UNITED CORPORATIONS LIMITED

THIRD QUARTER REPORT
December 31, 2005

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of National Instrument 51-102, *Continuous Disclosure Obligations*, provides that if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

signed "Duncan N.R. Jackman"

Duncan N.R. Jackman
Chairman and President

signed "Travis R. Epp"

Travis R. Epp
Treasurer

February 6, 2006

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada

THE PERIOD AT A GLANCE
(Unaudited)

	As at December 31 2005 [1]	As at March 31 2005 [1]
Net assets	$ 894,719	$ 826,344
Net equity value per common share	$ 72.74	$ 67.13
Number of common shares outstanding at period end	12,194,193	12,194,193

	Nine months ended December 31	
	2005 [1]	2004 [1]
Investment income	$ 15,456	$ 15,155
Net investment income	$ 9,989	$ 9,861
Net investment income per common share	$ 0.80	$ 0.79
Regular dividends per common share	$ 0.60	$ 0.60

[1] In thousands of dollars, except number of common shares outstanding and per share amounts.

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 third quarter of fiscal 2006 should be read in conjunction with the MD&A for the fiscal year ended March 31, 2005, the Company's annual audited consolidated financial statements, the notes relating thereto, supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim financial statements for the previous quarters of fiscal 2006. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussions are in Canadian dollars.

MD&A contains 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 discussion will occur, or if they do, that any benefits may be derived from them.

Market Review

As at December 31, 2005, the investment portfolio composition was 38.2% in Canadian equities and 61.8% in foreign equities. Global stock markets posted generally positive results in local currencies in the quarter ended December 31, 2005. The Canadian dollar strengthened against most currencies in the first three quarters of fiscal 2006 offsetting some of the gains achieved on the appreciation of the foreign equities. In Canadian dollar terms, in the third quarter of fiscal 2006, the S&P/TSX Composite Index increased 2.9%, the MSCI World Index increased 3.5% and the S&P 500 Index increased 2.5%. On a fiscal year to date basis, the S&P/TSX Composite Index increased 18.9%, the MSCI World Index increased 6.7% and the S&P 500 Index increased 3.3%.

The net equity value of the Company's common shares is determined by deducting the outstanding preferred shares at their cost of redemption from the net assets of the Company. The net equity value per common share is the net equity value divided by the number of common shares outstanding. For the quarter ended December 31, 2005, the Company's net equity value per share increased to $72.74 from $71.70 at September 30, 2005, an increase of 1.7% (based on the reinvestment of dividends at month-end net equity values). On a fiscal year to date basis the net equity value per share increased to $72.74 from $67.13 at March 31, 2005, an increase of 9.3% (based on the reinvestment of dividends at month end net equity values).

Operating Results

Net investment income

The Company's net investment income in the third quarter of fiscal 2006 was $2,203,000 compared to fiscal 2005 net investment income of $2,971,000. The decrease was due to special dividends paid by both Intercontinental Hotels Group PLC and Microsoft Corporation in the third quarter of fiscal 2005. On a year to date basis, the net investment income increased to $9,989,000 in fiscal 2006 from $9,861,000 in fiscal 2005. On a per common share basis, net investment income for the quarter decreased to $0.18 in fiscal 2006 from $0.24 in fiscal 2005 and increased on a year to date basis to $0.80 in fiscal 2006 from $0.79 in fiscal 2005.

Foreign dividend income in the third quarter, as explained previously, decreased to $2,018,000 in fiscal 2006 from $2,662,000 in fiscal 2005 and increased to $9,805,000 in fiscal 2006 from $9,682,000 in fiscal 2005 on a year to date basis. Canadian dividend income in the third quarter decreased to $1,425,000 in fiscal 2006 from $1,758,000 in fiscal 2005 and increased to $5,071,000 in fiscal 2006 from $4,936,000 in fiscal 2005 on a year to date basis. Interest income in the third quarter amounted to $109,000 in fiscal 2006, compared to $129,000 in fiscal 2005 and increased to $580,000 in fiscal 2006 from $537,000 in fiscal 2005 on a year to date basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Operating expenses in the quarter amounted to $905,000 (fiscal 2005 - $784,000) and $2,682,000 (fiscal 2005 - $2,400,000) on a year to date basis. The rise in expenses from the prior periods is mainly due to an increase in management and administration fees which are both market based.

Net gain (loss) on investments

The Company realized a net gain on investments sold of $8,371,000 on limited trading activity in the third quarter of fiscal 2006 (fiscal 2005 net gain - $10,608,000). On a fiscal year to date basis, the net realized gain on investments was $26,284,000 (2005 net gain - $17,941,000). The largest contributors to the realized gain in the quarter were Royal Bank of Canada and Hyundai Motor Co. Ltd. A gain was also realized on the US dollar forward currency contract that matured in the quarter.

The Company's unrealized appreciation of investments increased by $4,600,000 in the quarter compared to an increase of $29,753,000 in the same period last year. On a year to date basis, unrealized appreciation of investments increased by $39,576,000 to $190,475,000 (fiscal 2005 increase - $25,007,000). The strongest performers in the current quarter were Algoma Central Corporation, Orix Corp. and Talisman Energy Inc. The poorest performers in the quarter were Encana Corporation, Imperial Oil Limited and Jean Coutu Group Inc.

Quarterly Results

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

	Dec. 31 2005	Sept. 30 2005	June 30 2005	March 31 2005	Dec. 31 2004	Sept. 30 2004	June 30 2004	March 31 2004
Investment income	$ 3,552	$ 4,302	$ 7,602	$ 4,631	$ 4,549	$ 4,039	$ 6,567	$ 4,260
Increase (decrease) in net assets from operations	$ 15,174	$ 41,115	$ 19,560	$ 28,303	$ 43,332	$ (8,272)	$ 17,749	$ 23,695
Increase (decrease) in net assets from operations per share [1]	$ 1.24	$ 3.36	$ 1.60	$ 2.31	$ 3.55	$ (0.69)	$ 1.45	$ 1.93

[1] Net of dividends on preferred shares

The performance of United, as demonstrated above, suggests that the performance of equity markets has been positive in recent years. In fact, the TSX Total Return Index, the MSCI World Index and the S&P 500 Index have all posted positive returns in both calendar 2004 and 2005. The investment income is primarily derived from dividend income that is earned by the Company. While North American investments generally pay regular quarterly dividends, investments outside of North America often pay less frequently. Generally, dividends earned on investments outside of North America peak in the first quarter of the fiscal year.

Dividends

Regular quarterly dividends were paid on our preferred shares. The dividends paid out of net investment income on the common shares outstanding in the third quarter totalled $0.20 per share in both fiscal 2006 and fiscal 2005. On a year to date basis, the dividends on the common shares totalled $0.60 in both fiscal 2006 and fiscal 2005.

Investment Strategy

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The objective of the Company is to earn an above average rate of return primarily through long-term capital appreciation and dividend income. In fiscal 2003, the investment strategy of the Company changed to allow for increased investment in non-Canadian capital markets. The equity investments in the portfolio currently reflect investment opportunities all over the world.

The investment portfolio of the Company is comprised of a mix of high yielding and low yielding 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 share will vary significantly from period to period depending on the selection of the global equities which moves with the constantly changing economic environment and market conditions.

The external investment portfolio of the Company is managed by Jarislowsky Fraser Limited ("Jarislowsky") and Sanford C. Bernstein & Co. Inc., LLC ("Bernstein"), a wholly owned subsidiary of Alliance Capital Management L.P. Each manager has a global equity mandate and is allowed to hedge the foreign currency exposure of any non-Canadian investment.

The Company also manages a portion of the investments in the portfolio. The two investments management is responsible for are Algoma Central Corporation and the Emerging Markets Investors Fund. Algoma Central Corporation is related to the Company as the two companies can be significantly influenced by the same party.

Management believes that these investments will provide long-term value to the Company's shareholders. As the Company's investment philosophy is of a long-term nature, short-term volatility is expected and tolerated. We remain confident that our investment strategy will reward our shareholders over the long-term.

Risks

The Company faces a broad range of risks and uncertainties in managing a global equity portfolio. Risks of investing in United include, amongst others, market risk, business risk, foreign currency risk, liquidity risk, regulatory risk, sovereign risk and securities lending risk. These risks are described in the Risk section of the Company's Annual Information Form.

Share Data

At December 31st, 2005, the following shares were issued and outstanding; 52,237 First Preferred shares, 80,290 Second Preferred shares, 1959 Series, 119,710 Preferred shares, 1963 Series and 12,194,193 Common shares. The Common shares and the First Preferred shares are voting shares and each share represents one vote.

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. The investment portfolio held by the Company is very liquid.

Additional information

Additional information relating to United, including the Company's Annual Information Form, may be found on SEDAR at www.sedar.com.

February 6, 2006

Duncan N.R. Jackman
Chairman of the Board

CONSOLIDATED STATEMENT OF NET ASSETS
(Unaudited)

	December 31 2005	March 31 2005
	(thousands of dollars)	
ASSETS		
Investments, at indicated market value (cost - $686,036; March 31, 2005 - $644,571)	$ 918,552	$ 828,382
Cash	7,052	4,449
Short-term investments	8,159	26,291
Receivable in respect of investments sold	671	2,047
Accrued income on investments	1,317	1,852
Income taxes receivable	1,522	—
Other assets	510	421
	937,783	863,442
LIABILITIES		
Accounts payable and accrued liabilities	572	743
Payable in respect of investments purchased	—	597
Income taxes payable	—	2,235
Future income taxes	42,492	33,523
	43,064	37,098
Net assets	$ 894,719	$ 826,344
SHAREHOLDERS' EQUITY		
Stated capital		
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	163,244	134,445
Unrealized appreciation of investments	190,475	150,899
Total shareholders' equity	$ 894,719	$ 826,344

APPROVED BY THE BOARD:

DUNCAN N.R. JACKMAN Director

J. CHRISTOPHER WANSBROUGH Director

(See accompanying note)

CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2005	2004	2005	2004
	(thousands of dollars)			
INVESTMENT INCOME				
Dividends:				
Foreign	$ 2,018	$ 2,662	$ 9,805	$ 9,682
Canadian	1,425	1,758	5,071	4,936
	3,443	4,420	14,876	14,618
Interest	109	129	580	537
	3,552	4,549	15,456	15,155
Expenses:				
Operating	905	784	2,682	2,400
Income taxes	444	794	2,785	2,894
	1,349	1,578	5,467	5,294
NET INVESTMENT INCOME	2,203	2,971	9,989	9,861
REALIZED AND UNREALIZED GAIN ON INVESTMENTS				
Net realized gain on investments	8,371	10,608	26,284	17,941
Net change in unrealized appreciation of investments	4,600	29,753	39,576	25,007
NET GAIN ON INVESTMENTS	12,971	40,361	65,860	42,948
INCREASE IN NET ASSETS FROM OPERATIONS	$ 15,174	$ 43,332	$ 75,849	$ 52,809
INCREASE IN NET ASSETS PER COMMON SHARE	$ 1.24	$ 3.55	$ 6.20	$ 4.31

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
(Unaudited)

	Nine months ended Dec. 31	
	2005	2004
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF PERIOD	$ 134,445	$ 107,459
Add:		
Net investment income	9,989	9,861
Net realized gain on investments	26,284	17,941
Refundable taxes recovered	1,725	1,556
	172,443	136,817
Deduct:		
Dividends from net investment income		
First preferred shares	59	59
Second preferred shares	224	224
Common shares	7,316	7,316
Provision for refundable taxes	1,600	1,556
	9,199	9,155
RETAINED EARNINGS, END OF PERIOD	$ 163,244	$ 127,662

(See accompanying note)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2005	2004	2005	2004
		(thousands of dollars)		
INCREASE IN NET ASSETS RESULTING FROM OPERATONS	$ 15,174	$ 43,332	$ 75,849	$ 52,809
DISTRIBUTIONS TO SHAREHOLDERS				
Common shareholders	(2,438)	(2,438)	(7,316)	(7,316)
Preferred shareholders	(94)	(94)	(283)	(283)
	(2,532)	(2,532)	(7,599)	(7,599)
TAXATION CHANGES				
Net increase in refundable dividend tax on hand	—	—	125	—
INCREASE IN NET ASSETS	12,642	40,800	68,375	45,210
NET ASSETS, BEGINNING OF PERIOD	882,077	759,901	826,344	755,491
NET ASSETS, END OF PERIOD	$ 894,719	$ 800,701	$ 894,719	$ 800,701

CONSOLIDATED STATEMENT OF NET REALIZED GAIN
(Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2005	2004	2005	2004
		(thousands of dollars)		
Proceeds on sales of investments	$ 18,662	$ 41,890	$ 110,524	$ 105,516
Cost of investments, beginning of period	669,963	638,250	644,571	615,875
Cost of investments purchased during the period	24,774	33,512	120,318	110,155
	694,737	671,762	764,889	726,030
Cost of investments, end of period	686,036	642,843	686,036	642,843
Cost of investments sold during the period	8,701	28,919	78,853	83,187
Realized gain on investments sold before taxes	9,961	12,971	31,671	22,329
Provision for taxes on realized net taxable capital gains	1,590	2,363	5,387	4,388
Net realized gain on investments	$ 8,371	$ 10,608	$ 26,284	$ 17,941

(See accompanying note)

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2005 (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(thousands of dollars)		
	North America			
	Canada			
Preferred				
140,000	Nortel Networks Limited $1.275 Series F	$ 3,512	$ 2,537	0.3
Common				
362,568	Algoma Central Corporation	6,201	32,359	
25,420	Bank of Montreal	1,437	1,652	
484,970	Bank of Nova Scotia	8,361	22,376	
52,300	Cameco Corporation	364	3,859	
50,900	Canadian National Railway Company	3,004	4,741	
67,900	Canadian Natural Resources Ltd.	3,240	3,913	
141,800	Canadian Tire Corp. Ltd. Class A	4,043	9,861	
160,000	Canadian Utilities Class A	3,915	7,037	
267,702	Canfor Corporation	1,998	3,595	
296,826	Enbridge Inc.	4,048	10,787	
193,400	Encana Corporation	3,362	10,165	
350,000	Great-West Lifeco Inc.	5,001	10,745	
101,480	Imperial Oil Limited	3,049	11,712	
210,676	Jean Coutu Group Inc. Class A	1,949	2,949	
100,000	Loblaw Cos. Limited	4,972	5,637	
284,200	Manulife Financial Corporation	9,406	19,402	
324,000	Metro Inc. Class A	3,021	9,882	
372,040	Nexen Inc.	5,907	20,618	
52,400	Nova Chemicals Corporation	1,491	2,034	
71,000	Potash Corp. of Saskatchewan	3,097	6,610	
199,000	Power Financial Corporation	1,144	6,647	
141,900	Quebecor Inc. Class B	5,165	3,640	
107,900	Rogers Communications Inc. Class B	2,213	5,309	
158,290	Rothmans Inc.	1,704	3,838	
224,638	Royal Bank of Canada	6,530	20,399	
219,200	Shaw Communications Inc. Class B	6,987	5,530	
364,260	Shell Canada Ltd.	3,994	15,317	
125,380	SNC-Lavalin Group Inc. Class A	1,586	9,566	
106,305	Sun Life Financial Services of Canada	2,423	4,968	
305,030	Talisman Energy Inc.	4,562	18,790	
224,110	Thomson Corporation (The)	10,147	8,888	
289,608	Toronto-Dominion Bank	5,931	17,704	
299,700	TransCanada Corporation	4,553	10,984	
160,000	Transcontinental Inc Class A	3,218	3,040	
240,000	TVA Group Inc. Class B	3,202	3,840	
120,600	West Fraser Timber Co. Ltd.	2,751	4,971	
55,000	Weston (George) Limited	5,071	4,747	
		149,047	348,112	37.9
	United States			
49,600	3M Co.	4,788	4,482	
64,000	Abbott Laboratories	3,891	2,942	
109,000	Altria Group, Inc.	8,695	9,496	
71,100	American Int'l Group Inc.	5,841	5,656	
126,760	Aramark Corporation Class B	4,515	4,106	
86,600	Bank of America Corporation	4,466	4,660	
48,000	Beckman Coulter, Inc.	3,113	3,184	
50,000	Cardinal Health Inc.	3,949	4,008	
169,100	Chevron Corporation	11,301	11,192	
30,500	The Chubb Corporation	2,784	3,472	
111,000	Citigroup Inc.	6,969	6,280	
5,100	Clorox Company	323	338	
88,000	Colgate Palmolive Company	6,217	5,628	
108,300	Comcast Corporation Special Class A	4,286	3,244	
88,200	ConocoPhillips	3,312	5,983	
220,000	CVS Corporation	5,272	6,777	
126,000	Disney (Walt) Company	4,644	3,521	
50,000	Emerson Electric Company	4,279	4,355	
60,700	EW Scripps Company Class A	3,520	3,398	
79,800	Exxon Mobile Corporation	5,043	5,226	
112,700	Fannie Mae	10,840	6,413	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2005 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(thousands of dollars)		
	United States (continued)			
92,000	Fifth Third Bancorp	6,422	4,046	
55,000	Fiserv, Inc.	2,888	2,775	
84,900	Freddie Mac	6,464	6,469	
218,600	General Electric Company	9,582	8,933	
54,140	GlobalSantaFe Corporation	2,533	3,039	
95,400	Hartford Financial Services Group, Inc.	8,066	9,553	
150,900	HCA Inc.	8,591	8,885	
201,600	Hewlett-Packard Company	5,691	6,729	
50,000	Jefferson-Pilot Corporation	3,616	3,319	
74,700	Johnson & Johnson	5,298	5,234	
146,800	JPMorgan Chase & Co.	7,651	6,793	
67,000	Kimberly Clark Corporation	5,719	4,660	
192,500	Kroger Co.	4,432	4,237	
44,000	Medtronic Inc.	2,663	2,953	
39,100	Metlife, Inc.	1,383	2,234	
186,200	Microsoft Corporation	7,079	5,677	
2,030	Neenah Paper Inc.	93	66	
7,000	Occidental Petroleum Corporation	456	652	
40,300	PartnerRe Ltd.	3,103	3,085	
80,000	Pepsico	5,243	5,510	
147,000	Pfizer Inc.	7,120	3,997	
91,875	Proctor & Gamble Company	5,185	6,200	
122,200	Safeway Inc.	3,102	3,371	
179,200	Sprint Nextel Corporation	5,562	4,881	
15,700	Textron Inc.	1,185	1,409	
412,050	Time Warner Inc.	10,269	8,378	
76,000	Wal-Mart Stores Inc.	5,573	4,147	
62,000	Wells Fargo & Company	4,112	4,542	
27,500	XL Capital Ltd Class A	3,053	2,160	
		250,182	238,295	25.9
	Mexico			
42,000	Fomento Economico Mexicano, S.A. de C.V. ADR	3,436	3,551	0.4
	Total North America	406,177	592,495	64.5
	Latin America			
52,300	Petroleo Brasileiro S.A. ADR	1,635	3,925	
90,000	Votorantim Celulose e Papel S.A. ADR	1,588	1,290	
		3,223	5,215	0.6
	Europe, excluding United Kingdom			
12,441	Anglo Irish Bank Corporation PLC	200	220	
200,760	Arcelor	4,005	5,806	
58,700	Assurances Générales de France	4,438	6,783	
120,000	AXA	3,961	4,572	
300,000	Banco Santander Central Hispano S.A.	3,978	4,618	
38,000	Celesio AG	3,830	3,812	
58,800	Continental AG	2,428	6,086	
104,800	Credit Suisse Group	5,002	6,220	
16,600	Delhaize Group	1,048	1,265	
30,320	Depfa Bank PLC	615	523	
25,000	E.ON AG	2,890	3,017	
98,560	European Aeronautic Defense and Space Company	3,690	4,340	
181,200	Endesa S.A.	4,995	5,558	
96,300	ENI S.P.A.	2,211	3,115	
1,000,000	Telefonaktiebolaget LM Ericsson	3,480	4,005	
61,620	Essilor International SA	3,834	5,802	
160,000	Fresenius Medical Care AG ADR	5,172	6,535	
42,000	Groupe Danone	4,522	5,117	
110,000	ING Groep N.V. ADR	4,093	4,466	
140,600	ING Groep N.V.	5,039	5,687	
32,000	Lafarge SA	3,193	3,357	
30,167	L'Air Liquide SA	5,636	6,767	
52,000	L'Oreal SA	4,990	4,508	
170,000	Luxottica Group SPA ADR	4,211	5,017	
41,300	Man AG	1,926	2,566	

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2005 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(thousands of dollars)		
	Europe, excluding United Kingdom (continued)			
19,700	MOL Magyar Olaj - Es Gazipari Rt.	922	2,146	
42,100	Muenchener Reuckersicherungs-Gesellschaft AG	5,836	6,648	
62,000	Nestlé S.A. ADR	5,126	5,418	
45,000	Novartis AG ADR	2,367	2,753	
56,800	Renault SA	6,176	5,403	
169,300	Repsol YPF, S.A.	4,717	5,766	
32,000	Roche Holdings AG	4,261	5,593	
19,285	Sanofi-Aventis	1,137	1,970	
25,000	Synthes Inc.	2,848	3,269	
51,000	Total SA ADR	6,248	7,516	
129,000	Xstrata PLC	2,265	3,515	
		131,290	159,759	17.4
	United Kingdom			
262,941	Aviva PLC	2,821	3,714	
105,000	BP PLC ADR	8,535	7,862	
319,200	BP PLC	3,749	3,959	
75,000	Diageo PLC ADR	5,729	5,098	
687,630	Friends Provident PLC	2,735	2,611	
55,000	GlaxoSmithKline PLC ADR	3,836	3,237	
100,890	HBOS PLC	1,898	2,007	
66,880	HSBC Holdings PLC ADR	6,182	6,275	
120,600	Reckitt Benckiser PLC	4,478	4,639	
207,000	Royal Bank of Scotand Group PLC	7,680	7,279	
370,000	Smith & Nephew PLC	4,372	3,970	
107,100	Tate & Lyle PLC	1,239	1,208	
140,000	Vodafone Group PLC ADR	4,559	3,504	
1,343,600	Vodafone Group PLC	3,704	3,379	
97,714	Whitbread PLC	1,642	1,858	
		63,159	60,600	6.6
	Asia			
697,000	Bank Hapoalim Ltd.	2,116	3,772	
50,000	Canon Inc. ADR	3,076	3,429	
48,300	Canon Inc.	2,744	3,295	
4,634,000	China Petroleum and Chemical Corporation (Sinopec)	1,677	2,683	
584,750	Compal Electronics Inc.	3,422	3,463	
123,900	Credit Saison Co. Ltd.	6,409	7,215	
107,786	Emerging Markets Investors Fund	3,739	5,771	
54,100	Flextronics International Ltd.	1,020	659	
111,000	Fuji Photo Film Co., Ltd.	4,909	4,280	
80,000	Honda Motor Co., Ltd.	5,159	5,323	
104,000	Hoya Corporation	3,553	4,359	
14,150	Hyundai Motor Co. Ltd.	802	1,587	
235	Japan Tobacco Inc.	3,676	3,996	
65,800	JFE Holdings Inc.	2,257	2,576	
40,800	Kookmin Bank	1,727	3,599	
35,000	Kyocera Corporation ADR	3,302	2,986	
16,800	Orix Corp	3,120	4,991	
22,600	Posco	2,905	5,264	
4,250	Samsung Electronics Co. Ltd.	2,635	3,229	
104,910	Shinhan Financial Group Co., Ltd.	1,351	4,965	
37,200	Siam Investment Fund	527	204	
92,820	Sony Corporation ADR	5,982	4,415	
4,000	Sony Corporation	580	191	
606	Sumitomo Mitsui Financial Group Inc.	3,809	7,489	
379,957	Taiwan Semiconductor Manufacturing Company Ltd. ADS	3,811	4,390	
530,000	Television Broadcasts Limited	3,268	3,283	
		77,576	97,414	10.6

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2005 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(thousands of dollars)		
	Australia			
158,000	National Australia Bank Limited	4,611	4,379	0.4
	Total equities	686,036	919,862	100.1
	Forward Currency Contracts, net - Schedule 1	—	(1,310)	(0.1)
	Total investments	**$ 686,036**	**$ 918,552**	**100.0**

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value (in millions)	Currency	Number of Contracts	Contract Rate	Settlement Date	Unrealized loss
71.8	USD	1	1.1474	Mar. 15, 2006	$ 1,310

All counterparties have an approved credit rating equivalent to A-1+.

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Summary of significant accounting policies

Basis of presentation

The accompanying unaudited interim consolidated 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, 2005.

CORPORATE INFORMATION

HEAD OFFICE	Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8 Tel: 416-947-2578 Fax: 416-868-6199
INVESTMENT MANAGERS	Jarislowsky Fraser Limited, Toronto Sanford C. Bernstein & Co., LLC, New York
AUDITORS	PricewaterhouseCoopers LLP, Toronto
TRANSFER AGENT AND REGISTRAR	Computershare Investor Services Inc. 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1 Telephone: 416-981-9633 Toll Free: 1-800-564-6253

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 share is published every Saturday in the Mutual fund section of the Globe and Mail (under “Fund Asset Values”) and in the National Post (under “Closed End Funds”).

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

Please refer to the “Contact Us” section of our website if you have complaints or concerns regarding accounting or auditing matters.

WEBSITE

www.ucorp.ca