

FIRST QUARTER REPORT JUNE 30, 2011

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2011 ⁽¹⁾	As at March 31 2011 ⁽¹⁾
Net equity value per Common Share (2)	\$ 71.67	\$ 71.82
Net assets	\$ 881,730	\$ 883,576
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Three months ended June 30				
		2011 ⁽¹⁾	2	2010 (1)	
Net investment income per Common Share ⁽²⁾	\$	0.54	\$	0.44	
Dividends per Common Share	\$	0.20	\$	0.20	
Increase (decrease) in net assets from operations per Common Share	\$	0.05	\$	(3.94)	
Investment income	\$	9,412	\$	7,800	
Net investment income	\$	6,643	\$	5,404	

⁽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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited operating results and financial condition of United Corporations Limited ("United" or the "Company") for the first quarter of fiscal 2012 should be read in conjunction with the MD&A for the fiscal year ended March 31, 2011, the Company's annual audited financial statements, the notes relating thereto, the supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report. These unaudited 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. 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):

		June 30 2011	N	larch 31 2011
Net assets	\$	881,730	\$	883,576
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	\$	873,983	\$	875,829
Common Shares outstanding	1	2,194,193	12	2,194,193
Net equity value per Common Share	\$	71.67	\$	71.82

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):

	TI	ended		
		2011		2010
Increase (decrease) in net assets from operations	\$	719	\$	(47,972)
Add: Net loss on investments		5,924		53,376
Net investment income		6,643		5,404
Deduct: Dividends paid on Preferred Shares		94		94
Net investment income, net of dividends paid on Preferred Shares	\$	6,549	\$	5,310
Common Shares outstanding	12	,194,193	12	2,194,193
Net investment income per Common Share	\$	0.54	\$	0.44

Net Equity Value per Common Share

For the quarter ended June 30, 2011, the Company's net equity value per Common Share decreased to \$71.67 from \$71.82 at March 31, 2011. With dividends reinvested at month-end net equity values, the Company's net equity value return was 0.1% in fiscal 2012 compared to negative 5.9% for the same period in the prior fiscal year.

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

In Canadian dollar terms, benchmark returns on a total return (capital gains plus dividends) basis were as follows:

	Three months ended June 30, 2011
	(%)
S&P/TSX Composite Index	(5.2)
MSCI World Index	(0.1)
S&P 500 Index	(0.7)

Operating Results

Net investment income

The Company's net investment income in the first quarter of fiscal 2012 was \$6,643,000 compared to net investment income of \$5,404,000 in the same quarter of the prior year. On a per Common Share basis, net investment income for the quarter increased to \$0.54 in fiscal 2012 from \$0.44 in fiscal 2011.

During the quarter, foreign dividend income increased to \$7,033,000 from \$5,718,000 in fiscal 2011, and Canadian dividend income increased to \$2,231,000 from \$1,943,000 in fiscal 2011. The increases in both foreign and Canadian dividends resulted primarily from increased dividend payouts on securities held compared to the same period in the prior year.

Expenses in the quarter amounted to \$1,028,000 (fiscal 2011 - \$903,000). The implementation of the harmonized sales tax ("HST") of 13% increased the quarter's expenses by approximately \$68,000. The balance of the expense increases relate primarily to an increase in investment management and administrative costs resulting from a higher average investment portfolio value compared to the same period in the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The provision for income taxes in the current quarter includes \$34,000 (fiscal 2011 - \$171,000) of additional income tax related to certain foreign withholding taxes that could not be credited against Canadian income taxes payable.

Net loss on investments

The Company realized a net gain on investments of \$1,597,000 in the first quarter of fiscal 2012 versus a net loss of \$2,108,000 for the same period in the prior year. The largest contributors to the net realized gain during the quarter were Dairy Farm International Holdings Limited, Fluor Corporation, and Heineken NV, offset in part by a net loss on the sale of Research In Motion Limited.

The Company's net change in unrealized appreciation of investments was a decrease of \$7,457,000 in the quarter compared to a decrease of \$51,220,000 in the same period last year. During the quarter, North American securities declined approximately \$13,597,000, partially offset by a net increase of \$6,140,000 from securities outside of North America.

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 2011	March 31 2011	Dec. 31 2010	Sept. 30 2010	June 30 2010	Varch 31 2010	Dec. 31 2009	ept. 30 2009
Investments, at fair value	\$ 879,225	\$ 897,570	\$ 873,567	\$ 833,844	\$ 773,350	\$ 825,406	\$ 812,712	\$ 777,435
Investment income	\$ 9,412	\$ 5,839	\$ 4,469	\$ 4,405	\$ 7,800	\$ 4,798	\$ 4,090	\$ 4,468
Increase (decrease) in net assets from operations	\$ 719	\$ 21,222	\$ 35,420	\$ 56,233	\$ (47,972)	\$ 6,496	\$ 24,708	\$ 52,828
Increase (decrease) in net assets from operations per Common Share ¹	\$ 0.05	\$ 1.73	\$ 2.90	\$ 4.60	\$ (3.94)	\$ 0.52	\$ 2.02	\$ 4.32
Net equity value per Common Share	\$ 71.67	\$ 71.82	\$ 70.28	\$ 67.60	\$ 63.19	\$ 67.33	\$ 67.01	\$ 65.19

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 value of the Canadian dollar relative to other currencies, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. During the past three quarters, the Company experienced a year-over-year increase in foreign dividend income compared to the same quarter in the prior fiscal year, reversing a negative trend that had occurred in the five immediately preceding quarters.

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

Share Data

At June 30, 2011, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2011, net investment income was \$0.54 per Common Share as compared to Common Share dividend payments of \$0.20 per share.

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

The Company will apply IFRS to its disclosures commencing April 1, 2013. Its first set of financial statements prepared in accordance with IFRS will be for the quarter ending June 30, 2013, which will provide corresponding comparative financial information for fiscal 2013, including an opening statement of financial position as at April 1, 2012.

On transition to IFRS, management does not expect that the conversion 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 relating to the transition to IFRS is available in the Company's fiscal 2011 Annual Report.

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 2, 2011

STATEMENT OF NET ASSETS

(Unaudited)

	J	Ν	larch 31 2011	
	(000's)			
ASSETS				
Investments, at fair value				
(cost - \$700,509; March 31, 2011 - \$709,728) (Note 2)	\$	879,225	\$	897,570
Cash		6,794		1,979
Short-term investments		15,624		4,870
Accrued income on investments		2,191		2,422
Income taxes receivable		708		962
Other assets		413		266
		904,955		908,069
LIABILITIES				
Accounts payable and accrued liabilities		523		547
Payable in respect of investments purchased		483		_
Future income taxes		22,219		23,946
		23,225		24,493
NETASSETS	\$	881,730	\$	883,576
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 (Note 3)		340,730		342,576
TOTAL SHAREHOLDERS' EQUITY	\$	881,730	\$	883,576

STATEMENT OF OPERATIONS (Unaudited)

	Three months ended June 30				
	2	011	2010		
		(000	's)		
INVESTMENT INCOME					
Dividends:	\$	7,033	\$	5,718	
Foreign Canadian	φ	2,231	φ	1,943	
Canadan		9,264		7,661	
Interest, including securities lending income		9,204 148		139	
		9,412		7,800	
Expenses:					
Investment management and administrative costs		848		716	
Directors' and officers' remuneration		56		56	
Office and miscellaneous		54		68	
Transfer, registrar and custody fees		48		50	
Professional fees		22		13	
		1,028		903	
Investment income before income taxes		8,384		6,897	
Provision for income taxes		1,741		1,493	
NET INVESTMENT INCOME		6,643		5,404	
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS					
Net realized gain (loss) on investments		1,597		(2,108)	
Net change in unrealized appreciation of investments		(7,457)		(51,220)	
Transaction costs on purchase and sale of investments		(64)		(48)	
NET LOSS ON INVESTMENTS		(5,924)		(53,376)	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$	719	\$	(47,972)	
INCREASE (DECREASE) IN NET ASSETS FROM					
OPERATIONS PER COMMON SHARE	\$	0.05	\$	(3.94)	

STATEMENT OF RETAINED EARNINGS

(Unaudited)

	Three months ended June 30					
			2010			
		(00	0's)			
BEGINNING OF PERIOD	\$	342,576	\$	287,840		
Add (deduct):						
Increase (decrease) in net assets from operations		719		(47,972)		
Refundable dividend taxes recovered		659		597		
		1,378		(47,375)		
Deduct:						
Dividends:						
First Preferred Shares		19		19		
Second Preferred Shares		75		75		
Common Shares		2,439		2,439		
Provision for refundable dividend taxes		691		595		
		3,224		3,128		
END OF PERIOD (Note 3)	\$	340,730	\$	237,337		

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

2011 2010			
	(00	0's)	
\$	719	\$	(47,972)
	(94)		(94)
	(2,439)		(2,439)
	(2,533)		(2,533)
	(32)		2
	(1,846)		(50,503)
	883,576		828,840
\$	881,730	\$	778,337
	· · · · · · · · · · · · · · · · · · ·	(00 \$ 719 (94) (2,439) (2,533) (32) (1,846) 883,576	(000's) \$ 719 \$ (94) (2,439) (2,533) (32) (1,846) 883,576

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

	Three months ended June 30							
	2	2011	2010					
	(000's)							
Proceeds on sales of investments		37,163	\$	24,835				
Cost of investments, beginning of period		709,728		694,735				
Cost of investments purchased during the period		26,117		34,844				
		735,845		729,579				
Cost of investments, end of period		700,509		702,723				
Cost of investments sold during the period		35,336		26,856				
Realized gain (loss) on investments sold before income taxes		1,827		(2,021)				
Provision for income taxes		230		87				
Net realized gain (loss) on investments	\$	1,597	\$	(2,108)				

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2011 (Unaudited)

Number
of Shares

Number of Shares		Cost	Fair value	% of Fair value
		(0		
	North America			
C	Canada			
Common		• • • • • • •		
362,568	Algoma Central Corporation ¹	\$ 6,201	\$ 35,242	
70,720 306,805	Bank of Montreal Bank of Nova Scotia	4,318 5.322	4,330 17,795	
80.880	BCE Inc.	3.043	3.059	
322.670	CAE, Inc.	3,267	4,188	
90.620	Cameco Corporation	548	2,298	
136,330	Canadian National Railway Company	5,471	10,496	
260,570	Canadian Natural Resources Ltd.	8,132	10,504	
86,260	Canadian Tire Corp. Ltd. Class A	3,069	5,435	
44,505	Canadian Utilities Limited Class A	1,089	2,490	
202,702	Canfor Corporation	1,307	2,132	
273,565	Cenovus Energy Inc	5,399	9,933	
80,000	Cogeco Cable Inc.	2,649	3,601	
292,932	Enbridge Inc.	1,997	9,160	
338,415	Encana Corporation	7,449	10,051	
300,000	Great-West Lifeco Inc.	4,287	7,632	
52,800	Industrial Alliance Insurance & Financial Services	2,015	2,116	
147,430	Imperial Oil Limited	1,308	5,857	
210,676	Jean Coutu Group Inc	1,949	2,307	
114,119 614,730	Loblaw Cos. Limited Manulife Financial Corporation	5,607 10,305	4,437 10,469	
206.705	Manufie Financial Colporation	2.139	9.918	
392,710	Nexen Inc.	3,283	8,510	
151,890	Potash Corporation of Saskatchewan	1,496	8,340	
161,000	Power Financial Corporation	926	4.783	
107,775	Quebecor Inc. Class B	3.923	3.407	
224,165	Rogers Communications Inc. Class B.	4,224	8.532	
374,796	Royal Bank of Canada	6,493	20,610	
338,400	Shaw Communications Inc. Class B	5,393	7,438	
169,620	Shoppers Drug Mart	6,996	6,729	
263,350	SNC-Lavalin Group Inc. Class A	1,110	15,485	
254,430	Suncor Energy Inc	10,176	9,587	
669,310	Talisman Energy Inc	4,131	13,226	
283,810	Thomson Reuters Corporation	11,534	10,263	
74,320	Tim Hortons Inc	2,675	3,497	
246,928	Toronto-Dominion Bank	6,854	20,186	
236,764	TransCanada Corporation	4,803	9,991	
200,000	Transcontinental Inc Class A	3,808	2,906	
240,000	TVA Group Inc. Class B	3,202	2,911	
73,600	West Fraser Timber Co. Ltd.	1,679	3,828	
55,000	Weston (George) Limited	5,073	3,827	20 4
		174,650	337,506	38.4
	United States			
80,000	3M Co	7,246	7,314	
5,000	Apple Computer Inc.	4,941	5,586	
191,000	BB&T Corporation	5,395	4,943	

80,000	3M Co	7,246	7,314
5,000	Apple Computer Inc.	4,941	5,586
191,000	BB&T Corporation	5,395	4,943
58,000	Becton Dickinson & Co.	4,169	4,819
4,188,000	Chaoda Modern Agriculture	3,659	1,739
80,000	Chevron Corporation	5,728	7,927
300,000	Cisco Systems, Inc.	8,625	4,513
95,000	Colgate-Palmolive Company ConAgra Foods, Inc	6,877	8,005
291,400	ConAgra Foods, Inc.	5,862	7,244
166,400	Computer Sciences Corp.	8,280	6,091
203,000	CVS Caremark Corporation	5,011	7,351
121,000	Emerson Electric Company	5,089	6,561
90,000	Exxon Mobil Corporation	5,839	7,059
82,000	Fiserv, Inc	4,202	4,952
355,000	General Electric Company	9,537	6,449
205,100	General Mills, Inc.	7,466	7,357
93,000	Gilead Sciences, Inc.	3,220	3,713

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2011 (Continued) (Unaudited)

(000's) United States (continued) 110.000 Hallburton Company \$ 5.181 \$ 8.113 13000 Hallburton Company \$ 6.763 2.793 13000 J.J. Hear Company \$ 6.763 2.793 13000 J.J. Hear Company \$ 6.763 2.793 13000 J.Amson A. Johnson \$ 7.337 7.423 74.500 Krath Fools Inc. 2.2423 2.233 154.200 Merck & Co. Inc. \$ 7.11 5.684 451.200 Merck & Co. Inc. \$ 7.11 5.684 277.100 Merck & Co. Inc. \$ 7.13 5.684 451.200 Merck & Co. Inc. \$ 7.13 5.684 454.200 Merck & Co. Inc. \$ 7.143 4.546 456.200 Preproce Name \$ 7.445 1.644 540.000 Preproce Name \$ 7.445 1.644 540.000 Preproce Name \$ 7.677 6.638 87.000 Scripps Networks Interactive. \$ 7.33 7.767 110.0	Number of Shares			Cost		Fair value	% of Fair value
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101.900 H.J. Heirz Company 4,795 5.234 33.970 IBM Corporation 7.577 6.921 111.000 J.P. Morgan Chase & Co. 4,901 4,379 171.000 Kraft Foods Inc. 2,433 2,533 174.500 Kraft Foods Inc. 2,423 2,533 174.500 Merch & Co. Inc. 5,711 5,674 180.000 Merch & Corporation 7,386 7,423 192.000 Merch & Corporation 7,386 7,423 192.000 Merch & Corporation 7,616 6,842 65000 Morson Corporation 7,848 5,744 115.000 Pepsico, Inc. 7,448 7,805 54.200 Practor & Gamble Company 8,346 8,762 110.000 Protor & Gamble Company 8,346 8,762 110.000 Scripps Hexics In: Class A 3,249 3,696 110.700 Scripps Hexics In: Class A 3,249 3,696 110.700 Versk Analytics In: Class A 3,249 3,696 110.700 Versk Analytics In: Class A 3,249 3,696	165,000		\$	5,181	\$	8,113	
33.970 IBM Corporation 5.092 5.618 108.000 J.P. Morgan Chase & Co. 4.901 4.379 111.000 J.P. Morgan Chase & Co. 4.901 4.379 115.700 Kimberly Craft Corporation 7.423 2.530 120.00 Merck & Co. Inc. 5.473 5.674 120.00 Merck & Co. Inc. 5.473 5.674 120.00 Microsoft Corporation 7.682 5.618 120.00 Microsoft Corporation 7.682 5.614 120.00 Microsoft Corporation 7.684 3.914 156.820 Oracle Corp. 4.855 4.974 156.820 Oracle Corp. 4.855 4.974 156.200 Prizer Inc. 7.486 6.813 140.000 Prizer Inc. 7.886 8.910 147.000 Sorida Kambe Inompany. 4.333 4.097 200.000 Spectra Energy Corporation. 7.866 6.762 127.400 US Bancony. 7.686 6.762 127.400 Vaste Management Inc. 4.058 4.577 120.000							
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371,426 ING Groep N.V. ADR. 7,802 4,423 130,700 Kerry Group plc. 3,449 5,224 382,292 Koninklijke Ahold NV. 5,465 4,958 32,497 L'Air Liquide SA. 2,299 4,498 28,160 L'Oreal SA. 2,643 3,529 50,938 Lafarge SA. 3,866 3,125 131,000 OMV AG. 6,187 5,508 108,538 Publicis Groupe. 3,684 5,845 167,500 Nestlé S.A. ADR. 5,652 10,076 167,122 Nestlé S.A. 7,611 9,998							
130,700 Kerry Group plc. 3,449 5,224 382,292 Koninklijke Ahold NV. 5,465 4,958 32,497 L'Air Liquide SA. 2,299 4,498 28,160 L'Oreal SA. 2,643 3,529 50,938 Lafarge SA. 3,866 3,125 131,000 OMV AG. 6,187 5,508 108,538 Publicis Groupe. 3,684 5,845 167,500 Nestlé S.A. ADR. 5,652 10,076 167,122 Nestlé S.A. 7,611 9,998							
32,497 L'Air Liquide SA		Kerry Group plc		3,449			
28,160 L'Oreal SA		Koninklijke Ahold NV					
50,938 Lafarge SA 3,866 3,125 131,000 OMV AG 6,187 5,508 108,538 Publicis Groupe 3,684 5,845 167,500 Nestlé S.A. ADR 5,652 10,076 167,122 Nestlé S.A. 7,611 9,998							
131,000 OMVAG 6,187 5,508 108,538 Publicis Groupe 3,684 5,845 167,500 Nestlé S.A. ADR 5,652 10,076 167,122 Nestlé S.A. 7,611 9,998							
108,538 Publicis Groupe							
167,500 Nestlé S.A. ADR							
167,122 Nestlé S.A							
	35,983	Roche Holding AG		5,650		5,794	

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2011 (Continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(0		
48,800 120,000 33,654 99,821 46,000 440,000 9,300	Europe, excluding United Kingdom (continued) Sanofi SAP AG Spons ADR Schneider Electric SA SKF AB Synthes, Inc Telenor ASA Total SA ADR	\$ 3,471 6,607 4,557 1,112 5,505 7,522 5,548	\$ 3,785 7,016 5,430 2,793 7,782 6,970 5,189	
		136,649	162,358	18.5
$\begin{array}{c} 125,000\\ 325,400\\ 353,015\\ 45,000\\ 512,376\\ 506,000\\ 120,000\\ 190,301\\ 100,600\\ 120,948\\ 2,898,273\\ 312,000 \end{array}$	United Kingdom BP plc ADR Britvic plc Dairy Crest Group plc Diageo plc ADR GlaxoSmithKline plc HSBC Holdings Inc National Grid plc ADR Next plc Reckitt Benckiser plc Standard Chartered plc Thomas Cook Group Plc Vodafone Group Plc ADR	9,706 1,554 1,271 3,404 11,032 3,848 5,456 4,339 3,735 3,321 10,238 9,262 67,166	5,337 1,989 2,024 3,553 10,590 4,843 5,722 6,852 5,352 3,069 5,972 8,036 63,339	7.2
	Asia			
$\begin{array}{c} 151,600\\ 3,392,000\\ 152,400\\ 67,400\\ 37,100\\ 601\\ 601\\ 1,001\\ 14,080\\ 144,000\\ 340,000\\ 60,600\\ 196,000\\ 6,500\\ 70,800\\ 1,466,330\\ \end{array}$	Asia Asahi Breweries, Ltd. China Pharmaceutical Group. Circle K Sunkus Co., Ltd. Eisai Co., Ltd. Fanuc Corp. Inpex Corp. Itochu Techno-Solutions Corp. KDDI 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. Sumitomo Trust and Banking Co., Ltd. (The).	3,222 1,898 2,900 2,827 4,118 3,633 1,944 5,739 2,888 1,944 3,651 1,557 3,335 1,934 3,320 8,485	2,926 1,585 2,275 2,527 5,937 4,241 2,279 6,908 3,819 1,920 3,108 2,696 3,151 1,165 3,256 4,875	
240,000	Suzuki Motor Corporation	6,450	5,175	
780,000	Television Broadcasts Limited	4,579 64,424	4,964 62,807	7.1
				1.1
45,000	Australia BHP Billiton Limited Spons ADR	3,081	3,648	0.4
	Total investments	\$ 700,509	\$ 879,225	100.0

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

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

Summary of significant accounting policies

1. Basis of presentation

The accompanying unaudited 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 financial statements for the year ended March 31, 2011. The 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 both June 30, 2011 and March 31, 2011, all of the Company's investments were Level 1 investments. There were no year-to-date transfers between Level 1, 2 or 3 investments.

3. Comparative figures

As a result of the financial statement reporting format adopted at the prior year end, the prior fiscal year's retained earnings numbers have been reclassified. In particular, the unrealized appreciation of investments at June 30, 2011, of \$62,517,000, reported as a separate component of shareholders' equity in the June 30, 2011 financial statements, has been grouped with retained earnings under the current financial statement format.

CORPORATE INFORMATION

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 EXTERNAL INVESTMENT MANAGERS
 Jarislowsky Fraser Limited, Toronto ValueInvest Asset Management S.A., Luxembourg

 AUDITORS
 PricewaterhouseCoopers LLP, Toronto

CUSTODIAN

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Toll Free: 1-800-564-6253 www.computershare.com

RBC Dexia Investor Services Trust

TORONTO STOCK EXCHANGE LISTINGS

Common First Preferred Second Preferred, 1959 Series Second Preferred, 1963 Series UNC.PR.A UNC.PR.B 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

