current fiscal year compared to a net gain of $5,485,000 in fiscal 2012. The primary reason for the fiscal 2013 net realized gain was the sale of the Canadian portfolio resulting from the Company's decision to reduce its exposure to Canadian equities.

In fiscal 2013, the Company's net change in unrealized appreciation of investments was an increase of $15,501,000 compared to a decrease of $6,772,000 in the prior year. During the year, the net increase resulted from broadly based global unrealized gains partially offset from the realization of net gains from the sale of Canadian equities noted previously.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Results - Fourth Quarter, Fiscal 2013

The Company's net equity value per Common Share increased to $82.03 at March 31, 2013 from $74.84 at December 31, 2012. With dividends reinvested at month-end net equity values, the Company's net equity value return was 9.9% in the fourth quarter of fiscal 2013. On a pre-tax basis, Jarislowsky's portion of the portfolio increased by 10.2% and ValueInvest's portion of the investment portfolio increased by 17.0%.

In Canadian dollar terms, in the fourth quarter of fiscal 2013, the S&P/TSX Composite Index increased 3.3%, the MSCI World Index, 10.1% and the S&P 500 Index, 12.9%.

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):

	2013	2012	2011
Net gain (loss) on investments	**$ 118,150**	$ (1,509)	$ 49,538
Net gain (loss) on investments per Common Share	**9.69**	(0.13)	4.06
Total assets	**1,048,707**	916,378	908,069
Investment income	**26,446**	25,422	22,513
Net investment income	**17,792**	17,790	15,365
Net investment income per Common Share	**1.43**	1.43	1.23
Dividends per Common Share:			
Quarterly	**0.80**	0.80	0.80
Additional	**0.63**	—	—
Dividends per Preferred Share	**1.50**	1.50	1.50

United's investment portfolio is affected by stock selection, equity markets and currency movements. In both fiscal 2013 and fiscal 2011, the performance of United was favourably affected by strong recoveries in global markets. In fiscal 2012, the performance of United was favourably affected by positive returns in non-Canadian markets, offset by a decline in the value of Canadian equities.

The fluctuations in net investment income are due primarily to changes in dividend income that is earned by the Company, net of management fees. The dividend income is determined by the dividend policies of the corporations that are held as investments in our total investment portfolio. In the current fiscal year, foreign dividend income increased and was partially offset by a decline in Canadian income as the Company increased its exposure to foreign securities commencing in November 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Review - Fiscal 2013 and 2012

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

	2013 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	**$ 869,310**	**$ 903,346**	**$ 934,245**	**$ 1,032,275**
Investment income	**10,547**	**5,747**	**4,445**	**5,707**
Net investment income	**7,623**	**4,106**	**2,692**	**3,371**
Net gain (loss) on investments	**(26,184)**	**28,420**	**29,056**	**86,858**
Per Common Share: [1]				
Net investment income	**$ 0.62**	**$ 0.33**	**$ 0.21**	**$ 0.27**
Net gain (loss) on investments	**(2.15)**	**2.33**	**2.39**	**7.12**
Increase (decrease) in net assets from operations	**$ (1.53)**	**$ 2.66**	**$ 2.60**	**$ 7.39**

	2012 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	$ 879,225	$ 793,685	$ 837,970	$ 901,554
Investment income	9,412	5,389	5,213	5,408
Net investment income	6,643	3,477	3,363	4,307
Net gain (loss) on investments	(5,924)	(74,551)	34,235	44,731
Per Common Share: [1]				
Net investment income	$ 0.54	$ 0.27	$ 0.27	$ 0.35
Net gain (loss) on investments	(0.49)	(6.11)	2.81	3.66
Increase (decrease) in net assets from operations	$ 0.05	$ (5.84)	$ 3.08	$ 4.01

[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 year, the Company reduced its exposure to Canadian equities and increased its exposure to foreign equities. Going forward, dividends received from foreign equities may be more or less than dividends earned from the previous Canadian equity portfolio.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian securities laws is recorded, processed, summarized and reported within the specified time periods, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management on a timely basis to allow appropriate decisions regarding public disclosure. Under the supervision of management, an evaluation was carried out on the effectiveness of the Company's disclosure controls and procedures as of March 31, 2013. Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as at March 31, 2013.

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, 2013. Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2013. No changes were made in the Company's internal control over financial reporting during the year ended March 31, 2013, 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 Investor Services Trust ("RBC IS"), as its lending agent. The Company receives collateral of at least 105% of the value of the securities on loan. RBC IS currently has an approved credit rating of AA- (S&P). The Company has recourse to the Royal Bank of Canada in the event RBC IS 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.

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 investment managers, each of whom manages a diversified portfolio of securities.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Share Data

As at March 31, 2013, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 1959 Series Second Preferred Shares, 119,710 1963 Series Second Preferred Shares and 12,194,193 Common Shares.

Liquidity and Capital Resources

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

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

The payment of the Company's quarterly dividends is funded by net investment income. For the year ended March 31, 2013, net investment income was $1.43 (fiscal 2012 - $1.43) per Common Share as compared to total quarterly dividend payments of $0.80 per Common Share.

In fiscal 2013, the Company paid an additional cash dividend of $0.63 per Common Share. This dividend represented a distribution of the balance of net investment income (after payment of Preferred Share dividends) for the fiscal year ended March 31, 2012.

On May 7, 2013, the Board of Directors declared a cash dividend of $0.63 per Common Share, payable June 28, 2013 to shareholders of record on June 14, 2013. This dividend represents a distribution of the balance of net investment income (after payment of Preferred Share dividends) for the fiscal year ended March 31, 2013.

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

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

The Company will adopt IFRS commencing April 1, 2014. Its first set of financial statements prepared in accordance with IFRS will be for the quarter ending June 30, 2014, which will provide corresponding comparative financial information for fiscal 2014, including an opening statement of financial position as at April 1, 2013.

Management does not expect that the transition 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.

Additional Information

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

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

Duncan N.R. Jackman
Chairman and President
May 7, 2013

FINANCIAL HIGHLIGHTS

For each of the years in the five-year period ended March 31, 2013:

DATA PER COMMON SHARE	**2013**	2012	2011	2010	2009
NET EQUITY VALUE, beginning of year	**$ 72.32**	$ 71.82	$ 67.33	$ 54.81	$ 77.18
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS AVAILABLE TO COMMON SHAREHOLDERS					
Net investment income	**1.43**	1.43	1.23	1.16	1.26
Net gain (loss) on investments	**9.69**	(0.13)	4.06	12.16	(22.84)
	11.12	1.30	5.29	13.32	(21.58)
CASH DIVIDENDS TO COMMON SHAREHOLDERS					
Quarterly	**(0.80)**	(0.80)	(0.80)	(0.80)	(0.80)
Additional	**(0.63)**	—	—	—	—
	(1.43)	(0.80)	(0.80)	(0.80)	(0.80)
TAXATION CHANGES					
Net decrease in refundable dividend taxes on hand	**0.02**	—	—	—	0.01
NET EQUITY VALUE, end of year	**$ 82.03**	$ 72.32	$ 71.82	$ 67.33	$ 54.81

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 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 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 7, 2013

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 statements of net assets as at March 31, 2013 and 2012, the statement of investments as at March 31, 2013 and the statements of operations, retained earnings and changes in net assets for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of United Corporations Limited as at March 31, 2013 and 2012 and the results of its operations and changes in its net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

May 7, 2013
Toronto, Canada

Chartered Accountants, Licensed Public Accountants

STATEMENTS OF NET ASSETS

	March 31	
	2013	2012
	(000's)	
ASSETS		
Investments, at fair value (Notes 4, 7 and 8)	**$ 1,032,275**	$ 901,554
Cash	**4,075**	7,767
Short-term investments	**9,574**	4,488
Accrued income on investments	**2,365**	2,279
Other assets	**418**	290
	1,048,707	916,378
LIABILITIES		
Accounts payable and accrued liabilities	**573**	528
Payable in respect of investments purchased	**—**	2,953
Income taxes payable	**12,535**	1,210
Future income taxes (Note 3)	**27,587**	22,041
	40,695	26,732
NET ASSETS	**$ 1,008,012**	$ 889,646
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	**467,012**	348,646
TOTAL SHAREHOLDERS' EQUITY	**$ 1,008,012**	$ 889,646

APPROVED BY THE BOARD

DUNCAN N.R. JACKMAN, Director

MICHAEL J. WHITE, Director

(See accompanying notes)

STATEMENTS OF OPERATIONS

	Years ended March 31	
	2013	2012
	(000's)	
INVESTMENT INCOME		
Dividends		
Foreign	**$ 20,207**	$ 16,519
Canadian (Note 8)	**5,860**	8,568
	26,067	25,087
Interest, including securities lending income (Note 9)	**379**	335
	26,446	25,422
EXPENSES		
Investment management and administrative costs (Note 8)	**3,392**	3,246
Directors' and officer's remuneration	**234**	216
Office and miscellaneous	**267**	197
Transfer, registrar and custody fees	**216**	192
Professional fees	**71**	61
	4,180	3,912
Investment income before income taxes	**22,266**	21,510
Provision for income taxes (Note 3)	**4,474**	3,720
NET INVESTMENT INCOME	**17,792**	17,790
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain on investments (Note 5)	**103,637**	5,485
Net change in unrealized appreciation of investments (Note 4)	**15,501**	(6,772)
Transaction costs on purchase and sale of investments	**(988)**	(222)
NET GAIN (LOSS) ON INVESTMENTS	**118,150**	(1,509)
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 135,942**	$ 16,281
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	**$ 11.12**	$ 1.30

(See accompanying notes)

STATEMENTS OF RETAINED EARNINGS

	Years ended March 31 2013	2012
	(000's)	
BEGINNING OF YEAR	**$ 348,646**	$ 342,576
Add:		
Increase in net assets from operations	**135,942**	16,281
Refundable dividend taxes recovered	**1,912**	2,566
	137,854	18,847
Deduct:		
Dividends:		
First Preferred Shares ($1.50 per share)	**78**	78
Second Preferred Shares ($1.50 per share)	**300**	300
Common Shares ($1.43 (2012 - $0.80) per share)	**17,438**	9,756
Provision for refundable dividend taxes	**1,672**	2,643
	19,488	12,777
END OF YEAR	**$ 467,012**	$ 348,646

STATEMENTS OF CHANGES IN NET ASSETS

	Years ended March 31 2013	2012
	(000's)	
INCREASE IN NET ASSETS FROM OPERATIONS	**$ 135,942**	$ 16,281
DIVIDENDS TO SHAREHOLDERS		
Preferred Shares	**(378)**	(378)
Common Shares	**(17,438)**	(9,756)
	(17,816)	(10,134)
TAXATION CHANGES		
Net (increase) decrease in refundable dividend taxes on hand (Note 3)	**240**	(77)
INCREASE IN NET ASSETS	**118,366**	6,070
NET ASSETS, BEGINNING OF YEAR	**889,646**	883,576
NET ASSETS, END OF YEAR	**$ 1,008,012**	$ 889,646

(See accompanying notes)

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

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

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.

Financial instruments

The Company's financial instruments consist of investments, cash, short-term investments, accrued income on investments, other assets, accounts payable and accrued liabilities, payables in respect of investments purchased, and income taxes payable. Investments, cash and short-term investments are categorized as held for trading. Accrued income on investments, 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.

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.

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.

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;

NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2013

- 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.

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.

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) (Note 5) 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 decrease in refundable dividends taxes on hand for the year ended March 31, 2013 was approximately $240,000 (2012 - an increase of $33,000). The amount eligible for refund for accounting purposes at March 31, 2013, all of which is included in the Statement of Retained Earnings, amounted to approximately $1,000 (2012 - $241,000).

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

	2013	2012
Basic combined federal and provincial rate	**26.50%**	27.75%
Tax effect related to dividends from taxable Canadian corporations	**(6.97)**	(11.05)
Effect of foreign withholding taxes	**0.53**	0.71
Effect of other adjustments	**0.03**	(0.12)
Effective income tax rate	**20.09%**	17.29%

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

	2013	2012
	(000’s)	
Current	**$ 4,255**	$ 3,849
Future	**219**	(129)
Provision for income taxes	**$ 4,474**	$ 3,720

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:

	2013	2012
	(000’s)	
Unrealized appreciation of investments	**$ 26,960**	$ 21,393
Accrued dividends	**627**	648
Future income taxes	**$ 27,587**	$ 22,041

NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2013

4. Unrealized appreciation of investments

The details of unrealized appreciation of investments and the changes for the years ended are as follows:

	March 31 2013	March 31 2012	**Change in 2013**	Change in 2012
		(000's)		
Investments at fair value	**$1,032,275**	$ 901,554	**$ 130,721**	$ 3,984
Investments at cost	**831,990**	722,337	**109,653**	12,609
Unrealized appreciation of investments before provision for future income taxes	**200,285**	179,217	**21,068**	(8,625)
Provision for future income taxes	**26,960**	21,393	**5,567**	(1,853)
Unrealized appreciation of investments	**$ 173,325**	$ 157,824	**$ 15,501**	$ (6,772)

5. Net realized gain on investments

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

	2013	2012
	(000's)	
Proceeds on sales of investments	**$ 774,864**	$ 119,470
Cost of investments, beginning of year	**722,337**	709,728
Cost of investments purchased during the year	**767,197**	125,463
	1,489,534	835,191
Cost of investments, end of year	**831,990**	722,337
Cost of investments sold during the year	**657,544**	112,854
Realized gain on investments sold before income taxes	**117,320**	6,616
Provision for income taxes	**13,683**	1,131
Net realized gain on investments	**$ 103,637**	$ 5,485

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, 2013

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 Investor Services Trust ("RBC IS"), as its lending agent. The Company had exposure to securities lending arrangements at March 31, 2013 of approximately $114,392,000 (2012 - $43,660,000) and has received approximately $120,112,000 (2012 - $45,843,000) in collateral. The Company has recourse to the Royal Bank of Canada in the event RBC IS 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 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 $89,550,000 (2012 - $78,740,000) 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, 2013 and March 31, 2012, 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 $51,847,000 (2012 - $42,058,000). Dividend income from Algoma for the fiscal year ended March 31, 2013 was $870,000 (2012 - $671,000). 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, including HST, for the year ended March 31, 2013 amounted to $998,000 (2012 - $949,000). 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, 2013

9. Securities lending

The Company has entered into a securities lending agreement with its custodian, RBC IS. 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 the Company, RBC IS must restore to the Company securities identical to the loaned securities or pay to the Company the value of the collateral up to but not exceeding the market value of the loaned securities on the date on which the loaned securities were to have been returned ("Valuation date"). If the collateral is not sufficient to allow RBC IS to pay such market value to the Company, RBC IS shall indemnify the Company for the difference between the market value of the securities and the value of such collateral on the Valuation date. The Company has recourse to the Royal Bank of Canada in the event RBC IS fails to discharge its securities lending obligation.

At March 31, 2013, the Company has loaned approximately $114,392,000 (2012 - $43,660,000) in securities and received approximately $120,112,000 (2012 - $45,843,000) in collateral. During the year, the Company recognized approximately $335,000 (2012 - $268,000) 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 shareholders' equity of the Company as at March 31 is as follows:

	2013	2012
	(000's)	
Shareholders' equity	**$ 1,008,012**	$ 889,646

11. Statement of cash flows

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

12. Future accounting changes

International Financial Reporting Standards ("IFRS")

The Company will adopt IFRS commencing April 1, 2014. Its first set of financial statements prepared in accordance with IFRS will be for the quarter ending June 30, 2014, which will provide corresponding comparative financial information for fiscal 2014, including an opening statement of financial position as at April 1, 2013.

Management does not expect that the transition 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.

13. Subsequent event

On May 7, 2013, the Board of Directors declared a cash dividend of $0.63 per Common Share, payable June 28, 2013 to shareholders of record on June 14, 2013. This dividend represents a distribution of the balance of net investment income (after payment of Preferred Share dividends) for the fiscal year ended March 31, 2013.

STATEMENT OF INVESTMENTS AS AT MARCH 31, 2013

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	North America			
	Canada			
Common				
3,625,680	Algoma Central Corporation [1]	$ 6,201	$ 51,847	
15,100	Weston (George) Limited	1,302	1,139	
		7,503	52,986	5.1
	United States			
147,490	3M Co.	13,396	15,917	
142,810	Allergan, Inc.	14,554	16,191	
298,330	Automatic Data Processing Inc.	15,556	19,697	
166,800	Becton, Dickinson and Company	12,519	16,195	
381,200	Coca-Cola Company (The)	14,068	15,648	
166,920	Colgate-Palmolive Company	15,054	20,007	
82,500	Computer Sciences Corporation	4,105	4,123	
173,000	ConAgra Foods, Inc.	3,503	6,290	
272,210	Dollar Tree, Inc.	10,214	13,386	
260,320	Emerson Electric Company	12,131	14,763	
96,600	EOG Resources, Inc.	11,414	12,566	
159,970	Exxon Mobil Corporation	12,164	14,622	
130,200	Fiserv, Inc.	8,578	11,609	
245,300	General Mills, Inc.	9,088	12,279	
292,600	Halliburton Company	9,411	12,008	
98,800	H.J. Heinz Company	4,666	7,251	
57,800	Hormel Foods Corporation	2,325	2,424	
97,370	IBM Corporation	17,119	21,087	
194,200	Johnson & Johnson	13,451	16,068	
346,800	J.P. Morgan Chase & Co.	14,229	16,705	
95,000	Kimberly Clark Corporation	6,063	9,448	
115,166	Kraft Foods Inc.	4,869	6,027	
223,900	Merck & Co., Inc.	8,341	10,058	
489,980	Metlife, Inc.	16,924	18,910	
312,200	Microsoft Corporation	8,298	9,068	
182,600	Mondelez International Inc. Class A	4,253	5,677	
511,380	Oracle Corporation	16,379	16,786	
202,440	PepsiCo, Inc.	13,497	16,263	
906,120	Pfizer Inc.	24,897	26,540	
205,030	Philip Morris International Inc.	13,493	19,307	
332,550	QEP Resources, Inc.	9,659	10,750	
307,800	Spectra Energy Corporation	7,375	9,609	
579,500	Staples Inc.	7,214	7,904	
146,560	Time Warner Cable Inc.	12,272	14,291	
500,400	US Bancorp.	14,222	17,228	
131,170	Verisk Analytics Inc. Class A	4,311	8,203	
369,370	Walgreen Company	12,551	17,875	
127,300	Waste Management Inc.	4,056	5,067	
512,461	Wells Fargo & Company	24,561	19,235	
		430,780	517,082	50.1
	Mexico			
68,810	Fomento Economico Mexicano, S.A. de C.V. ADR	2,327	7,930	0.8
	Total North America	440,610	577,998	56.0

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STATEMENT OF INVESTMENTS AS AT MARCH 31, 2013 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	Europe, excluding United Kingdom			
19,503	Adidas AG	$ 873	$ 2,060	
138,648	Anheuser-Busch Inbev Spon ADR	12,010	14,011	
564,569	AXA	11,246	9,874	
1,151,709	Banco Santander Central Hispano S.A.	11,288	7,826	
208,650	Bayer AG	18,100	21,854	
63,074	Casino Guichard-Perrachon S.A.	5,557	6,730	
298,802	Davide Campari-Milano S.p.A.	1,276	2,365	
138,522	Delhaize Group	10,222	7,687	
88,740	Essilor International S.A.	2,760	10,039	
372,816	France Telecom S.A.	7,154	3,833	
95,200	Fresenius Medical Care & Co. KGaA	6,630	6,541	
186,000	Fresenius Medical Care & Co. KGaA ADR	3,006	6,398	
67,473	Kerry Group plc	1,780	4,094	
599,241	Koninklijke Ahold NV	8,219	9,339	
69,370	L'Air Liquide S.A.	6,357	8,574	
111,518	Lafarge S.A.	7,103	7,538	
47,200	LVMH Moet Hennessy Louis Viutton SA	8,387	8,243	
231,632	Nestlé SA	11,790	17,059	
151,660	Nestlé SA ADR	5,226	11,162	
119,421	OMV AG	5,535	5,186	
47,846	Publicis Groupe	1,624	3,259	
35,001	Roche Holding AG	5,597	8,298	
207,410	Sanofi	17,371	21,437	
192,558	Schneider Electric S.A.	13,466	14,307	
580,471	Securitas AB Class B	4,882	5,558	
129,980	Siemens AG	13,688	14,236	
503,500	Telenor ASA	8,709	11,185	
72,400	Total S.A.	3,612	3,527	
113,000	Total S.A. ADR	6,494	5,514	
		219,962	257,734	25.0
	United Kingdom			
638,400	BG Group plc	11,660	11,112	
325,400	Britvic plc	1,554	2,229	
335,376	Dairy Crest Group plc	1,208	2,216	
63,550	Diageo plc	1,828	2,031	
45,000	Diageo plc ADR	3,404	5,751	
404,824	GlaxoSmithKline plc	8,716	9,602	
1,632,800	HSBC Holdings Inc.	14,718	17,684	
524,300	National Grid plc	5,921	6,184	
132,000	National Grid plc ADR	6,051	7,778	
36,461	Next plc	831	2,453	
671,948	Standard Chartered plc	16,649	17,646	
		72,540	84,686	8.2
	Asia			
222,500	Asahi Group Holdings Co.	4,844	5,401	
88,400	Fanuc Ltd.	13,064	13,738	
711	Inpex Corporation	4,245	3,870	
48,800	Itochu Techno-Solutions Corporation	1,416	2,448	
165,200	KDDI Corporation	4,771	7,003	
29,088	Keyence Corporation	6,851	9,035	
345,000	Kirin Holdings Company, Limited	4,752	5,623	
484,500	Konica Minolta Holdings Inc.	4,400	3,584	
44,200	Lawson Inc.	3,000	3,447	
94,800	Makita Corporation	2,817	4,264	
317,600	Mitsubishi Tanabe Pharma Corporation	5,033	4,936	
70,800	Secom Co. Ltd.	3,320	3,701	
945,000	Television Broadcasts Limited	6,010	7,264	
297,600	Toyota Motor Corporation	13,314	15,508	
		77,837	89,822	8.7

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STATEMENT OF INVESTMENTS AS AT MARCH 31, 2013 (continued)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	Australia			
401,110	Austraila and New Zealand Banking Group Limited	$ 10,526	$ 12,109	
142,800	BHP Billiton Limited Spons ADR	10,515	9,926	
		21,041	22,035	2.1%
	Total investments	$ 831,990	$1,032,275	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 - 2013
(Unaudited)

Year	Total Net Assets * (000's)	Funded Debt (000's)	Preferred Shares = (000's)	Net Equity Value (000's)	Net Equity Value per Common Share**	Net Investment Income Available for Common Shares (000's)	Net 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 - 2013 (continued)
(Unaudited)

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

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

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

FINANCIAL RECORD: 1929 - 2013 (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, 8th Floor
Toronto, Ontario
M5J 2Y1
Toll Free: 1-800-564-6253
www.computershare.com

TORONTO STOCK EXCHANGE LISTINGS

	Ticker Symbol
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