

UNITED CORPORATIONS LIMITED



THIRD QUARTER REPORT

DECEMBER 31, 2011

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Dec. 31 2011 ⁽¹⁾	As at March 31 2011 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 68.51	\$ 71.82
Net assets.....	\$ 843,174	\$ 883,576
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Nine months ended Dec. 31	
	2011 ⁽¹⁾	2010 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 1.08	\$ 0.91
Dividends per Common Share	\$ 0.60	\$ 0.60
Increase (decrease) in net assets from operations per Common Share	\$ (2.71)	\$ 3.56
Investment income	\$ 20,014	\$ 16,674
Net investment income	\$ 13,483	\$ 11,355

⁽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.

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 third quarter of fiscal 2012 should be read in conjunction with: the March 31, 2011 Annual Report, including the MD&A, the Company's annual audited financial statements and the notes and supplementary financial information; the interim reports for the previous quarters of fiscal 2012, including the MD&A, unaudited interim financial statements and notes; 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.

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 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):

	Dec. 31 2011	March 31 2011
Net assets	\$ 843,174	\$ 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	\$ 835,427	\$ 875,829
Common Shares outstanding	12,194,193	12,194,193
Net equity value per Common Share.....	\$ 68.51	\$ 71.82

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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 months ended December 31		Nine months ended December 31	
	2011	2010	2011	2010
Increase (decrease) in net assets from operations	\$ 37,598	\$ 35,420	\$ (32,757)	\$ 43,681
Add: Net loss (gain) on investments.....	(34,235)	(32,369)	46,240	(32,326)
Net investment income.....	3,363	3,051	13,483	11,355
Deduct: Dividends paid on Preferred Shares	95	95	284	284
Net investment income, net of dividends paid on Preferred Shares	\$ 3,268	\$ 2,956	\$ 13,199	\$ 11,071
Common Shares outstanding.....	12,194,193	12,194,193	12,194,193	12,194,193
Net investment income per Common Share.....	\$ 0.27	\$ 0.24	\$ 1.08	\$ 0.91

Net Equity Value per Common Share

For the quarter ended December 31, 2011, the Company's net equity value per Common Share increased to \$68.51 from \$65.63 at September 30, 2011. With dividends reinvested at month-end net equity values, the Company's net equity value return was 4.7% for the quarter compared to a return of 4.3% for the same period in the prior fiscal year. On a fiscal year-to-date basis, the net equity value per Common Share decreased to \$68.51 from \$71.82 at March 31, 2011. The net equity value return for the fiscal year to date was negative 3.8% compared to a return of 5.3% in the prior fiscal period.

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 Dec. 31	Nine months ended Dec. 31
	(%)	
S&P/TSX Composite Index	3.6%	(13.6)%
MSCI World Index	5.5%	(5.3)%
S&P 500 Index	9.5%	0.9 %

Operating Results

Net investment income

The Company's net investment income in the third quarter of fiscal 2012 was \$3,363,000 compared to net investment income of \$3,051,000 in the same quarter of the prior year. On a year-to-date basis, net investment income increased 18.7% to \$13,483,000 in fiscal 2012 from \$11,355,000 in fiscal 2011. On a per Common Share basis, net investment income for the quarter increased to \$0.27 from \$0.24 for the same period in the prior year and on a year-to-date basis increased to \$1.08 from \$0.91 in the prior fiscal period.

During the quarter, foreign dividend income increased to \$3,039,000 from \$2,367,000 in fiscal 2011, and Canadian dividend income increased to \$2,121,000 from \$2,051,000 for the same period in the prior fiscal year. On a year-to-date basis, foreign dividend income increased to \$13,270,000 from \$10,644,000 in fiscal 2011, and Canadian dividend income increased to \$6,420,000 from \$5,803,000 in fiscal 2011. The increases in both foreign and Canadian dividends resulted primarily from increased dividend payouts on securities held compared to the same periods in the prior year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

During the current quarter, interest, including securities lending income, increased to \$53,000 from \$51,000 in fiscal 2011 and on a year-to-date basis, increased to \$324,000 in fiscal 2012 compared to \$227,000 for the same period in the prior fiscal year. For the third fiscal quarter and fiscal year to date the Company earned \$28,000 and \$267,000, respectively, of securities lending income. The prior year comparative amounts were \$33,000 and \$202,000. During the quarter, the Company suspended securities lending activities amid concerns over market volatility.

Expenses in the quarter amounted to \$916,000 (fiscal 2011 - \$966,000) and \$2,889,000 (fiscal 2011 - \$2,798,000) on a year-to-date basis. The implementation of the harmonized sales tax ("HST") of 13% increased fiscal year-to-date expenses by approximately \$68,000. The balance of the expense increases on a year-to-date basis relates primarily to a small year-over-year increase in investment management and administrative costs resulting from a higher average investment portfolio value compared to the same period in the prior year.

The provision for income taxes in the current quarter includes \$327,000 (fiscal 2011 – \$15,000) and year-to-date \$668,000 (fiscal 2011 – \$88,000) of additional income tax related to certain foreign withholding taxes that could not be credited against Canadian income taxes payable.

Net gain (loss) on investments

The Company realized a net loss on investments of \$5,924,000 in the third quarter of fiscal 2012 versus a net gain of \$3,383,000 for the same period in the prior year. On a fiscal year-to-date basis, the net realized loss on investments was \$4,322,000 in fiscal 2012 compared to a net loss of \$4,959,000 in fiscal 2011. The largest contributor to the net realized loss during the quarter was Thomas Cook Group plc. The largest contributors to the net realized loss year to date were Thomas Cook Group plc, Research in Motion Limited, and Cisco Systems, Inc.

During the current fiscal quarter, the net change in unrealized appreciation of investments was an increase of \$40,177,000 compared to an increase of \$29,029,000 during the same period last year. On a fiscal year-to-date basis, the net change in unrealized appreciation of investments was a decline of \$41,780,000 versus an increase of \$37,401,000 in fiscal 2011. During the quarter, North American securities increased approximately \$37,284,000 and securities outside of North America increased \$2,893,000. On a fiscal year-to-date basis, the declines were approximately \$30,763,000 for North American securities and \$11,017,000 for 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):

	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31
	2011	2011	2011	2011	2010	2010	2010	2010
Investments, at fair value	\$ 837,970	\$ 793,685	\$ 879,225	\$ 897,570	\$ 873,567	\$ 833,844	\$ 773,350	\$ 825,406
Investment income	\$ 5,213	\$ 5,389	\$ 9,412	\$ 5,839	\$ 4,469	\$ 4,405	\$ 7,800	\$ 4,798
Increase (decrease) in net assets from operations	\$ 37,598	\$ (71,074)	\$ 719	\$ 21,222	\$ 35,420	\$ 56,233	\$ (47,972)	\$ 6,496
Increase (decrease) in net assets from operations per Common Share ¹	\$ 3.08	\$ (5.84)	\$ 0.05	\$ 1.73	\$ 2.90	\$ 4.60	\$ (3.94)	\$ 0.52
Net equity value per Common Share	\$ 68.51	\$ 65.63	\$ 71.67	\$ 71.82	\$ 70.28	\$ 67.60	\$ 63.19	\$ 67.33

¹ Net of dividends paid on Preferred Shares.

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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. During the past five quarters, however, 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 three 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 December 31, 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.

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 December 31, 2011, net investment income was \$0.27 (fiscal 2011 - \$0.24) per Common Share as compared to Common Share dividend payments of \$0.20 (fiscal 2011 - \$0.20) per share. On a fiscal year-to-date basis, net investment income per Common Share was \$1.08 (fiscal 2011 - \$0.91) as compared to dividend payments of \$0.60 (fiscal 2011 - \$0.60) per Common Share.

Deferral of International Financial Reporting Standards ("IFRS") for Investment Companies

In December 2011, the Canadian Accounting Standards Board decided to extend the deferral of IFRS for investment companies by an additional year, to January 1, 2014. The recent decision is in response to the possibility that the International Accounting Standard Board may not complete its Investment Company project before January 1, 2013, which was the previous date of mandatory adoption of IFRS for these entities.

As a result of the recent announcement, the Company anticipates that it will now 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 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

February 7, 2012

UNITED CORPORATIONS LIMITED

STATEMENTS OF NET ASSETS (Unaudited)

	December 31 2011	March 31 2011
	(000's)	
ASSETS		
Investments, at fair value (cost - \$698,739; March 31, 2011 - \$709,728) (Note 2)	\$ 837,970	\$ 897,570
Cash	3,690	1,979
Short-term investments	16,156	4,870
Accrued income on investments	2,204	2,422
Income taxes receivable	318	962
Other assets	413	266
	860,751	908,069
LIABILITIES		
Accounts payable and accrued liabilities	496	547
Payable in respect of investments purchased	19	—
Future income taxes	17,062	23,946
	17,577	24,493
NET ASSETS	\$ 843,174	\$ 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)	302,174	342,576
TOTAL SHAREHOLDERS' EQUITY	\$ 843,174	\$ 883,576

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2011	2010	2011	2010
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 3,039	\$ 2,367	\$ 13,270	\$ 10,644
Canadian	2,121	2,051	6,420	5,803
	5,160	4,418	19,690	16,447
Interest, including securities lending income	53	51	324	227
	5,213	4,469	20,014	16,674
Expenses:				
Investment management and administrative costs	792	817	2,427	2,317
Directors' and officers' remuneration	51	51	158	158
Office and miscellaneous	27	37	113	137
Transfer, registrar and custody fees	33	42	144	140
Professional fees	13	19	47	46
	916	966	2,889	2,798
Investment income before income taxes	4,297	3,503	17,125	13,876
Provision for income taxes	934	452	3,642	2,521
NET INVESTMENT INCOME	3,363	3,051	13,483	11,355
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain (loss) on investments	(5,924)	3,383	(4,322)	(4,959)
Net change in unrealized appreciation of investments	40,177	29,029	(41,780)	37,401
Transaction costs on purchase and sale of investments	(18)	(43)	(138)	(116)
NET GAIN (LOSS) ON INVESTMENTS	34,235	32,369	(46,240)	32,326
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 37,598	\$ 35,420	\$ (32,757)	\$ 43,681
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	\$ 3.08	\$ 2.90	\$ (2.71)	\$ 3.56

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENTS OF RETAINED EARNINGS (Unaudited)

	Nine months ended Dec. 31	
	2011	2010
	(000's)	
BEGINNING OF PERIOD (Note 3)	\$ 342,576	\$ 287,840
Add (deduct):		
Increase (decrease) in net assets from operations	(32,757)	43,681
Refundable dividend taxes recovered	1,940	1,550
	(30,817)	45,231
Deduct:		
Dividends:		
First Preferred Shares	59	59
Second Preferred Shares	225	225
Common Shares	7,316	7,316
Provision for refundable dividend taxes	1,985	1,777
	9,585	9,377
END OF PERIOD	\$ 302,174	\$ 323,694

STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2011	2010	2011	2010
	(000's)			
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 37,598	\$ 35,420	\$ (32,757)	\$ 43,681
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares	(95)	(95)	(284)	(284)
Common Shares	(2,438)	(2,438)	(7,316)	(7,316)
	(2,533)	(2,533)	(7,600)	(7,600)
TAXATION CHANGE				
Net (increase) decrease in refundable dividend taxes on hand	10	(239)	(45)	(227)
INCREASE (DECREASE) IN NET ASSETS	35,075	32,648	(40,402)	35,854
NET ASSETS, BEGINNING OF PERIOD	808,099	832,046	883,576	828,840
NET ASSETS, END OF PERIOD	\$ 843,174	\$ 864,694	\$ 843,174	\$ 864,694

(See accompanying notes)

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STATEMENTS OF NET REALIZED GAIN (LOSS) ON INVESTMENTS

(Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2011	2010	2011	2010
	(000's)			
Proceeds on sales of investments	\$ 15,129	\$ 25,610	\$ 73,635	\$ 64,833
Cost of investments, beginning of period	700,225	695,084	709,728	694,735
Cost of investments purchased during the period	20,406	27,924	67,620	76,644
	720,631	723,008	777,348	771,379
Cost of investments, end of period	698,739	701,162	698,739	701,162
Cost of investments sold during the period	21,892	21,846	78,609	70,217
Realized gain (loss) on investments sold before income taxes	(6,763)	3,764	(4,974)	(5,384)
Provision for (recovery of) income taxes	(839)	381	(652)	(425)
Net realized gain (loss) on investments	\$ (5,924)	\$ 3,383	\$ (4,322)	\$ (4,959)

(See accompanying notes)

UNITED CORPORATIONS LIMITED

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2011 (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
Common				
362,568	Algoma Central Corporation ¹	\$ 6,201	\$ 37,073	
306,805	Bank of Nova Scotia	5,322	15,570	
149,280	BCE Inc.	5,603	6,335	
96,340	Bonavista Energy Corp.	2,540	2,504	
322,670	CAE, Inc.	3,267	3,178	
129,380	Cameco Corporation	1,265	2,372	
136,330	Canadian National Railway Company	5,471	10,916	
260,570	Canadian Natural Resources Ltd.	8,472	10,251	
82,260	Canadian Tire Corp. Ltd. Class A	2,927	5,400	
44,505	Canadian Utilities Limited Class A	1,089	2,737	
202,702	Canfor Corporation	1,307	2,151	
272,555	Cenovus Energy Inc.	5,470	9,210	
80,000	Cogeco Cable Inc.	2,649	4,098	
285,932	Enbridge Inc.	1,950	10,883	
341,965	Encana Corporation	7,548	6,460	
300,000	Great-West Lifeco Inc.	4,287	6,087	
69,290	Industrial Alliance Insurance & Financial Services	2,596	1,815	
130,580	Imperial Oil Limited	1,308	5,922	
210,676	Jean Coutu Group Inc.	1,949	2,684	
36,590	Keyera Corp.	1,648	1,821	
114,199	Loblaw Cos. Limited	5,607	4,383	
629,231	Manulife Financial Corporation	10,466	6,815	
206,705	Metro Inc.	2,139	11,152	
324,060	Nexen Inc.	2,709	5,237	
151,890	Potash Corporation of Saskatchewan	1,496	6,396	
161,000	Power Financial Corporation	926	4,107	
36,605	Quebecor Inc. Class B	1,332	1,264	
224,165	Rogers Communications Inc. Class B	4,224	8,794	
369,796	Royal Bank of Canada	6,407	19,200	
328,400	Shaw Communications Inc. Class B	5,234	6,644	
169,620	Shoppers Drug Mart	6,996	6,951	
263,350	SNC-Lavalin Group Inc. Class A	1,110	13,418	
246,430	Suncor Energy Inc.	9,856	7,240	
619,310	Talisman Energy Inc.	3,823	8,026	
14,260	Telus Corporation Class A Non-voting	749	778	
283,810	Thomson Reuters Corporation	11,534	7,714	
74,320	Tim Hortons Inc.	2,675	3,666	
236,928	Toronto-Dominion Bank	6,577	18,066	
226,764	TransCanada Corporation	4,601	10,091	
270,000	Transcontinental Inc Class A	4,572	3,402	
240,000	TVA Group Inc. Class B	3,202	2,040	
73,600	West Fraser Timber Co. Ltd.	1,679	3,043	
55,000	Weston (George) Limited	5,071	3,733	
		175,854	309,627	37.0
United States				
80,000	3M Co.	7,246	6,645	
10,255	Allergan, Inc.	847	915	
130,000	Automatic Data Processing Inc.	5,911	7,137	
191,000	BB&T Corporation	5,395	4,889	
78,000	Becton Dickinson & Co.	5,687	5,928	
2,244,000	Chaoda Modern Agriculture	1,960	323	
80,000	Chevron Corporation	5,728	8,652	
95,000	Colgate-Palmolive Company	6,877	8,922	
291,400	ConAgra Foods, Inc.	5,862	7,821	
166,400	Computer Sciences Corp.	8,280	4,011	
203,000	CVS Caremark Corporation	5,011	8,419	
133,000	Emerson Electric Company	5,630	6,302	
90,000	Exxon Mobil Corporation	5,839	7,751	
90,000	Fiserv, Inc.	4,618	5,376	

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STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2011 (Continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
United States (continued)				
385,000	General Electric Company	\$ 10,016	\$ 7,024	
215,700	General Mills, Inc.	7,848	8,865	
93,000	Gilead Sciences, Inc.	3,220	3,871	
165,000	Halliburton Company	5,181	5,790	
110,000	Hartford Financial Services Group, Inc.	6,758	1,817	
101,900	H.J. Heinz Company	4,795	5,598	
39,970	IBM Corporation	6,068	7,475	
118,000	Johnson & Johnson.....	8,222	7,866	
111,000	J.P. Morgan Chase & Co.....	4,901	3,752	
115,700	Kimberly Clark Corporation	7,336	8,652	
74,500	Kraft Foods Inc.	2,423	2,830	
164,200	Merck & Co. Inc.....	5,710	6,294	
130,000	Metlife, Inc.	4,532	4,122	
308,500	Microsoft Corporation	7,893	8,171	
65,000	Monsanto Co.....	5,118	4,632	
186,820	Oracle Corp.....	5,699	4,870	
132,000	Pepsico, Inc.....	8,506	8,906	
554,200	Pfizer Inc.	15,986	12,197	
140,000	Philip Morris International Inc.....	6,598	11,177	
142,875	Proctor & Gamble Company	8,346	9,700	
95,000	Scripps Networks Interactive.....	4,642	4,096	
220,000	Spectra Energy Corporation.....	4,874	6,876	
50,000	Time Warner Cable Inc.	3,161	3,232	
275,000	US Bancorp.....	7,086	7,565	
110,700	Verisk Analytics Inc. Class A.....	3,219	4,515	
144,800	Waste Management Inc.	4,614	4,815	
220,161	Wells Fargo & Company	15,033	6,173	
		<u>252,676</u>	<u>253,972</u>	30.3
Mexico				
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR.....	2,727	7,084	0.8
	Total North America	<u>431,257</u>	<u>570,683</u>	68.1
Europe, excluding United Kingdom				
230,780	ABB Limited	4,126	4,423	
42,579	Adidas AG	1,906	2,825	
206,669	AXA	5,300	2,732	
434,629	Banco Santander Central Hispano SA.....	5,857	3,362	
70,000	Bayer AG.....	5,084	4,540	
53,112	Casino Guichard-Perrachon SA.....	4,542	4,560	
120,828	CSM	2,088	1,914	
323,267	Davide Campari-Milano S.p.A.....	1,380	2,175	
138,184	Delhaize Group	10,462	7,912	
100,240	Essilor International SA.....	3,118	7,209	
320,247	France Telecom SA.....	6,369	5,125	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	6,431	
371,426	ING Groep N.V. ADR.....	7,802	2,705	
130,700	Kerry Group plc.....	3,449	4,863	
527,787	Koninklijke Ahold NV	7,320	7,221	
32,497	L'Air Liquide SA.....	2,299	4,098	
28,160	L'Oreal SA.....	2,643	2,990	
50,938	Lafarge SA	3,866	1,825	
131,000	OMV AG	6,187	4,013	
108,538	Publicis Groupe.....	3,684	5,088	
167,500	Nestlé S.A. ADR.....	5,652	9,831	
167,122	Nestlé S.A.	7,611	9,779	
37,083	Roche Holding AG.....	5,843	6,399	

UNITED CORPORATIONS LIMITED

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2011 (continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
Europe, excluding United Kingdom (continued)				
75,000	Sanofi.....	\$ 5,209	\$ 5,614	
125,000	SAP AG Spons ADR	6,859	6,727	
67,308	Schneider Electric SA.....	4,557	3,611	
99,821	SKF AB.....	1,112	2,148	
440,000	Telenor ASA.....	7,522	7,343	
113,000	Total SA ADR.....	6,495	5,872	
		<u>141,348</u>	<u>143,335</u>	17.1
United Kingdom				
164,790	BG Group plc	3,340	3,584	
125,000	BP plc ADR	9,706	5,433	
325,400	Britvic plc.....	1,554	1,653	
353,015	Dairy Crest Group plc.....	1,271	1,866	
45,000	Diageo plc ADR.....	3,404	3,999	
495,072	GlaxoSmithKline plc.....	10,659	11,506	
506,000	HSBC Holdings Inc.	3,848	3,926	
120,000	National Grid plc ADR	5,456	5,914	
100,306	Next plc.....	2,287	4,337	
100,600	Reckitt Benckiser plc.....	3,735	5,054	
132,948	Standard Chartered plc.....	3,583	2,960	
312,000	Vodafone Group Plc ADR.....	9,263	8,891	
		<u>58,106</u>	<u>59,123</u>	7.1
Asia				
159,700	Asahi Group Holdings Co.....	3,401	3,561	
152,400	Circle K Sunkus Co., Ltd.....	2,900	2,565	
67,400	Eisai Co., Ltd.....	2,827	2,836	
37,100	Fanuc Ltd.....	4,118	5,763	
629	Inpex Corp.....	3,818	4,022	
67,000	Itochu Techno-Solutions Corp.....	1,944	3,049	
893	KDDI Corp.....	5,120	5,833	
18,080	Keyence Corporation	3,909	4,433	
211,000	Kirin Holdings Company, Limited	2,775	2,598	
436,500	Konica Minolta Holdings Inc.....	4,011	3,304	
73,700	Makita Corporation.....	2,021	2,420	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	3,154	
6,500	Nintendo Co. Ltd.....	1,934	905	
70,800	Secom Co. Ltd.....	3,320	3,311	
1,466,330	Sumitomo Trust and Banking Co., Ltd. (The).....	8,485	4,358	
240,000	Suzuki Motor Corporation	6,450	5,041	
780,000	Television Broadcasts Limited.....	4,579	4,805	
		<u>64,947</u>	<u>61,958</u>	7.4
Australia				
40,000	BHP Billiton Limited Spons ADR.....	3,081	2,871	0.3
		<u>698,739</u>	<u>837,970</u>	<u>100.0</u>
Total investments		<u>\$ 698,739</u>	<u>\$ 837,970</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, 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 December 31, 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 during the current or prior fiscal year.

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 December 31, 2010, of \$151,138,000, reported as a separate component of shareholders’ equity in the December 31, 2010 financial statements, has been grouped with retained earnings under the current financial statement format.

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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ValueInvest Asset Management S.A., Luxembourg

AUDITORS PricewaterhouseCoopers LLP, Toronto

CUSTODIAN RBC Dexia Investor Services Trust

TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.
100 University Avenue, 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 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

