

UNITED CORPORATIONS LIMITED



FIRST QUARTER REPORT

JUNE 30, 2012

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at June 30 2012 ⁽¹⁾	As at March 31 2012 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 69.96	\$ 72.32
Net assets.....	\$ 860,850	\$ 889,646
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Three months ended June 30	
	2012 ⁽¹⁾	2011 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 0.62	\$ 0.54
Dividends per Common Share		
Quarterly	\$ 0.20	\$ 0.20
Additional ⁽³⁾	\$ 0.63	\$ —
Increase (decrease) in net assets from operations per Common Share	\$ (1.53)	\$ 0.05
Investment income	\$ 10,547	\$ 9,412
Net investment income	\$ 7,623	\$ 6,643

⁽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 once-per-year distribution of the prior year's annual net investment income, after payment of Preferred Share dividends and after payment of quarterly dividends.

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.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the unaudited financial performance and financial condition of United Corporations Limited ("United" or the "Company") for the first quarter of fiscal 2013 should be read in conjunction with: the 2012 Annual Report, including the MD&A, the Company's annual audited financial statements and the notes and supplementary financial information; and the unaudited interim 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.

The Company

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

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

United has always been a closed-end investment corporation and has no plans to become an open-ended investment fund or to buy back its Common Shares. Due to the relative illiquidity of the Common Shares, a repurchase program would effectively result in the share price being set by the Company rather than the market.

Closed-end funds have the following benefits: they 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.

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

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

The external investment portfolio of the Company is managed by Jarislowsky Fraser Limited and ValueInvest Asset Management S.A. 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 in the 2012 Annual Report and in the statement of investments beginning on page 10.

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.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 at which the Company's Common Shares are trading 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 approximate amount 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 2012	March 31 2012
Net assets	\$ 860,850	\$ 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	\$ 853,103	\$ 881,899
Common Shares outstanding	12,194,193	12,194,193
Net equity value per Common Share.....	\$ 69.96	\$ 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 June 30	
	2012	2011
Increase (decrease) in net assets from operations.....	\$ (18,561)	\$ 719
Add: Net loss on investments	26,184	5,924
Net investment income	7,623	6,643
Deduct: Dividends paid on Preferred Shares.....	94	94
Net investment income, net of dividends paid on Preferred Shares	\$ 7,529	\$ 6,549
Common Shares outstanding	12,194,193	12,194,193
Net investment income per Common Share	\$ 0.62	\$ 0.54

Net Equity Value per Common Share

For the quarter ended June 30, 2012, the Company's net equity value per Common Share decreased to \$69.96 from \$72.32 at March 31, 2012. With dividends reinvested at month-end net equity values, the Company's net equity value return was negative 2.1% in fiscal 2013 compared to a positive return of 0.1% 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.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Three months ended June 30, 2012
	(%)
S&P/TSX Composite Index	(5.7)
MSCI World Index.....	(3.0)
S&P 500 Index	(0.8)

Operating Results

Net investment income

The Company's net investment income in the first quarter of fiscal 2013 was \$7,623,000 compared to net investment income of \$6,643,000 in the same quarter of the prior year. On a per Common Share basis, net investment income for the quarter increased to \$0.62 in fiscal 2013 from \$0.54 in fiscal 2012.

During the quarter, foreign dividend income increased to \$7,877,000 from \$7,033,000 in fiscal 2012, and Canadian dividend income increased to \$2,512,000 from \$2,231,000 in fiscal 2012. Increases in both foreign and Canadian dividend income occurred primarily as a result of owning higher-yielding securities in the current period compared to the same period in the prior year.

Expenses in the quarter amounted to \$1,028,000, unchanged from the same period in the prior year.

Net gain (loss) on investments

The Company realized a net gain on investments of \$1,705,000 in the first quarter of fiscal 2013 versus a net gain of \$1,597,000 for the same period in the prior year. The largest contributors to the net realized gain during fiscal 2013 were the sale of Enbridge Inc., Royal Bank of Canada, and Philip Morris International Inc. These gains were offset in part from a loss realized on the sale of The Sumitomo Trust and Banking Co., Ltd.

During the current fiscal quarter, the net change in unrealized appreciation of investments was a decrease of \$27,843,000 compared to a decline of \$7,457,000 during the same period last year. During the quarter, North American securities decreased approximately \$19,051,000 and securities outside of North America declined \$8,792,000.

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 2012	March 31 2012	Dec. 31 2011	Sept. 30 2011	June 30 2011	March 31 2011	Dec. 31 2010	Sept. 30 2010
Investments, at fair value	\$ 869,310	\$ 901,554	\$ 837,970	\$ 793,685	\$ 879,225	\$ 897,570	\$ 873,567	\$ 833,844
Investment income	\$ 10,547	\$ 5,408	\$ 5,213	\$ 5,389	\$ 9,412	\$ 5,839	\$ 4,469	\$ 4,405
Net investment income	\$ 7,623	\$ 4,307	\$ 3,363	\$ 3,477	\$ 6,643	\$ 4,010	\$ 3,051	\$ 2,900
Increase (decrease) in net assets from operations	\$ (18,561)	\$ 49,038	\$ 37,598	\$ (71,074)	\$ 719	\$ 21,222	\$ 35,420	\$ 56,233
Per Common Share:								
Net investment income	\$ 0.62	\$ 0.35	\$ 0.27	\$ 0.27	\$ 0.54	\$ 0.32	\$ 0.24	\$ 0.23
Increase (decrease) in net assets from operations	\$ (1.53)	\$ 4.01	\$ 3.08	\$ (5.84)	\$ 0.05	\$ 1.73	\$ 2.90	\$ 4.60
Net equity value	\$ 69.96	\$ 72.32	\$ 68.51	\$ 65.63	\$ 71.67	\$ 71.82	\$ 70.28	\$ 67.60

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investment income is derived primarily from dividend income that is earned by the Company. While North American investments usually pay 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.

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, 2012, 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, 2012, net investment income was \$0.62 (fiscal 2012 - \$0.54) per Common Share as compared to Common Share dividend payments of \$0.20 (fiscal 2012 - \$0.20) per share.

On May 9, 2012, the Board of Directors declared a cash dividend of \$0.63 per Common Share, payable June 29, 2012 to shareholders of record on June 15, 2012. 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, 2012.

The Company's current 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 apply IFRS to its disclosures 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.

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 2012 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 7, 2012

UNITED CORPORATIONS LIMITED

STATEMENT OF NET ASSETS (Unaudited)

	June 30 2012	March 31 2012
	(000's)	
ASSETS		
Investments, at fair value (Cost - \$720,896; March 31, 2012 - \$722,337) (Note 2))	\$ 869,310	\$ 901,554
Cash	4,978	7,767
Short-term investments	2,664	4,488
Accrued income on investments	2,589	2,279
Income taxes receivable	547	—
Other assets	433	290
	880,521	916,378
LIABILITIES		
Accounts payable and accrued liabilities	498	528
Payable in respect of investments purchased	—	2,953
Income taxes payable	—	1,210
Future income taxes	19,173	22,041
	19,671	26,732
NET ASSETS	\$ 860,850	\$ 889,646
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	319,850	348,646
TOTAL SHAREHOLDERS' EQUITY	\$ 860,850	\$ 889,646

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENT OF OPERATIONS (Unaudited)

	Three months ended June 30	
	2012	2011
	(000's)	
INVESTMENT INCOME		
Dividends:		
Foreign	\$ 7,877	\$ 7,033
Canadian	2,512	2,231
	10,389	9,264
Interest, including securities lending income	158	148
	10,547	9,412
Expenses:		
Investment management and administrative costs	805	848
Directors' and officers' remuneration	61	56
Office and miscellaneous	78	54
Transfer, registrar and custody fees	53	48
Professional fees	31	22
	1,028	1,028
Investment income before income taxes	9,519	8,384
Provision for income taxes	1,896	1,741
NET INVESTMENT INCOME	7,623	6,643
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain on investments	1,705	1,597
Net change in unrealized appreciation of investments	(27,843)	(7,457)
Transaction costs on purchase and sale of investments	(46)	(64)
NET LOSS ON INVESTMENTS	(26,184)	(5,924)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (18,561)	\$ 719
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	\$ (1.53)	\$ 0.05

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENT OF RETAINED EARNINGS (Unaudited)

	Three months ended June 30	
	2012	2011
	(000's)	
BEGINNING OF PERIOD	\$ 348,646	\$ 342,576
Add:		
Increase (decrease) in net assets from operations	(18,561)	719
Refundable dividend taxes recovered	760	659
	(17,801)	1,378
Deduct:		
Dividends:		
First Preferred Shares	19	19
Second Preferred Shares	75	75
Common Shares	10,121	2,439
Provision for refundable dividend taxes	780	691
	10,995	3,224
END OF PERIOD	\$ 319,850	\$ 340,730

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended June 30	
	2012	2011
	(000's)	
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (18,561)	\$ 719
DIVIDENDS TO SHAREHOLDERS		
Preferred Shares	(94)	(94)
Common Shares	(10,121)	(2,439)
	(10,215)	(2,533)
TAXATION CHANGE		
Net increase in refundable dividend taxes on hand	(20)	(32)
DECREASE IN NET ASSETS	(28,796)	(1,846)
NET ASSETS, BEGINNING OF PERIOD	889,646	883,576
NET ASSETS, END OF PERIOD	\$ 860,850	\$ 881,730

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENT OF NET REALIZED GAIN ON INVESTMENTS (Unaudited)

	Three months ended June 30	
	2012	2011
	(000's)	
Proceeds on sales of investments	\$ 25,101	\$ 37,163
Cost of investments, beginning of period	722,337	709,728
Cost of investments purchased during the period	21,792	26,117
Cost of investments, end of period	744,129	735,845
Cost of investments sold during the period	23,233	35,336
Realized gain on investments sold before income taxes	1,868	1,827
Provision for income taxes	163	230
Net realized gain on investments	\$ 1,705	\$ 1,597

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2012 (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
Common				
362,568	Algoma Central Corporation ¹	\$ 6,201	\$ 40,209	
134,590	ARC Resources Ltd.	3,003	3,070	
295,805	Bank of Nova Scotia	5,131	15,580	
149,280	BCE Inc.	5,603	6,258	
170,834	Bonavista Energy Corp.	4,202	2,701	
295,170	CAE, Inc.	3,009	2,907	
129,380	Cameco Corporation	1,265	2,885	
118,330	Canadian National Railway Company	4,748	10,188	
343,310	Canadian Natural Resources Ltd.	10,969	9,369	
66,960	Canadian Tire Corp. Ltd. Class A	2,382	4,603	
44,505	Canadian Utilities Limited Class A	1,089	2,944	
182,702	Canfor Corporation	1,178	2,213	
294,855	Cenovus Energy Inc.	6,173	9,539	
80,000	Cogeco Cable Inc.	2,649	3,705	
120,000	Corus Entertainment Inc.	2,621	2,748	
242,992	Enbridge Inc.	1,657	9,880	
341,965	Encana Corporation	7,548	7,250	
300,000	Great-West Lifeco Inc.	4,287	6,621	
69,290	Industrial Alliance Insurance & Financial Services	2,596	1,693	
130,580	Imperial Oil Limited	1,308	5,557	
210,676	Jean Coutu Group Inc.	1,949	3,160	
105,270	Keyera Corp.	4,549	4,438	
114,199	Loblaw Cos. Limited	5,607	3,694	
643,232	Manulife Financial Corporation	10,630	7,114	
191,705	Metro Inc.	1,984	9,982	
324,060	Nexen Inc.	2,709	5,571	
85,000	Open Text Corporation	4,355	4,336	
144,890	Potash Corporation of Saskatchewan	1,427	6,435	
131,000	Power Financial Corporation	753	3,320	
204,165	Rogers Communications Inc. Class B	3,848	7,526	
312,976	Royal Bank of Canada	5,422	16,325	
296,400	Shaw Communications Inc. Class B	4,724	5,697	
135,420	Shoppers Drug Mart	5,585	5,540	
263,350	SNC-Lavalin Group Inc. Class A	1,110	10,044	
287,790	Suncor Energy Inc.	11,006	8,473	
619,310	Talisman Energy Inc.	3,823	7,227	
40,760	Telus Corp. Class A Non-voting	2,164	2,426	
283,810	Thomson Reuters Corporation	11,534	8,208	
74,320	Tim Hortons Inc.	2,675	3,989	
236,928	Toronto-Dominion Bank	6,577	18,878	
226,764	TransCanada Corporation	4,601	9,665	
350,000	Transcontinental Inc Class A	5,564	3,241	
240,000	TVA Group Inc. Class B	3,202	1,740	
67,600	West Fraser Timber Co. Ltd.	1,542	3,462	
70,100	Weston (George) Limited	6,045	4,053	
		191,004	314,464	36.2
United States				
80,000	3M Co.	7,247	7,303	
140,000	Automatic Data Processing Inc.	6,461	7,940	
191,000	BB&T Corporation	5,395	6,003	
114,000	Becton Dickinson & Co.	8,458	8,681	
80,000	Chevron Corporation	5,728	8,597	
104,000	Colgate-Palmolive Company	7,689	11,033	
291,400	ConAgra Foods, Inc.	5,862	7,694	
166,400	Computer Sciences Corp.	8,280	4,207	
133,000	Emerson Electric Company	5,630	6,315	
90,000	Exxon Mobil Corporation	5,839	7,850	
100,000	Fiserv, Inc.	5,306	7,360	
385,000	General Electric Company	10,016	8,169	
215,700	General Mills, Inc.	7,848	8,470	

UNITED CORPORATIONS LIMITED

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2012 (Continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
United States (continued)				
165,000	Halliburton Company	\$ 5,181	\$ 4,777	
140,000	Hartford Financial Services Group, Inc.	7,365	2,514	
105,700	H.J. Heinz Company	4,991	5,860	
43,970	IBM Corporation	6,875	8,760	
135,000	Johnson & Johnson	9,332	9,298	
156,000	J.P. Morgan Chase & Co.	6,489	5,680	
121,100	Kimberly Clark Corporation	7,729	10,336	
182,600	Kraft Foods Inc.	6,552	7,185	
174,700	Merck & Co. Inc.	6,104	7,431	
158,790	Metlife, Inc.	5,636	4,994	
185,200	Microsoft Corporation	4,723	5,772	
256,820	Oracle Corp.	7,631	7,773	
142,000	Pepsico, Inc.	9,182	10,224	
624,200	Pfizer Inc.	17,485	14,618	
127,700	Philip Morris International Inc.	6,019	11,348	
156,875	Procter & Gamble Company	9,264	9,792	
95,000	Scripps Networks Interactive	4,642	5,505	
200,000	Spectra Energy Corporation	4,431	5,921	
211,700	Staples Inc.	2,824	2,814	
65,000	Time Warner Cable Inc.	4,267	5,436	
275,000	US Bancorp.	7,086	9,013	
110,700	Verisk Analytics Inc. Class A	3,219	5,556	
295,000	Walgreen Company	9,952	8,890	
144,800	Waste Management Inc.	4,614	4,929	
260,161	Wells Fargo & Company	16,255	8,862	
		<u>267,607</u>	<u>282,910</u>	32.6
Mexico				
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	9,090	1.0
	Total North America	<u>461,338</u>	<u>606,464</u>	69.8
Europe, excluding United Kingdom				
250,780	ABB Limited	4,357	4,161	
29,645	Adidas AG	1,327	2,164	
226,669	AXA	5,616	3,065	
462,580	Banco Santander Central Hispano SA	6,052	3,082	
70,000	Bayer AG	5,084	5,111	
54,380	Casino Guichard-Perrachon SA	4,645	4,863	
323,267	Davide Campari-Milano S.p.A.	1,380	2,291	
149,666	Delhaize Group	11,044	5,575	
100,240	Essilor International SA	3,118	9,486	
372,816	France Telecom SA	7,154	4,986	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	6,680	
466,426	ING Groep N.V. ADR	8,511	3,170	
109,685	Kerry Group plc	2,894	4,871	
527,787	Koninklijke Ahold NV	7,320	6,650	
36,072	L'Air Liquide SA	2,299	4,194	
55,938	Lafarge SA	4,101	2,538	
141,842	OMV AG	6,574	4,489	
73,304	Publicis Groupe	2,488	3,406	
172,500	Nestlé S.A. ADR	5,944	10,502	
167,122	Nestlé S.A.	7,611	10,146	
45,076	Roche Holding AG	7,156	7,924	
75,000	Sanofi	5,209	5,781	
125,000	SAP AG Spons ADR	6,859	7,564	
77,308	Schneider Electric SA	5,220	4,364	
379,475	Securitas AB Class B	3,300	2,998	
460,000	Telenor ASA	7,846	7,784	
113,000	Total SA ADR	6,496	5,180	
		<u>142,611</u>	<u>143,025</u>	16.4

UNITED CORPORATIONS LIMITED

STATEMENT OF INVESTMENTS AS AT JUNE 30, 2012 (Continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
United Kingdom				
199,790	BG Group plc	\$ 4,154	\$ 4,151	
125,000	BP plc ADR	9,706	5,166	
325,400	Britvic plc.....	1,554	1,711	
353,015	Dairy Crest Group plc.....	1,271	1,863	
45,000	Diageo plc ADR.....	3,404	4,723	
495,072	GlaxoSmithKline plc.....	10,659	11,450	
906,000	HSBC Holdings Inc.	7,223	8,124	
132,000	National Grid plc ADR	6,051	7,123	
76,121	Next plc.....	1,736	3,892	
192,948	Standard Chartered plc.....	5,123	4,268	
327,000	Vodafone Group Plc ADR.....	9,673	9,385	
		<u>60,554</u>	<u>61,856</u>	7.1
Asia				
206,100	Asahi Group Holdings Co.....	4,444	4,498	
33,100	Fanuc Ltd.	3,674	5,474	
648	Inpex Corp.....	3,891	3,678	
67,000	Itochu Techno-Solutions Corp.....	1,944	3,281	
953	KDDI Corp.....	5,505	6,243	
16,888	Keyence Corporation	3,319	4,231	
211,000	Kirin Holdings Company, Limited	2,775	2,522	
484,500	Konica Minolta Holdings Inc.....	4,400	3,855	
15,900	Lawson, Inc.	978	1,131	
99,600	Makita Corporation.....	2,959	3,526	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	2,866	
6,500	Nintendo Co. Ltd.	1,934	770	
70,800	Secom Co. Ltd.	3,320	3,295	
240,000	Suzuki Motor Corporation	6,450	4,965	
780,000	Television Broadcasts Limited.....	3,635	4,302	
		<u>52,563</u>	<u>54,637</u>	6.3
Australia				
50,000	BHP Billiton Limited Spons ADR.....	3,830	3,328	0.4
		<u>\$ 720,896</u>	<u>\$ 869,310</u>	<u>100.0</u>

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

UNITED CORPORATIONS LIMITED

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, 2012. 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, 2012 and March 31, 2012, all of the Company’s investments were Level 1 investments. There were no year-to-date transfers between Level 1, 2 or 3 investments.

UNITED CORPORATIONS LIMITED

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 Investor Services Trust

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

TORONTO STOCK EXCHANGE LISTINGS

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

NET EQUITY VALUE

The Company's Net Equity Value per Common Share is published weekly 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

