

UNITED CORPORATIONS LIMITED

THIRD QUARTER REPORT
December 31, 2009

**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 "Frank J. Glosnek"

Frank J. Glosnek
Treasurer

February 9, 2010

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Dec. 31 2009 ⁽¹⁾	As at March 31 2009 ⁽¹⁾
Net equity value per Common Share ⁽²⁾	\$ 67.01	\$ 54.81
Net assets.....	\$ 824,863	\$ 676,149
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Nine months ended Dec. 31	
	2009 ⁽¹⁾	2008 ⁽¹⁾
Net investment income per Common Share ⁽²⁾	\$ 0.90	\$ 1.02
Dividends per Common Share	\$ 0.60	\$ 0.60
Increase (decrease) in net assets from operations per Common Share	\$ 12.80	\$ (17.86)
Investment income	\$ 16,588	\$ 20,955
Net investment income	\$ 11,272	\$ 12,780

⁽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.

UNITED CORPORATIONS LIMITED

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 2010 should be read in conjunction with the MD&A for the fiscal year ended March 31, 2009, the Company's annual audited consolidated financial statements, the notes relating thereto, the supplementary financial information included in the Company's Annual Report, the quarterly unaudited consolidated financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim consolidated financial statements for the previous quarters of fiscal 2010. These unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the disclosures required under GAAP for annual financial statements. The reporting currency for the Company is the Canadian dollar, and all amounts in the following discussion are in Canadian dollars.

This MD&A may contain certain forward-looking statements that are subject to risks and uncertainties that may cause the results or events mentioned in this discussion to differ materially from actual results or events. No assurance can be given that results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Use of Non-GAAP Measures

This MD&A contains reference to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meaning in GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in evaluating the Company's financial results.

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

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

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

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

	Dec. 31 2009	March 31 2009
Net assets, at fair value	\$ 824,863	\$ 676,149
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	\$ 817,116	\$ 668,402
Common Shares outstanding	12,194,193	12,194,193
Net equity value per Common Share.....	\$ 67.01	\$ 54.81

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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

	Three months ended December 31		Nine months ended December 31	
	2009	2008	2009	2008
Increase (decrease) in net assets from operations.....	\$ 24,708	\$ (101,122)	\$ 156,365	\$ (217,506)
Add (deduct): Net loss (gain) on investments	(21,920)	103,598	(145,093)	230,286
Net investment income	2,788	2,476	11,272	12,780
Deduct: Dividends paid on Preferred Shares.....	95	94	284	283
Net investment income, net of dividends paid on Preferred Shares.....	\$ 2,693	\$ 2,382	\$ 10,988	\$ 12,497
Common Shares outstanding	12,194,193	12,194,193	12,194,193	12,194,193
Net investment income per Common Share	\$ 0.22	\$ 0.19	\$ 0.90	\$ 1.02

Market Review

Global stock markets posted generally modest favourable returns during the current quarter. In Canadian dollar terms, in the third quarter of fiscal 2010 the S&P/TSX Composite Index increased 3.9%, the MSCI World Index 1.7% and the S&P 500 Index 3.5%. On a fiscal year-to-date basis, the S&P/TSX Composite Index increased 37.8%, the MSCI World Index 23.1% and the S&P 500 Index 18.0%. All benchmark returns are on a total return (capital gains plus dividends) basis.

For the quarter ended December 31, 2009, the Company's net equity value per Common Share increased to \$67.01 from \$65.19 at September 30, 2009. With dividends reinvested at month-end net equity values, the Company's net equity value return was 3.1% in the current quarter compared to a negative return of 12.3% for the same period in the prior fiscal year. On a fiscal year-to-date basis, the net equity value per Common Share increased to \$67.01 from \$54.81 at March 31, 2009. The net equity value return for the fiscal year to date was 23.4% compared to a negative return of 23.3% in the prior year.

As the Company is a taxable Canadian corporation, a provision for future income taxes is recorded on the unrealized appreciation of investments. Future income taxes are recorded as a liability on the consolidated balance sheet.

Operating Results

Net investment income

The Company's net investment income in the third quarter of fiscal 2010 was \$2,788,000 compared to net investment income of \$2,476,000 in the prior year. On a year-to-date basis, net investment income declined 11.8% to \$11,272,000 in fiscal 2010 from \$12,780,000 in fiscal 2009. On a per Common Share basis, net investment income for the quarter was \$0.22 compared to \$0.19 for the same period in the prior year and on a year-to-date basis declined to \$0.90 from \$1.02 in the prior fiscal year.

Foreign dividend income in the third fiscal quarter of 2010 decreased to \$2,082,000 from \$3,511,000 in fiscal 2009 and on a year-to-date basis declined to \$10,892,000 in fiscal 2010 from \$14,933,000 in fiscal 2009. Foreign dividend income has declined for the two periods primarily from decreased dividend payouts from companies that have been impacted by the recent global financial crisis and general economic slowdown, and in part from a change in foreign security selection by the new investment manager that was appointed in December of 2008. Canadian dividend income in the third fiscal quarter of 2010 increased to \$1,971,000 from \$1,881,000 in fiscal 2009 and increased on a year-to-date basis to \$5,661,000 from \$5,454,000 in the prior year.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

Interest income, including securities lending income, in the third quarter amounted to \$37,000 in fiscal 2010 compared to \$22,000 in fiscal 2009 and decreased to \$35,000 from \$568,000 on a year-to-date basis. The current fiscal year has no securities lending income compared to \$319,000 of income in the prior year. The Company has not participated in securities lending activities since September 2008. Interest income on a year-over-year basis has also been impacted by steep declines in short-term interest rates.

Expenses in the quarter amounted to \$902,000 (fiscal 2009 - \$758,000) and \$2,552,000 (fiscal 2009 - \$2,623,000) on a year-to-date basis. Year-over-year expenses approximate the prior year as average asset values are comparable to the prior year. Expenses in the current quarter have increased relative to the prior year as average net asset values and associated investment management costs have increased compared to the same period in the prior year.

Net investment income in the current year's third quarter is higher than that of the prior year's third quarter as a result of a provision for income taxes of \$1,254,000 relating to foreign withholding taxes taken last year. As a result of large realized losses in the prior year, the Company was unable to utilize its foreign withholding taxes as a credit against Canadian income taxes. Instead these foreign withholding taxes were taken as a deduction in the calculation of taxable income.

Net gain (loss) on investments

The Company realized a net gain on investments of \$6,624,000 in the third quarter of fiscal 2010 versus a net loss of \$106,162,000 in fiscal 2009. On a fiscal year-to-date basis, the net gain on investments was \$11,379,000 in fiscal 2010 compared to a net loss of \$124,392,000 for the prior year. The prior year's quarterly and year-to-date loss resulted primarily from the liquidation of the assets previously managed by Sanford C. Bernstein & Co., LLC. The largest contributors to the net realized gain during the fiscal 2010 quarter were the sale of Henkel AG & Co., Clariant AG and Nexen Inc. On a fiscal 2010 year-to-date basis, the largest contributors to the net realized gain were the sale of Enbridge Inc., Henkel AG & Co. and Clariant AG.

During the current fiscal quarter, the net change in unrealized appreciation of investments increased by \$15,366,000 compared to an increase of \$2,983,000 in the same period last year. On a fiscal year-to-date basis, unrealized appreciation of investments increased by \$133,885,000 compared to a decline of \$105,299,000 in the prior year. In particular Canadian securities in fiscal 2010 contributed approximately \$5,701,000 and \$66,221,000 of the increase in the fiscal quarter and year-to-date increases, respectively. The balance of the fiscal 2010 quarterly and year-to-date increases occurred in the non-Canadian portfolio spread over a broad range of sectors and countries.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 share amounts):

	Dec. 31 2009	Sept. 30 2009	June 30 2009	March 31 2009	Dec. 31 2008	Sept. 30 2008	June 30 2008	March 31 2008
Investments, at fair value	\$ 812,712	\$ 777,435	\$ 712,086	\$ 610,834	\$ 665,821	\$ 800,709	\$ 956,571	\$ 952,648
Investment income	\$ 4,090	\$ 4,468	\$ 8,030	\$ 4,622	\$ 5,414	\$ 4,827	\$ 10,714	\$ 6,443
Increase (decrease) in net assets from operations	\$ 24,708	\$ 52,828	\$ 78,829	\$ (45,209)	\$ (101,122)	\$ (120,426)	\$ 4,042	\$ (49,865)
Increase (decrease) in net assets from operations per Common Share ¹	\$ 2.02	\$ 4.32	\$ 6.46	\$ (3.72)	\$ (8.30)	\$ (9.88)	\$ 0.32	\$ (4.10)
Net equity value per Common Share	\$ 67.01	\$ 65.19	\$ 61.07	\$ 54.81	\$ 58.73	\$ 67.23	\$ 77.31	\$ 77.18

¹ Net 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 current general economic conditions, there is no guarantee that the Company will receive dividend income on its investments at recent dividend payout levels. On a fiscal year-to-date basis, the Company has experienced a year-over-year decline in foreign dividend income arising from decreased dividend payouts from companies that have been impacted by the recent global financial crisis and general economic slowdown, and in part from a change in foreign security selection by the new investment manager that was appointed in December of 2008.

The returns of the portfolio may also not necessarily correlate with benchmark returns and may fluctuate significantly as illustrated by the recent quarterly returns that have been affected by the global financial crisis and general economic slowdown.

Change in Note Disclosure

Effective October 1, 2009, the Company adopted amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosures", as issued by The Canadian Institute of Chartered Accountants. The amendments require improved and consistent disclosures about fair value measurements of financial instruments and liquidity risk.

These amendments impact the Company's disclosures but do not affect the Company's results of operations or financial statements. These disclosures are provided in Notes 2 and 3 to these financial statements.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Share Data

At December 31, 2009, 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, 2009, net investment income was \$0.22 per Common Share as compared to Common Share dividend payments of \$0.20 per share. On a fiscal year-to-date basis, net investment income was \$0.90 per Common Share as compared to dividend payments of \$0.60 per Common Share.

Transition to International Financial Reporting Standards ("IFRS")

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

Senior management of the Company oversees the transition to IFRS and provides quarterly reports to the Company's Audit Committee. Senior management continues to develop financial reporting expertise in IFRS.

Additional changes to IFRS accounting standards are expected to be issued up to and including the Company's transition date of April 1, 2011 and, as a result, there is some uncertainty regarding the expected accounting standards that will be in place in fiscal 2012. The following disclosures reflect the Company's current expectations based on the information that is available as of this report's date. As a result of changing circumstances during our transition, the Company may change accounting policy choices or elections initially selected.

The Company's project plan includes four phases: analysis, design and planning, solution development and implementation. The current standards that are expected to be relevant to the Company's recognition, measurement, presentation and disclosure of its financial statements have been identified. Preliminary accounting policy choices have been made based on the expected accounting requirements in fiscal 2012. Model financial statement presentation and disclosures will be prepared in the latter part of fiscal 2010 and system changes will be identified. Changes to internal controls over financial reporting, and to disclosure controls and procedures, will be finalized in fiscal 2011.

At this point in the project, other than increased disclosure requirements, the Company anticipates that on transition to IFRS there will not be a material impact to its financial statements or in the calculation of its net equity value per Common Share.

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 9, 2010

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	December 31	March 31
	2009	2009
	(000's)	
Investments, at fair value (cost - \$681,744; March 31, 2009 - \$631,401).....	\$ 812,712	\$ 610,834
Cash	6,425	5,333
Short-term investments	22,158	27,337
Receivable in respect of investments sold	1,018	1,397
Accrued income on investments.....	1,267	1,533
Income taxes receivable.....	38	31,616
Other assets	520	491
Future income taxes	—	1,094
	<u>844,138</u>	<u>679,635</u>
 LIABILITIES		
Accounts payable and accrued liabilities.....	592	673
Payable in respect of investments purchased	1,314	2,813
Future income taxes	17,369	—
	<u>19,275</u>	<u>3,486</u>
Net assets, at fair value	\$ 824,863	\$ 676,149
 SHAREHOLDERS' EQUITY		
Share 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
	<u>541,000</u>	<u>541,000</u>
Retained earnings	169,790	154,961
Unrealized appreciation (depreciation) of investments.....	114,073	(19,812)
Total shareholders' equity.....	\$ 824,863	\$ 676,149

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2009	2008	2009	2008
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign.....	\$ 2,082	\$ 3,511	\$ 10,892	\$ 14,933
Canadian.....	1,971	1,881	5,661	5,454
	<u>4,053</u>	<u>5,392</u>	<u>16,553</u>	<u>20,387</u>
Interest, including securities lending income	37	22	35	568
	<u>4,090</u>	<u>5,414</u>	<u>16,588</u>	<u>20,955</u>
Expenses:				
Investment management and administrative costs	745	501	2,016	1,906
Directors' and officers' remuneration.....	50	68	159	163
Office and miscellaneous.....	55	36	209	172
Transfer, registrar and custodial agents' fees	20	136	107	331
Professional fees	32	17	61	51
	<u>902</u>	<u>758</u>	<u>2,552</u>	<u>2,623</u>
Investment income before income taxes ...	3,188	4,656	14,036	18,332
Provision for income taxes	400	2,180	2,764	5,552
NET INVESTMENT INCOME	<u>2,788</u>	<u>2,476</u>	<u>11,272</u>	<u>12,780</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain (loss) on investments ..	6,624	(106,162)	11,379	(124,392)
Net change in unrealized appreciation of investments	15,366	2,983	133,885	(105,299)
Transaction costs on purchase and sale of investments	(70)	(419)	(171)	(595)
NET GAIN (LOSS) ON INVESTMENTS	<u>21,920</u>	<u>(103,598)</u>	<u>145,093</u>	<u>(230,286)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 24,708</u>	<u>\$(101,122)</u>	<u>\$ 156,365</u>	<u>\$(217,506)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	<u>\$ 2.02</u>	<u>\$(8.30)</u>	<u>\$ 12.80</u>	<u>\$(17.86)</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Nine months ended Dec. 31	
	<u>2009</u>	<u>2008</u>
	(000's)	
BEGINNING OF PERIOD.....	<u>\$ 154,961</u>	<u>\$ 287,464</u>
Add (deduct):		
Net investment income	11,272	12,780
Net realized gain (loss) on investments.....	11,379	(124,392)
Refundable dividend taxes recovered	1,679	1,728
	<u>24,330</u>	<u>(109,884)</u>
Deduct:		
Dividends:		
First Preferred Shares.....	59	59
Second Preferred Shares	225	224
Common Shares	7,316	7,316
Provision for refundable dividend taxes.....	1,730	1,661
Transaction costs on purchase and sale of investments.....	171	595
	<u>9,501</u>	<u>9,855</u>
END OF PERIOD	<u>\$ 169,790</u>	<u>\$ 167,725</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(000's)			
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 24,708</u>	<u>\$ (101,122)</u>	<u>\$ 156,365</u>	<u>\$ (217,506)</u>
DIVIDENDS TO SHAREHOLDERS				
Preferred Shares	(95)	(94)	(284)	(283)
Common Shares.....	(2,438)	(2,438)	(7,316)	(7,316)
	<u>(2,533)</u>	<u>(2,532)</u>	<u>(7,600)</u>	<u>(7,599)</u>
TAXATION CHANGES				
Net (increase) decrease in refundable dividend taxes on hand.....	(49)	5	(51)	67
INCREASE (DECREASE) IN NET ASSETS	<u>22,126</u>	<u>(103,649)</u>	<u>148,714</u>	<u>(225,038)</u>
NET ASSETS, BEGINNING OF PERIOD	<u>802,737</u>	<u>827,540</u>	<u>676,149</u>	<u>948,929</u>
NET ASSETS, END OF PERIOD	<u>\$ 824,863</u>	<u>\$ 723,891</u>	<u>\$ 824,863</u>	<u>\$ 723,891</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET REALIZED GAIN (LOSS) ON INVESTMENTS

(Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
			(000's)	
Proceeds on sales of investments.....	<u>\$ 37,278</u>	<u>\$ 189,748</u>	<u>\$ 84,396</u>	<u>\$ 275,058</u>
Cost of investments, beginning of period	<u>662,319</u>	<u>787,293</u>	<u>631,401</u>	<u>810,423</u>
Cost of investments purchased during the period	<u>48,675</u>	<u>180,411</u>	<u>121,031</u>	<u>264,728</u>
	<u>710,994</u>	<u>967,704</u>	<u>752,432</u>	<u>1,075,151</u>
Cost of investments, end of period	<u>681,744</u>	<u>648,882</u>	<u>681,744</u>	<u>648,882</u>
Cost of investments sold during the period ...	<u>29,250</u>	<u>318,822</u>	<u>70,688</u>	<u>426,269</u>
Realized gain (loss) on investments sold before income taxes.....	<u>8,028</u>	<u>(129,074)</u>	<u>13,708</u>	<u>(151,211)</u>
Provision for (recovery of) income taxes on realized net capital gain (loss)	<u>1,404</u>	<u>(22,912)</u>	<u>2,329</u>	<u>(26,819)</u>
Net realized gain (loss) on investments.....	<u>\$ 6,624</u>	<u>\$ (106,162)</u>	<u>\$ 11,379</u>	<u>\$ (124,392)</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2009 (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
North America				
Canada				
Preferred				
140,000	Nortel Networks Limited \$1.275 Series F.....	\$ 3,512	\$ —	—
Common				
362,568	Algoma Central Corporation.....	6,201	27,736	
92,000	Bank of Montreal.....	5,617	5,131	
331,805	Bank of Nova Scotia.....	5,755	16,321	
357,670	CAE, Inc.....	3,621	3,105	
80,000	Cameco Corporation.....	279	2,702	
136,330	Canadian National Railway Company.....	5,471	7,790	
112,470	Canadian Natural Resources Ltd.....	6,611	8,508	
130,480	Canadian Tire Corp. Ltd. Class A.....	4,642	7,470	
60,535	Canadian Utilities Limited Class A.....	1,481	2,647	
222,702	Canfor Corporation.....	1,436	1,804	
241,145	Cenovus Energy Inc.....	4,584	6,366	
151,466	Enbridge Inc.....	2,065	7,354	
197,085	Encana Corporation.....	3,001	6,711	
138,700	Goldcorp, Inc.....	4,501	5,730	
300,000	Great-West Lifeco Inc.....	4,287	8,046	
157,430	Imperial Oil Limited.....	1,576	6,392	
210,676	Jean Coutu Group Inc.....	1,949	2,041	
218,625	Kinross Gold Corporation.....	3,809	4,226	
110,373	Loblaw Cos. Limited.....	5,466	3,733	
525,210	Manulife Financial Corporation.....	8,848	10,137	
235,405	Metro Inc.....	2,436	9,221	
437,910	Nexen Inc.....	3,660	11,009	
91,750	Potash Corporation of Saskatchewan.....	2,532	10,470	
161,000	Power Financial Corporation.....	926	4,977	
107,775	Quebecor Inc. Class B.....	3,923	2,934	
100,890	Research In Motion Limited.....	8,544	7,157	
147,775	Rogers Communications Inc. Class B.....	1,516	4,812	
368,396	Royal Bank of Canada.....	5,594	20,759	
338,400	Shaw Communications Inc. Class B.....	5,393	7,309	
71,620	Shoppers Drug Mart.....	3,146	3,245	
304,350	SNC-Lavalin Group Inc. Class A.....	1,283	16,411	
310,430	Suncor Energy Inc.....	12,416	11,520	
704,310	Talisman Energy Inc.....	4,347	13,769	
293,810	Thomson Reuters Corporation.....	11,941	9,960	
50,000	Tim Hortons Inc.....	1,681	1,604	
220,708	Toronto-Dominion Bank.....	4,593	14,553	
226,087	TransCanada Corporation.....	4,265	8,173	
170,000	Transcontinental Inc Class A.....	3,402	2,152	
240,000	TVA Group Inc. Class B.....	3,202	3,180	
90,600	West Fraser Timber Co. Ltd.....	2,067	2,971	
55,000	Weston (George) Limited.....	5,071	3,675	
		<u>173,138</u>	<u>313,811</u>	38.6
United States				
72,000	3M Co.....	6,572	6,224	
63,000	Altria Group, Inc.....	1,254	1,294	
70,000	Automatic Data Processing Inc.....	3,180	3,136	
160,000	Bank of New York Mellon Corporation.....	5,381	4,682	
60,000	Chevron Corporation.....	4,113	4,833	
200,000	Cisco Systems, Inc.....	5,927	5,011	
80,000	Colgate-Palmolive Company.....	5,695	6,877	
145,480	Community Health Systems Inc.....	5,464	5,422	
82,000	Computer Sciences Corp.....	4,227	4,937	
261,000	ConAgra Foods, Inc.....	5,094	6,296	
113,000	ConocoPhillips.....	6,546	6,034	
203,000	CVS Caremark Corporation.....	5,011	6,841	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2009 (continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
United States (continued)				
624,600	Dairy Farm International Holdings Limited	\$ 2,804	\$ 3,916	
121,000	Emerson Electric Company	5,089	5,397	
58,800	Exxon Mobil Corporation	3,716	4,192	
82,000	Fiserv, Inc.	4,202	4,161	
226,000	General Electric Company	7,203	3,579	
83,100	General Mills, Inc.	6,093	6,160	
165,000	Halliburton Company	5,181	5,193	
110,000	Hartford Financial Services Group, Inc.	6,758	2,680	
101,900	H.J. Heinz Company	4,795	4,561	
108,000	Johnson & Johnson	7,578	7,271	
100,400	Kimberly Clark Corporation	6,344	6,695	
119,800	Kraft Foods Inc.	3,896	3,408	
164,200	Merck & Co. Inc.	5,710	6,273	
120,000	MetLife, Inc.	4,231	4,440	
122,300	Microsoft Corporation	2,740	3,901	
50,000	Monsanto Company	4,165	4,279	
55,120	NIKE, Inc. Class B	3,235	3,812	
115,000	Pepsico, Inc.	7,448	7,314	
507,700	Pfizer Inc.	15,138	9,671	
102,000	Philip Morris International Inc.	4,645	5,138	
120,875	Proctor & Gamble Company	6,960	7,666	
87,000	Scripps Networks Interactive	4,333	3,779	
220,000	Spectra Energy Corporation	4,874	4,722	
122,950	Time Warner Inc.	5,537	3,746	
203,900	Waste Management Inc.	6,495	7,217	
200,161	Wells Fargo & Company	14,486	5,644	
		<u>212,120</u>	<u>196,402</u>	24.2
Mexico				
100,000	Fomento Economico Mexicano, S.A. de C.V. ADR	2,727	5,006	0.6
	Total North America	<u>391,497</u>	<u>515,219</u>	63.4
Europe, excluding United Kingdom				
155,780	ABB Limited	2,891	3,138	
140,000	Adidas AG	6,267	7,934	
186,669	AXA	4,934	4,631	
384,175	Banco Santander SA	5,238	6,653	
51,000	Bayer AG	3,958	4,288	
95,200	Casino Guichard-Perrachon SA	8,141	8,927	
120,000	Celesio AG	5,856	3,197	
326,200	Clariant AG	2,458	4,012	
138,390	CSM	2,391	3,814	
61,764	Danone S.A.	3,162	3,968	
303,000	Davide Campari-Milano S.p.A.	2,588	3,311	
102,900	Delhaize Group	8,043	8,273	
100,240	Essilor International SA	3,118	6,260	
93,000	Fresenius Medical Care & Co. KGaA ADR	3,006	5,170	
107,700	Heineken NV	4,036	5,374	
371,426	ING Groep N.V. ADR	7,801	3,817	
130,700	Kerry Group plc	3,449	4,156	
352,600	Koninklijke Ahold NV	5,073	4,898	
30,278	L'Air Liquide SA	2,299	3,771	
40,160	L'Oreal SA	3,769	4,698	
36,938	Lafarge SA	2,995	3,203	
131,100	OMV AG	6,187	5,982	
167,500	Nestlé S.A. ADR	5,652	8,476	
181,400	Nestlé S.A.	8,262	9,195	
139,200	Publicis Groupe	4,725	5,951	
62,125	Roche Holding AG	9,739	11,032	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2009 (continued) (Unaudited)

Number of Shares		Cost	Fair value	% of Fair value
		(000's)		
Europe, excluding United Kingdom (continued)				
92,000	SAP AG Spons ADR	\$ 5,184	\$ 4,509	
43,767	Schneider Electric SA.....	5,964	5,349	
54,000	Siemens AG	7,040	5,211	
209,900	SKF AB.....	2,339	3,796	
24,000	Synthes, Inc.	2,752	3,281	
220,000	Telenor ASA.....	4,316	3,218	
83,000	Total SA ADR.....	5,007	5,565	
		<u>158,640</u>	<u>175,058</u>	21.6
United Kingdom				
115,000	BP plc ADR	9,285	6,977	
325,400	Britvic plc.....	1,554	2,241	
353,015	Dairy Crest Group plc.....	1,271	2,152	
45,000	Diageo plc ADR.....	3,404	3,266	
416,600	GlaxoSmithKline plc.....	9,146	9,296	
506,000	HSBC Holdings plc.....	3,848	6,068	
157,200	Next plc.....	3,244	5,532	
100,600	Reckitt Benckiser plc.....	3,735	5,710	
290,000	Smith & Nephew plc.....	3,427	3,120	
140,000	Standard Chartered plc.....	3,960	3,695	
1,350,000	Thomas Cook Group plc.....	5,421	5,255	
287,000	Vodafone Group Plc ADR.....	8,634	6,933	
		<u>56,929</u>	<u>60,245</u>	7.4
Asia				
151,600	Asahi Breweries, Ltd.	3,222	2,915	
120,100	Astellas Pharma Inc.	5,293	4,671	
116,100	Circle K Sunkus Co., Ltd.....	2,401	1,497	
123,100	Daiichi Sankyo Company, Limited.....	3,223	2,693	
881,600	Daiwa Securities Group Inc.....	8,518	4,598	
33,800	Eisai Co., Ltd.	1,655	1,299	
47,100	Fanuc Ltd.	5,260	4,569	
67,000	Itochu Techno-Solutions Corp.	1,944	1,879	
538	KDDI Corp.....	3,050	2,975	
14,080	Keyence Corporation	2,888	3,031	
340,000	Konica Minolta Holdings Inc.....	3,259	3,634	
78,400	Makita Corporation.....	2,014	2,794	
196,000	Mitsubishi Tanabe Pharma Corporation	3,335	2,556	
70,800	Secom Co. Ltd.	3,320	3,509	
837,000	Sumitomo Trust and Banking Co., Ltd. (The).....	7,708	4,252	
160,000	Suzuki Motor Corporation	4,919	4,091	
52,600	Takeda Pharmaceutical Company Limited.....	3,237	2,258	
780,000	Television Broadcasts Limited.....	4,579	3,922	
		<u>69,825</u>	<u>57,143</u>	7.0
Australia				
63,000	BHP Billiton Limited ADR.....	4,853	5,047	0.6
	Total investments	<u>\$ 681,744</u>	<u>\$ 812,712</u>	<u>100.0</u>

UNITED CORPORATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Summary of significant accounting policies

1. Basis of presentation

The accompanying unaudited consolidated interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as the most recent annual financial statements, except as noted below, and should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended March 31, 2009. The consolidated financial statements do not include all of the disclosures required under GAAP for annual financial statements.

Carrying value of investments

In accordance with Accounting Guideline 18 "Investment Companies", investments are categorized as held for trading and are required to be recorded at a fair value established by the bid price for a security on the recognized stock exchange on which it is principally traded, as defined in CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement".

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 December 31, 2009, all of the Company's investments were Level 1 investments. There were no transfers between Level 1, 2 or 3 investments during the year.

3. Liquidity risk

All liabilities, other than future income taxes, settle within three months of the quarter end. The Company does not currently enter into any derivative financial contracts.

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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Fax: 416-362-2592

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

BANKER The Bank of Nova Scotia

AUDITORS PricewaterhouseCoopers LLP, Toronto

CUSTODIAN RBC Dexia Investor Services Trust

TRANSFER AGENT AND REGISTRAR Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario
M5J 2Y1
Telephone: 416-981-9633
Toll Free: 1-800-564-6253

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

