

FIRST QUARTER REPORT JUNE 30, 2010

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2010 ⁽¹⁾	As at March 31 2010 (1)
Net equity value per Common Share (2)	\$ 63.19	\$ 67.33
Net assets	\$ 778,337	\$ 828,840
Number of Common Shares outstanding at period end	12,194,193	12,194,193

Three months ended June 30

\$ 0.44 \$ 0.20 \$ (3.94) \$ 7,800 \$ 5,404		
\$ 0.20 \$ (3.94) \$ 7,800		2009 (1)
\$ (3.94) \$ 7,800	\$	0.43
\$ 7,800	\$	0.20
, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$	6.46
\$ 5,404	\$	8,030
	\$	5,338
	5,404	5,404 \$

⁽¹⁾ In thousands of Canadian dollars, except number of Common Shares outstanding and per share amounts.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's external auditors, PricewaterhouseCoopers LLP, have not performed a review of these interim financial statements of United Corporations Limited.

⁽²⁾ See Management's Discussion and Analysis for Use of Non-GAAP Measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited consolidated operating results and financial condition of United Corporations Limited ("United" or the "Company") for the first quarter of fiscal 2011 should be read in conjunction with the MD&A for the fiscal year ended March 31, 2010, the Company's annual audited consolidated financial statements, the notes relating thereto, the supplementary financial information included in the Company's Annual Report, the quarterly unaudited consolidated financial statements and notes contained in this report. These unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the disclosures required under GAAP for annual financial statements. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are 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 results, performance or achievement expressed in, or implied by, 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 reference to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meaning in GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

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

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

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

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

		June 30 2010	March 31 2010		
Net assets	\$	778,337	\$	828,840	
Deduct: Cost of redemption: First Preferred Shares		1.567		1.567	
Second Preferred Shares, Series 1959 and 1963	6,180			6,180	
		7,747		7,747	
Net equity value	\$	770,590	\$	821,093	
Common Shares outstanding	12	2,194,193	12	2,194,193	
Net equity value per Common Share	\$	63.19	\$	67.33	

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 mont June		ended
		2010		2009
Increase (decrease) in net assets from operations	\$	(47,972)	\$	78,829
Add (deduct): Net loss (gain) on investments		53,376		(73,491)
Net investment income		5,404		5,338
Deduct: Dividends paid on Preferred Shares		94		94
Net investment income, net of dividends paid on Preferred Shares	\$	5,310	\$	5,244
Common Shares outstanding	_1:	2,194,193	12	2,194,193
Net investment income per Common Share	\$	0.44	\$	0.43

Market Review

In Canadian dollar terms global stock markets posted negative returns during the current quarter. In the first quarter of fiscal 2011 the S&P/TSX Composite Index decreased 5.5%, the MSCI World Index decreased 8.6% and the S&P 500 Index decreased 7.5%. All benchmark returns are on a total return (capital gains plus dividends) basis.

For the quarter ended June 30, 2010, the Company's net equity value per Common Share decreased to \$63.19 from \$67.33 at March 31, 2010. With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 5.9% in fiscal 2011 compared to a positive return of 11.8% in the prior fiscal period.

As the Company is a taxable Canadian corporation, the Company's 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.

Operating Results

Net investment income

The Company's net investment income in the first quarter of fiscal 2011 was \$5,404,000 compared to net investment income of \$5,338,000 in the same quarter of the prior year. On a per Common Share basis, net investment income for the guarter increased to \$0.44 in fiscal 2011 from \$0.43 in fiscal 2010.

Foreign dividend income in the quarter decreased to \$5,718,000 from \$6,066,000 in fiscal 2010. The decline resulted primarily from a stronger Canadian dollar period over period. Canadian dividend income for the current fiscal quarter remained relatively unchanged from the corresponding prior year's quarter.

Interest income, including securities lending income, in the first fiscal quarter amounted to \$139,000 compared to \$33,000 in the prior year. The Company recently resumed securities lending activities and during the quarter recognized \$112,000 of income compared to no corresponding income in the prior year.

Expenses in the quarter amounted to \$903,000 (fiscal 2010 - \$793,000). The majority of the increase relates to an increase in investment management and administrative costs resulting from a higher average investment portfolio value compared to the prior year.

The provision for income taxes in the prior year includes \$171,000 of additional income tax related to certain foreign withholding taxes that could not be credited against Canadian income taxes payable. A similar provision was not required in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net gain (loss) on investments

The Company realized a net loss on investments of \$2,108,000 in the first quarter of fiscal 2011 versus a net gain of \$1,126,000 in the prior year. The largest contributors to the net realized loss during the quarter were Nortel Networks Limited and Siemens AG, offset in part by a gain on the sale of Clariant AG.

The Company's net change in unrealized appreciation of investments decreased by \$51,220,000 in the quarter compared to an increase of \$72,418,000 in the same period last year. As noted earlier in the Market Review section, during the current quarter global stock markets posted negative returns over a broad range of sectors.

Quarterly Results

The following table summarizes various financial results on a quarterly basis for the eight most recent quarters (in thousands of dollars, except per Common Share amounts):

	June 30 2010				Dec. 31 Sept. 30 2009 2009		June 30 2009		March 31 2009		Dec. 31 2008		Sept. 30 2008			
Investments, at fair value	\$	773,350	\$	825,406	\$	812,712	\$	777,435	\$	712,086	\$	610,834	\$	665,821	\$	800,709
Investment income	\$	7,800	\$	4,798	\$	4,090	\$	4,468	\$	8,030	\$	4,622	\$	5,414	\$	4,827
Increase (decrease) in net assets from operations	\$	(47,972)	\$	6,496	\$	24,708	\$	52,828	\$	78,829	\$	(45,209)	\$	(101,122)	\$	(120,426)
Increase (decrease) in net assets from operations per Common Share ¹	\$	(3.94)	\$	0.52	\$	2.02	\$	4.32	\$	6.46	\$	(3.72)	\$	(8.30)	\$	(9.88)
Net equity value per Common Share	\$	63.19	\$	67.33	\$	67.01	\$	65.19	\$	61.07	\$	54.81	\$	58.73	\$	67.23

¹Net of dividends paid on Preferred Shares.

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 appreciation 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 five of the previous six quarters, the Company experienced a year-over-year decline in foreign dividend income compared to the same quarter in the prior fiscal year.

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 necessarily correlate with benchmark returns.

Share Data

At June 30, 2010, the following shares were issued and outstanding: 52,237 First Preferred Shares, 80,290 Second Preferred Shares, 1959 Series, 119,710 Second Preferred Shares, 1963 Series and 12,194,193 Common Shares.

Liquidity and Capital Resources

Quarterly dividends were paid on the Common Shares and Preferred Shares. The quarterly per share dividend was \$0.20 on the Common Shares and \$0.375 for each Preferred Share series. Payment of the Company's dividends is funded by net investment income. For the quarter ended June 30, 2010, net investment income was \$0.44 per Common Share as compared to Common Share dividend payments of \$0.20 per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Conversion to International Financial Reporting Standards ("IFRS")

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

Management oversees the conversion and provides quarterly status reports to the Company's Audit Committee. Management continues to develop financial reporting expertise in IFRS.

Additional changes to IFRS accounting standards are expected to be issued during the transition period. As greater certainty is gained with respect to the direction of accounting standard setters, changes may be required to our preliminary accounting policy choices and transition elections prior to our first interim IFRS report in fiscal 2012. The following disclosures reflect the Company's current expectations based on information that is available as of this report's date.

The Company's project plan includes four phases: analysis, design and planning, solution development and implementation. The analysis phase has been completed and the accounting standards that are expected to have a significant impact on the Company's recognition, measurement, presentation and disclosure in its financial statements have been identified. Preliminary accounting policy choices have been made based on the expected accounting requirements in fiscal 2012. Draft model financial statements, excluding note disclosures, have been prepared and presented to the Company's Audit Committee. Financial statements, including all IFRS-related note disclosures, will be finalized during the remainder of fiscal 2011. The implementation phase is being executed throughout fiscal 2011, including preparation of the IFRS opening balance sheet as at April 1, 2010, performing dual accounting under both Canadian GAAP and IFRS, and preparing detailed reconciliations of Canadian GAAP to IFRS financial statements for disclosure purposes. Management has determined that no systems changes relating to the implementation of IFRS are required. Management anticipates modest changes to internal controls over financial reporting, and to disclosure controls and procedures. These changes to the controls and procedures will be finalized during the remainder of fiscal 2011.

At this point in the project, the Company anticipates that on transition to IFRS there will be no impact to the calculation of net assets or net equity value per Common Share. The Company continues to assess the ongoing financial reporting, presentation and disclosure impacts of reporting under IFRS.

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

August 3, 2010

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	,	N	/larch 31 2010	
	_	(000)	's)	
ASSETS				
Investments, at fair value				
(cost - \$702,723; March 31, 2010 - \$694,735) (Note 2)	\$	773,350	\$	825,406
Cash		3,730		4,866
Short-term investments		7,580		16,903
Receivable in respect of investments sold		_		118
Accrued income on investments		1,766		1,956
Income taxes receivable		1,060		_
Other assets		570		598
		788,056		849,847
LIABILITIES				
Accounts payable and accrued liabilities		561		560
Payable in respect of investments purchased		577		2,090
Income taxes payable		_		894
Future income taxes		8,581		17,463
		9,719		21,007
NET ASSETS	\$	778,337	\$	828,840
SHAREHOLDERS' EQUITY				
Share capital				
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		174,820		174,103
Unrealized appreciation of investments		62,517		113,737
TOTAL SHAREHOLDERS' EQUITY	\$	778,337	\$	828,840

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three months ended June 30				
	2	2010	:	2009	
INIVESTMENT INCOME		(000	's)		
INVESTMENT INCOME					
Dividends:	•	40	•	0.000	
Foreign	\$	5,718	\$	6,066	
Canadian		1,943		1,931	
		7,661		7,997	
Interest, including securities lending income		139		33	
		7,800		8,030	
Expenses:					
Investment management and administrative costs		716		599	
Directors' and officers' remuneration		56		58	
Office and miscellaneous		68		73	
Transfer, registrar and custody fees		50		52	
Professional fees		13		11	
		903		793	
Investment income before income taxes		6,897		7,237	
Provision for income taxes		1,493		1,899	
NET INVESTMENT INCOME		5,404		5,338	
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS					
Net realized gain (loss) on investments		(2,108)		1,126	
Net change in unrealized appreciation of investments		(51,220)		72,418	
Transaction costs on purchase and sale of investments		(48)		(53)	
NET GAIN (LOSS) ON INVESTMENTS		(53,376)		73,491	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$	(47,972)	\$	78,829	
INCREASE (DECREASE) IN NET ASSETS FROM					
OPERATIONS PER COMMON SHARE	\$	(3.94)	\$	6.46	

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

(onadanoa)	Three months ended June 30			
	2010			2009
		(000	s)	
BEGINNING OF PERIOD		174,103	\$	154,961
Add (deduct):				
Net investment income		5,404		5,338
Net realized gain (loss) on investments		(2,108)		1,126
Refundable dividend taxes recovered			592	
		3,893		7,056
Deduct:				
Dividends:				
First Preferred Shares		19		19
Second Preferred Shares		75		75
Common Shares		2,439		2,439
Provision for refundable dividend taxes		595		591
Transaction costs on purchase and sale of investments		48		53
		3,176		3,177
END OF PERIOD	\$	174,820	\$	158,840

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Th	ree months er	nded J	une 30				
	2010 2009							
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		(000	s)					
		(47,972)	\$	78,829				
DIVIDENDS TO SHAREHOLDERS								
Preferred Shares		(94)		(94)				
Common Shares		(2,439)		(2,439)				
		(2,533)		(2,533)				
TAXATION CHANGE								
Net decrease in refundable dividend taxes on hand		2		1				
INCREASE (DECREASE) IN NET ASSETS		(50,503)		76,297				
NET ASSETS, BEGINNING OF PERIOD		828,840		676,149				
NET ASSETS, END OF PERIOD	\$	778,337	\$	752,446				

CONSOLIDATED STATEMENT OF NET REALIZED GAIN (LOSS) ON INVESTMENTS (Unaudited)

	_Th	ree months e	nded J	une 30	
	2	2010	2009		
		(000)	s)		
Proceeds on sales of investments	\$	24,835	\$	20,051	
Cost of investments, beginning of period		694,735		631,401	
Cost of investments purchased during the period		34,844		38,481	
		729,579		669,882	
Cost of investments, end of period		702,723		651,123	
Cost of investments sold during the period		26,856		18,759	
Realized gain (loss) on investments sold before income taxes		(2,021)		1,292	
Provision for income taxes		87		166	
Net realized gain (loss) on investments	\$	(2,108)	\$	1,126	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(00	00's)	
	North America			
	Canada			
Common		• • • • • • •		
362,568 92,000	Algoma Central CorporationBank of Montreal	\$ 6,201 5,617	\$ 27,283 5,311	
331,805	Bank of Nova Scotia	5,755	16,272	
357,670	CAE, Inc.	3,621	3,298	
80,000 136,330	Canadian National Pailway Company	279 5,471	1,810 8,316	
224,940	Canadian National Railway Company Canadian Natural Resources Ltd	6,611	7.947	
99,680	Canadian Tire Corp. Ltd. Class A	3,546	5,298	
44,505	Canadian Utilities Limited Class A	1,089	2,010	
222,702 273,565	Canfor CorporationCenovus Energy Inc	1,436 5,399	1,891 7.493	
70,000	Cogeco Cable Inc.	2,307	2,386	
151,466	Enbridge Inc.	2,065	7,510	
197,085	Encana Corporation	3,001	6,350	
138,700 300,000	Goldcorp, IncGreat-West Lifeco Inc	4,501 4.287	6,465 7,218	
157,430	Imperial Oil Limited	1,576	6,105	
210,676	Jean Coutu Group Inc.	1,949	1,730	
218,625	Kinross Gold Corporation	3,809	3,970	
111,732 529,444	Loblaw Cos. Limited	5,513 8,916	4,312 8,180	
206,705	Manulife Financial Corporation	2.139	8,642	
392,710	Nexen Inc.	3,282	8,216	
93,750	Potash Corporation of Saskatchewan	2,770	8,595	
161,000 107,775	Power Financial CorporationQuebecor Inc. Class B	926 3,923	4,392 3.503	
116,870	Research In Motion Limited	9,510	6,116	
147,775	Rogers Communications Inc. Class B	1,516	5,138	
368,396	Royal Bank of Canada	5,594	18,678	
338,400 157,290	Shaw Communications Inc. Class BShoppers Drug Mart	5,393 6,529	6,487 5,176	
304,350	SNC-Lavalin Group Inc. Class A	1,283	12.968	
310,430	Suncor Energy Inc	12,416	9,726	
704,310	Talisman Energy Inc	4,347	11,339	
293,810 50,000	Thomson Reuters Corporation Tim Hortons Inc	11,941 1,681	11,191 1,704	
220,708	Toronto-Dominion Bank	4,593	15,207	
236,271	TransCanada Corporation	4,619	8,411	
200,000	Transcontinental Inc Class A	3,808	2,632	
240,000 90.600	TVA Group Inc. Class B West Fraser Timber Co. Ltd.	3,202 2,067	2,712 2,996	
55,000 55,000	Weston (George) Limited	2,007 5,071	4,004	
		179,559	298,988	38.7
	United States			
80,000	3M Co	7,246	6,699	
110,000	Automatic Data Processing Inc.	4,940	4,696	
180,000 46,500	Bank of New York Mellon CorporationBB&T Corporation	6,004 1,565	4,708 1,298	
48,000	Becton, Dickinson and Company	3,462	3,439	
1,322,000	Chaoda Modern Agriculture (Holdings) Limited	1,422	1,376	
80,000	Chevron Corporation	5,728 8,625	5,754 6,777	
300,000 80,000	Cisco Systems, Inc	8,625 5,695	6,777 6,678	
291,400	ConAgra Foods, Inc.	5,862	7,204	
82,000	Computer Sciences Corp.	4,228	3,931	
203,000	CVS Caremark Corporation	5,011	6,306	
624,600 121,000	Dairy Farm International Holdings Limited Emerson Electric Company	2,804 5,089	4,617 5,600	
90,000	Exxon Mobil Corporation	5,839	5,437	
82,000	Fiserv, Inc.	4,202	3,968	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (Continued) (Unaudited)

United States (continued) S	Number of Shares		_	Cost		Fair value	% of Fair value
320,000 General Electric Company. \$ 8.87 \$ 4.884 194,000 General Mills, Inc. 7,076 7,298 165,000 Hallburton Company. 5,181 4,298 110,000 Hartford Financial Services Group, Inc. 6,758 2,577 110,000 Hartford Financial Services Group, Inc. 6,758 2,577 110,000 Hartford Financial Services Group, Inc. 7,788 6,763 119,000 Hallburton Company. 7,788 6,763 119,800 Kraft Foods Inc. 3,896 7,436 184,000 Merck & Co. Inc. 5,710 6,085 185,700 Merck & Co. Inc. 5,710 6,085 180,000 Merck & Co. Inc. 4,231 4,803 180,000 Metrosoft Corporation 1,868 3,876 180,000 Pepsico, Inc. 1,878 3,468 3,478 180,000 Prepsico, Inc. 1,878 3,468 3,077 180,000 Prepsico, Inc. 1,878 3,468 3,077 180,000 Prilip Morris International Inc. 6,598 6,805 180,000 Prilip Morris International Inc. 1,538 7,673 180,0				(0)	00's)		
320,000 General Electric Company. \$ 8.87 \$ 4.884 194,000 General Mills, Inc. 7,076 7,298 165,000 Hallburton Company. 5,181 4,298 110,000 Hartford Financial Services Group, Inc. 6,758 2,577 110,000 Hartford Financial Services Group, Inc. 6,758 2,577 110,000 Hartford Financial Services Group, Inc. 7,788 6,763 119,000 Hallburton Company. 7,788 6,763 119,800 Kraft Foods Inc. 3,896 7,436 184,000 Merck & Co. Inc. 5,710 6,085 185,700 Merck & Co. Inc. 5,710 6,085 180,000 Merck & Co. Inc. 4,231 4,803 180,000 Metrosoft Corporation 1,868 3,876 180,000 Pepsico, Inc. 1,878 3,468 3,478 180,000 Prepsico, Inc. 1,878 3,468 3,077 180,000 Prepsico, Inc. 1,878 3,468 3,077 180,000 Prilip Morris International Inc. 6,598 6,805 180,000 Prilip Morris International Inc. 1,538 7,673 180,0		United States (continued)					
194,000 General Mills Inc. 7,076 7,298 165,000 Halliburton Company 5,181 4,298 110,000 Halliburton Company 7,000 10,900 HJ. Heinz Company 7,000 10,900 Johnson & Johnson 7,000 115,700 Merck & Co. Inc. 5,710 6,085 120,000 MetLife, Inc. 4,201 120,000 MetLife, Inc. 4,201 120,000 MetLife, Inc. 4,201 120,000 Monsanto Co. 5,905 15,100 Mircosoft Corporation 1,669 1,817 17,500 Monsanto Co. 5,905 3,675 15,120 Mirk, Inc. Class B. 3,233 3,940 17,500 Monsanto Co. 5,905 3,675 15,120 Mirk, Inc. Class B. 3,233 3,940 17,500 Pilipi Morris International Inc. 6,598 6,805 142,875 Proctor & Gamble Company 8,346 9,077 18,000 Scripps Networks Interactive 4,333 3,722 220,000 Spectra Energy Corporation 4,874 4,683 122,950 Time Warner Inc. 5,537 3,769 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0,6 100,000 Foment	320.000		\$	8.878	\$	4.884	
110,000			*		*		
101,900							
108,000							
119,800							
115,700 Kimberly Clark Corporation 7,336							
164,200 MetLife, Inc.							
120,000 Met. 4,803 4,803 74,500 Microsoft Corporation 1,669 1,817 75,000 Microsoft Corporation 1,669 1,817 74,481 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,430 7,448 7,							
Total North America							
55,120	74,500	Microsoft Corporation		1,669		1,817	
115,000 Pepsico, Inc.							
Sof, 7700 Phizer Inc.							
140,000 Philip Morris International Inc. 6,598 6,805 142,875 Proctor & Gamble Company 8,346 9,077 87,000 Scripps Networks Interactive 4,333 3,722 220,000 Spectra Energy Corporation 4,433 3,722 220,000 Spectra Energy Corporation 4,874 4,883 122,950 Time Warner Inc 5,537 3,769 190,000 US Bancorp 4,985 4,508 82,700 Verisk Analytics Inc. Class A 2,342 2,622 203,900 Waste Management Inc. 6,495 6,760 200,161 Wells Fargo & Company 14,486 5,435 230,552 202,776 26,2							
142,875							
87.000 Scripps Networks Interactive 4,333 3,722 220.000 Spectra Energy Corporation 4,874 4,883 122.950 Time Warner Inc 5,537 3,769 190.000 US Bancorp 4,985 4,508 82.700 Verisk Analytics Inc. Class A 2,342 2,622 203.900 Waste Management Inc 6,495 6,760 200,161 Wells Fargo & Company 14,486 5,435 230,552 202,776 26.2 200,161 Wells Fargo & Company 14,486 5,435 230,552 202,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 200,776 26.2 26.2 200,776 26.2							
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Waste Management Inc.	190,000	US Bancorp				4,508	
Mexico Total North America 230,552 202,776 26.2		Verisk Analytics Inc. Class A		-,			
Mexico Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0.6		Waste Management Inc.					
Mexico Fomento Economico Mexicano, S.A. de C.V. ADR. 2,727 4,576 0.6	200,161	Wells Fargo & Company	_	14,486		5,435	
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Total North America 412,838 506,340 65.5			_				
Total North America		Mexico					
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Europe, excluding United Kingdom 230,780 ABB Limited 4,243 4,307 84,900 Adidas AG 3,801 4,418 449,000 Alapis SA 2,264 1,217 186,669 AXA 4,934 3,096 414,175 Banco Santander Central Hispano SA 5,648 4,719 51,000 Bayer AG 3,958 3,053 95,200 Casino Guichard-Perrachon SA 8,141 7,741 120,000 Celesio AG 5,856 2,808 138,390 CSM 2,391 4,405 606,000 Davide Campari-Milano S.p.A 2,588 3,190 102,900 Delhaize Group 8,043 8,010 100,240 Essilor International SA 3,118 6,399 93,000 Fresenius Medical Care & Co. KGaA ADR 3,006 5,292 51,764 Groupe Danone 2,650 2,982 50,700 Heineken NV 1,900 2,305 371,426 ING Groep N.v. ADR 7,802 2,9							
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230,780 ABB Limited 4,243 4,307 84,900 Alapis SA 2,264 1,217 186,669 AXA 4,934 3,096 414,175 Banco Santander Central Hispano SA 5,648 4,719 51,000 Bayer AG 3,958 3,053 95,200 Casino Guichard-Perrachon SA 8,141 7,741 120,000 Celesio AG 5,856 2,808 138,390 CSM 2,588 3,190 102,900 Davide Campari-Milano S.p.A 2,588 3,190 102,900 Delhaize Group 8,043 8,010 100,240 Essilor International SA 3,118 6,399 93,000 Fresenius Medical Care & Co. KGaA ADR 3,006 5,292 51,764 Groupe Danone 2,650 2,982 50,700 Heineken NV 1,900 2,305 31,1426 ING Groep N.V. ADR 7,802 2,907 130,700 Kerry Group plc 3,449 3,878 352,600 Koninklijke Ahold NV 5,073 4,670 32,497 L'Air Liquide							
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352,600 Koninklijke Ahold NV 5,073 4,670 32,497 L'Air Liquide SA 2,299 3,534 28,160 L'Oreal SA 2,643 2,972 36,938 Lafarge SA 2,995 2,170 181,400 Nestlé S.A 8,262 9,320 167,500 Nestlé S.A ADR 5,652 8,570 131,000 OMV AG 6,187 4,206 139,200 Publicis Groupe 4,725 5,963		Kerry Group plc					
28,160 L'Oreal SA. 2,643 2,972 36,938 Lafarge SA. 2,995 2,170 181,400 Nestlé S.A. 8,262 9,320 167,500 Nestlé S.A. ADR. 5,652 8,570 131,000 OMV AG. 6,187 4,206 139,200 Publicis Groupe. 4,725 5,963		Koninklijke Ahold NV					
36,938 Lafarge SA 2,995 2,170 181,400 Nestlé S.A 8,262 9,320 167,500 Nestlé S.A ADR 5,652 8,570 131,000 OMV AG 6,187 4,206 139,200 Publicis Groupe 4,725 5,963		L'Arral SA					
181,400 Nestlě S.A. 8,262 9,320 167,500 Nestlé S.A. ADR. 5,652 8,570 131,000 OMV AG. 6,187 4,206 139,200 Publicis Groupe. 4,725 5,963							
167,500 Nestlé S.A. ADR 5,652 8,570 131,000 OMV AG 6,187 4,206 139,200 Publicis Groupe 4,725 5,963							
131,000 OMV AG							
139,200 Publicis Groupe		OMV AG					
62,125 Roche Holding AG	139,200	Publicis Groupe				5,963	
	62,125	Roche Holding AG		9,739		9,117	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2010 (Continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
	Europe, excluding United Kingdom (continued)			
100,000 39,654 161,908 46,000 350,000 83,000	SAP AG Spons ADR Schneider Electric SA SKF AB Synthes, Inc. Telenor ASA. Total SA ADR.	\$ 5,564 5,369 1,803 5,505 6,107 5,006	\$ 4,693 4,323 3,121 5,637 4,713 3,934	
		150,721	147,670	19.1
445.000	United Kingdom	0.005	0.500	
115,000 325,400 353,015 45,000 491,812 506,000 172,165 100,600 140,000 1,590,000 297,000	BP plc ADR Britvic plc Dairy Crest Group plc. Diageo plc ADR GlaxoSmithKline plc HSBC Holdings Inc. Next plc Reckitt Benckiser plc. Standard Chartered plc. Thomas Cook Group plc Vodafone Group Plc ADR.	9,285 1,554 1,271 3,404 10,637 3,848 3,744 3,735 3,961 6,420 8,861	3,523 2,448 2,066 2,996 8,911 4,935 5,475 4,990 3,642 4,502 6,508	
		56,720	49,996	6.4
			<u>-</u>	
454.000	Asia	0.000	0.705	
151,600 120,100 3,392,000 152,400 123,100 931,600 33,800 52,100 67,000 725 14,080 71,000 340,000 78,400 196,000 6,500 70,800 837,000 250,000 52,600 780,000	Asahi Breweries, Ltd. Astellas Pharma Inc. China Pharmaceutical Group. Circle K Sunkus Co., Ltd. Daiichi Sankyo Company, Limited. Daiwa Securities Group Inc. Eisai Co., Ltd. Fanuc Ltd. Itochu Techno-Solutions Corp. KDDI Corp. Keyence Corporation Kirin Holdings Company, Limited Konica Minolta Holdings Inc. Makita Corporation. Mitsubishi Tanabe Pharma Corporation Nintendo Co. Ltd. Secom Co. Ltd. Secom Co. Ltd. Sumitomo Trust and Banking Co., Ltd. (The). Suzuki Motor Corporation Takeda Pharmaceutical Company Limited. Television Broadcasts Limited.	3,222 5,293 1,898 2,900 3,223 8,786 1,655 5,783 1,944 4,022 2,888 964 3,259 2,014 3,335 1,934 3,320 7,708 7,708 7,013 3,237 4,579	2,735 4,302 2,171 2,083 2,340 4,196 1,197 6,323 2,601 3,678 3,476 954 3,511 2,249 3,170 2,032 3,355 4,562 5,253 2,407 3,793 66,388	8.6
	Australia			
45,000	BHP Billiton Limited Spons ADR	3,467	2,956	0.4
	Total investments	\$ 702,723	\$ 773,350 	100.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Summary of significant accounting policies

1. Basis of presentation

The accompanying unaudited consolidated interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as the most recent annual financial statements, and should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended March 31, 2010. The consolidated financial statements do not include all of the disclosures required under GAAP for annual financial statements.

2. 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 June 30, 2010, all of the Company's investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 investments during the quarter.

CORPORATE INFORMATION

HEAD OFFICE Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8

Tel: 416-947-2578

Fax: 416-362-2592

EXTERNAL INVESTMENT MANAGERS

Jarislowsky Fraser Limited, Toronto

ValueInvest Asset Management S.A., Luxembourg

BANKER The Bank of Nova Scotia

AUDITORS PricewaterhouseCoopers LLP, Toronto

CUSTODIAN RBC Dexia Investor Services Trust

TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.

100 University Avenue, 9th Floor Toronto, Ontario

M5J 2Y1

Toll Free: 1-800-564-6253

Web Contact form: www.computershare.com/service

TORONTO STOCK EXCHANGE LISTINGS

Common

First Preferred

Second Preferred, 1959 Series

Second Preferred. 1963 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