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# UNITED CORPORATIONS LIMITED

ANNUAL REPORT 1987



# UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



## DIRECTORS

G. DRUMMOND BIRKS

Montreal

A. GEORGE DRAGONE

Toronto

JAMES V. EMORY

Toronto

JOCK K. FINLAYSON

Montreal

KENNETH S. HOWARD

Montreal

HENRY N. R. JACKMAN

Toronto

ROBERT M. MACINTOSH

Toronto

CLIFFORD S. MALONE

Toronto

DONALD J. MIANO

Toronto

MARTIN H. SIEGERMAN

Toronto

ROBERT A. M. SMITH

Toronto

IAN S. STEERS

London, England

WILLIAM P. WILDER

Toronto

## OFFICERS

HENRY N. R. JACKMAN

Chairman and President

CLIFFORD S. MALONE

Vice-Chairman

R. A. M. SMITH, C.A.

Secretary and Treasurer

P. A. SMALLMAN

Assistant Secretary and Assistant Treasurer

## Auditors

Price Waterhouse

## Transfer Agent and Registrar

National Trust Company  
Shares transferable at Montreal and Toronto.

## Head Office

Suite 2990, South Tower  
Royal Bank Plaza  
Toronto, Ontario. M5J 2J2

## Shares Listed

First Preferred, Second Preferred (1959 and 1963 Series) and Common shares are listed on the Montreal and Toronto Stock Exchanges.

## TO THE SHAREHOLDERS:

The resumption of strong stock markets in the last quarter of our fiscal year brought net equity at March 31, 1987 to a new high by a considerable margin. Consolidated net income for the year also reached a new high but by a considerably smaller margin.

Net equity for the common shares, as defined in Note 4 to the Financial Statements, closed the year at \$371.4 million. This was an increase of \$51.6 million or 16.1% over the previous year-end figure of \$319.8 million after payment during the year of cash dividends on the common shares totalling \$12.4 million of which \$8.0 million was the cash portion of the capital gains dividend paid in May, 1986. Adjusting for the increased number of shares resulting from the stock portion of that capital gains dividend, net equity for the common shares, rose from \$57.68 to \$67.00 after payment of cash dividends totalling \$2.24 per share of which \$1.45 was the cash portion of the capital gains dividend.

Consolidated net income for the year amounted to \$5,219,354 compared to the previous year's figure of \$5,194,490. The retirement of the \$8 million of income debentures in August reduced interest expense for the year to \$173,589 from last year's \$530,575. After provision for preferred dividends, net income available for the common shares was \$4,840,999, equal to \$0.87 per share compared to last year's \$4,816,135 or \$0.87 per share.

Cash dividends paid on the common shares during the year totalled \$12,368,771 of which \$8,012,494 was the cash portion of the capital gains dividend paid in May, 1986. The stock portion of the capital gains dividend resulted in the issue of an additional 395,662 common shares valued for tax purposes at \$60.52 per share, bringing the current number of outstanding shares to 5,544,204.

On a per share basis, cash dividends paid on the common shares consisted of a quarterly dividend of \$0.20 per share and the capital gains dividend of \$1.5518 per share, both paid on the smaller number of shares outstanding before the capital gains dividend, together with three quarterly dividends of \$0.20 per share paid on the increased number of shares resulting from the stock dividend.

At their March meeting your directors declared a regular quarterly dividend of \$0.20 per common share payable May 15th to shareholders of record May 1st. In addition, at a meeting held May 5, 1987, your directors declared a capital gains dividend of \$5.8186 per common share payable May 29, 1987 to shareholders of record May 20, 1987. This dividend will consist of one common share for each fifteen shares held, valued for tax purposes at \$65.46 per share, together with \$1.4546 per share in cash. Full details with respect to this dividend will be set out in a special notice to shareholders in May.

In last year's Annual Report mention was made of the record of the company since the market bottom at the end of June, 1982. That record can now be up-dated to cover the 4¾ year period to the end of March, 1987, during which net equity for the common shares rose from \$109.1 million to \$371.4 million, an increase of 240%. An increase of this magnitude over a period of less than five years is extraordinary and may well prove to be unsustainable. This is particularly true of the explosive market of the first quarter of calendar 1987 which saw the Toronto Stock Exchange Index rise by some 22%. Steps were therefore taken early in April to move the portfolio into a somewhat more defensive position by raising cash reserves to a higher than normal level.

May 5, 1987

H. N. R. Jackman  
Chairman



# UNITED CORPORATIONS LIMITED

## CONSOLIDATED STATEMENT OF NET ASSETS

	March 31	
	1987	1986
<b>Assets:</b>		
Portfolio investments, at market value (average cost — \$185,968,910; 1986 — \$156,198,252) . . . . .	\$368,283,417	\$311,936,480
Cash and short-term investments . . . . .	21,587,352	22,217,719
Accrued income on investments . . . . .	535,100	498,035
Due from brokers . . . . .	—	2,479,057
	<u>390,405,869</u>	<u>337,131,291</u>
<b>Liabilities:</b>		
Accrued liabilities . . . . .	61,949	171,899
Due to brokers . . . . .	10,802,500	1,299,617
Income taxes payable . . . . .	8,823,770	8,332,732
Income debenture . . . . .	—	8,000,000
	<u>19,688,219</u>	<u>17,804,248</u>
Net assets . . . . .	<u>\$370,717,650</u>	<u>\$319,327,043</u>
<b>Represented by:</b>		
Stated capital (Note 2):		
Preferred shares —		
First preferred — 52,237 shares . . . . .	\$ 119,383	\$ 119,383
Second preferred — 200,000 shares . . . . .	6,000,000	6,000,000
Common shares — 5,544,204 shares (1986 — 5,148,542)	95,159,483	71,214,019
	<u>101,278,866</u>	<u>77,333,402</u>
Surplus:		
Retained income . . . . .	4,087,573	3,602,851
Accumulated net realized gains on investments . . . . .	83,036,704	82,652,562
	<u>87,124,277</u>	<u>86,255,413</u>
Unrealized appreciation in value of investments . . . . .	182,314,507	155,738,228
	<u>\$370,717,650</u>	<u>\$319,327,043</u>

APPROVED BY THE BOARD:

H. N. R. Jackman, Director

C. S. Malone, Director

**CONSOLIDATED STATEMENT  
OF NET INCOME**

	Year ended March 31	
	1987	1986
Income:		
Dividends .....	\$5,277,788	\$5,483,610
Interest .....	1,731,286	1,703,758
	<u>7,009,074</u>	<u>7,187,368</u>
Expenses:		
Management fees .....	670,115	447,803
Directors' and officers' remuneration .....	102,100	108,500
Transfer, registrar and custodial agents' fees .....	87,700	104,500
Legal and audit fees .....	33,343	38,284
Capital tax .....	12,399	2,938
Office and miscellaneous .....	91,499	86,562
	<u>997,156</u>	<u>788,587</u>
Income before the following items .....	6,011,918	6,398,781
Interest on income debentures .....	173,589	530,575
Income before income taxes .....	5,838,329	5,868,206
Foreign taxes withheld .....	163,185	176,369
Provision for income taxes:		
Current .....	455,790	333,615
Deferred .....	—	163,732
	<u>618,975</u>	<u>673,716</u>
NET INCOME .....	<u>\$5,219,354</u>	<u>\$5,194,490</u>
Net income per common share (Note 3) .....	<u>\$0.87</u>	<u>\$0.87</u>

# UNITED CORPORATIONS LIMITED

## CONSOLIDATED STATEMENT OF SURPLUS

	Year ended March 31	
	1987	1986
RETAINED INCOME:		
Balance at beginning of year	\$ 3,602,851	\$ 3,387,264
Net income	5,219,354	5,194,490
	<u>8,822,205</u>	<u>8,581,754</u>
Dividends —		
First preferred shares	78,355	78,355
Second preferred shares	300,000	300,000
Common shares (per share — \$0.79; 1986 — \$0.83) (Note 3)	4,356,277	4,600,548
	<u>4,734,632</u>	<u>4,978,903</u>
Balance at end of year	\$ 4,087,573	\$ 3,602,851
ACCUMULATED NET REALIZED GAINS ON INVESTMENTS:		
Balance at beginning of year	\$ 82,652,562	\$ 67,012,470
Net gain on investments sold during the year —		
Proceeds from sale of investments	98,376,659	103,477,100
Investments at cost at beginning of year	156,198,252	136,954,158
Investments purchased during year	95,499,000	91,756,819
Investments at cost at end of year	(185,968,910)	(156,198,252)
Cost of investments sold	65,728,342	72,512,725
	<u>32,648,317</u>	<u>30,964,375</u>
Less: Income taxes on net taxable gains on sale of investments (Note 5)	8,454,249	7,570,536
Net gain on investments sold	24,194,068	23,393,839
	<u>106,846,630</u>	<u>90,406,309</u>
Dividend (Note 2)	(31,957,958)	(10,304,523)
Income tax recovery resulting from dividend paid out of realized gains on investments	8,148,032	2,550,776
	<u>(23,809,926)</u>	<u>(7,753,747)</u>
Balance at end of year	\$ 83,036,704	\$ 82,652,562

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year ended March 31	
	1987	1986
Net assets at beginning of year	\$319,327,043	\$239,595,851
Add (deduct) changes during year —		
Net income	5,219,354	5,194,490
Proceeds from issue of common shares	23,945,464	7,710,253
Net gain on investments sold	24,194,068	23,393,839
Increase in unrealized appreciation in value of investments	26,576,279	56,165,260
Dividends —		
Retained income	(4,734,632)	(4,978,903)
Accumulated net realized gains on investments	(31,957,958)	(10,304,523)
Income tax recovery resulting from dividend paid out of realized gains on investments	8,148,032	2,550,776
Net assets at end of year	<u>\$370,717,650</u>	<u>\$319,327,043</u>



**CONSOLIDATED STATEMENT  
OF INVESTMENTS AS AT MARCH 31, 1987**

No. of Shares or Par Value		Cost	Market Value	% of Net Assets
<b>Trust, Savings and Loan</b>				
1,453,766	The National Victoria and Grey Trustco Limited .....	\$ 12,934,245	\$ 36,169,702	
97,000	Royal Trustco Limited Class A .....	3,314,990	3,310,610	
		16,249,235	39,480,312	10.65
<b>Miscellaneous Financial</b>				
71,775	Canadian (Refuge) Holdings Limited .....	4,062,957	10,338,526	
39,000	Reed Stenhouse Companies Limited Class 1 Special .....	1,404,000	1,579,500	
		5,466,957	11,918,026	3.21
<b>Communications and Media</b>				
100,800	CFCF Inc. ....	2,052,518	1,802,304	
469,100	Maclean Hunter Limited Class Y .....	1,193,823	9,323,363	
147,900	Selkirk Communications Limited Class A .....	3,715,399	3,273,027	
528,400	Thomson Newspapers Limited Class A .....	3,780,381	16,581,192	
		10,742,121	30,979,886	8.36
<b>Food and Beverages</b>				
182,900	John Labatt Limited .....	1,527,315	4,709,675	
\$4,500,000	John Labatt Limited 1986 Adj. Rate Conv. Sub. Deb. Feb. 28, 2006 .....	4,500,000	6,570,000	
99,000	The Molson Companies Limited Class A .....	2,532,903	2,549,250	
53,000	The Molson Companies Limited Class B .....	1,280,924	1,404,500	
		9,841,142	15,233,425	4.11
<b>Retailers</b>				
50,000	Reitmans (Canada) Limited Class A .....	1,328,976	1,337,500	
882,800	The Oshawa Group Limited Class A .....	5,695,238	18,538,800	
320,500	Steinberg Inc. Class A .....	9,303,331	13,060,375	
		16,327,545	32,936,675	8.88
<b>Miscellaneous Consumer</b>				
150,000	Astral Bellevue Pathe Inc. Class A .....	1,350,000	1,950,000	
526,800	Laidlaw Transportation Limited Class A .....	253,267	14,882,100	
978,900	Laidlaw Transportation Limited Class B .....	1,729,037	26,185,575	
195,400	MDS Health Group Limited Class B .....	1,162,374	4,298,800	
232,000	Noma Industries Limited Class A .....	2,042,650	4,582,000	
		6,537,328	51,898,475	14.00
<b>Technology</b>				
653,600	CAE Industries Ltd. ....	323,391	7,843,200	
265,000	CDC Life Sciences Inc. ....	4,744,476	6,924,450	
29,460	Fleet Aerospace Corporation Class A .....	385,189	353,520	
248,920	Fleet Aerospace Corporation Warrants .....	2,354,151	2,924,810	
263,800	National Business Systems Inc. ....	4,894,454	5,407,900	
110,000	Xerox Canada Inc. ....	2,686,935	3,011,800	
		15,388,596	26,465,680	7.14
<b>Golds</b>				
725,000	Belmoral Mines Ltd. ....	1,993,750	3,900,500	
181,250	Belmoral Mines Ltd. Warrants .....	181,250	725,000	
135,000	Campbell Red Lake Mines Limited .....	3,389,528	4,995,000	
590,000	Central Fund A .....	4,498,750	5,162,500	
180,789	Dickenson Mines Limited Class A Sub. Voting shares .....	1,717,500	2,485,849	
50,000	Echo Bay Mines Ltd. ....	1,761,461	2,550,000	
436,200	Hemlo Gold Mines Inc. ....	3,892,080	11,179,806	
266,800	International Corona Resources Ltd. ....	4,643,055	11,507,084	
115,500	Kiena Gold Mines Limited .....	2,945,383	4,244,625	
96,382	LAC Minerals Ltd. ....	968,971	3,916,000	
218,100	New Golden Sceptre Minerals Ltd. ....	250,815	305,340	
218,100	New Goliath Minerals Ltd. ....	250,815	303,159	
215,300	Quebec Sturgeon River Mines Limited .....	1,618,158	1,265,964	
577,000	Royex Gold Mining Corporation .....	1,326,770	3,537,010	
		29,438,286	56,077,837	15.13

# UNITED CORPORATIONS LIMITED

## CONSOLIDATED STATEMENT OF INVESTMENTS (continued)

No. of Shares or Par Value		Cost	Market Value	% of Net Assets
<b>Metal and Mines</b>				
32,750	Teck Corporation Conv. Cum. Red. Series D Pfd. ....	\$ 4,142,875	\$ 5,887,795	
80,000	Teck Corporation Class B .....	1,920,000	2,880,000	
40,000	Teck Corporation Warrants .....	80,000	515,200	
		<u>6,142,875</u>	<u>9,282,995</u>	2.51
<b>Paper and Forest</b>				
60,000	Consolidated-Bathurst Inc. Series A .....	745,500	1,147,800	
30,000	Donohue Inc. ....	843,000	1,095,000	
		<u>1,588,500</u>	<u>2,242,800</u>	0.60
<b>Real Estate and Construction</b>				
282,000	Cambridge Shopping Centres Limited .....	4,512,000	7,509,660	
210,000	Trizec Corporation Ltd. Class A .....	3,148,752	7,192,500	
55,500	Trizec Corporation Ltd. Class B .....	672,625	1,942,500	
2,265	Trizec Corporation Ltd. Senior Pfd. Class B Series 3 ....	13,263	22,650	
		<u>8,346,640</u>	<u>16,667,310</u>	4.50
<b>Transportation</b>				
335,665	Algoma Central Railway .....	5,663,062	7,384,638	1.99
<b>Miscellaneous Manufacturing</b>				
220,200	AGRA Industries Limited Class B .....	2,724,975	3,137,850	
220,200	AGRA Industries Limited Warrants .....	220,200	1,321,200	
48,600	Canada Cement Lafarge Ltd. Exchangeable Preference ...	764,526	801,900	
355,000	Canada Development Corporation .....	3,594,375	3,550,000	
\$3,500,000	Derlan Industries Limited 7% Conv. Deb. June 30, 1996 ....	3,500,000	3,500,000	
80,700	Magna International Inc. Class A .....	1,190,325	2,532,366	
		<u>11,994,401</u>	<u>14,843,316</u>	4.00
<b>Oil and Gas</b>				
90,000	Morgan Hydrocarbons Inc. Second Pfd. Series B .....	2,254,500	2,475,000	
125,000	Poco Petroleum Ltd. ....	1,984,375	1,985,000	
100,000	Poco Petroleum Ltd. Special Warrants .....	725,000	725,000	
		<u>4,963,875</u>	<u>5,185,000</u>	1.40
<b>Foreign</b>				
247,524	The Baring Octopus Fund .....	3,346,240	3,314,173	
80,000	ConAgra, Inc. ....	2,480,761	3,314,700	
61,650	Dean Foods Company .....	1,564,429	2,504,510	
82,000	Deluxe Check Printers, Inc. ....	952,525	3,905,865	
12,300	Deutsche Bank AG ADR .....	6,936,562	5,987,209	
213,400	Lafarge Corporation .....	3,364,666	3,586,912	
300,000	Southmark Corporation .....	4,556,928	4,110,750	
133,700	Super Valu Stores Inc. ....	4,227,756	4,929,018	
10,026	Swiss Bank Corporation .....	3,186,773	4,060,530	
80,000	Tambrands Inc. ....	2,034,699	6,864,300	
60,000	Westinghouse Electric Corporation .....	4,627,008	5,109,075	
		<u>37,278,347</u>	<u>47,687,042</u>	12.86
<b>Total Portfolio Investments</b> .....		<u>\$185,968,910</u>	<u>\$368,283,417</u>	99.34%
<b>Short-Term Investments</b> .....		18,699,294	18,699,294	5.04
<b>Net Liabilities</b> .....		(16,265,061)	(16,265,061)	(4.38)
<b>Net Assets</b> .....		<u>\$188,403,143</u>	<u>\$370,717,650</u>	100.00%



**NOTES  
TO CONSOLIDATED  
FINANCIAL STATEMENTS  
MARCH 31, 1987**

1. Summary of accounting policies:

(a) Principles of consolidation —

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, UNC Holdings Limited.

(b) Portfolio investments —

Portfolio investments are carried at market value which is determined from published last sales prices on national securities exchanges at March 31, 1987. When no quoted market is available, the market value of investments is determined by the directors of the Corporation.

No provision is made for deferred income taxes on the unrealized appreciation in value of investments as at March 31.

(c) Investment transactions —

Investment transactions are accounted for on the trade date, and realized gains and losses from such transactions are calculated on an average cost basis.

(d) Dividend and interest income —

Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.

(e) Foreign exchange —

The average cost of foreign investments is the cost thereof translated into Canadian dollars at the rate of exchange prevailing at the time of purchase. The market value of such investments at March 31, 1987 has been translated into Canadian dollars at the exchange rate prevailing at that date.

2. Stated capital:

The classes of shares and, where applicable, the maximum number of shares that the Corporation is authorized to issue are as follows:

(a) 52,237 First Preferred Shares without nominal or par value are redeemable at \$30.00 each;

(b) 200,000 Second Preferred Shares without nominal or par value, issuable in series of which Second Preferred Shares (i) 80,290 shares are designated \$1.50 Cumulative Redeemable Second Preferred Shares, 1959 Series and are redeemable at \$30.00 each and (ii) 119,710 shares are designated \$1.50 Cumulative Redeemable Second Preferred Shares, 1963 Series and are redeemable at \$31.50 each;

(c) Third Preferred Shares without nominal or par value, issuable in series. The maximum number of Third Preferred Shares that may be outstanding at any time shall be that number of which the stated value does not exceed \$15,000,000; and

(d) An unlimited number of Common Shares without nominal or par value.

During the year, the Corporation declared a dividend of \$6.207 per common share out of realized gains on investments, payable May 30, 1986 to shareholders of record May 23, 1986. The dividend in the amount of \$31,957,958 was payable \$4.655 in stock and \$1.552 in cash. 395,662 common shares were issued for a total consideration of \$23,945,464 in satisfaction of the stock dividend, resulting in the issue of one common share for every thirteen common shares outstanding at the record date.

The Corporation has an employees' stock option plan under which options for the purchase of 66,290 common shares may be granted. During the current fiscal year, no options were granted or exercised.

3. Net income and dividends per common share:

The amounts noted in the financial statements for net income per common share and common share dividends from retained income have been calculated giving retroactive effect to the stock dividend of 395,662 common shares paid on May 30, 1986.

**NOTES  
TO CONSOLIDATED  
FINANCIAL STATEMENTS (continued)**

4. Net equity value of the Corporation's common shares:

The net equity value of the Corporation's common shares is determined by adding the total amount of refundable capital gains tax on hand (Note 5) to the net assets and deducting from the resulting total the outstanding preferred shares at their cost of redemption. Net equity value per common share is the net equity value divided by the number of common shares outstanding. The net equity value for 1986 has been restated to reflect the stock dividend of 395,662 common shares paid on May 30, 1986.

	March 31	
	1987	1986
Net assets .....	\$370,717,650	\$319,327,043
Add:		
Refundable capital gains tax on hand at end of year .....	8,465,757	8,203,031
	379,183,407	327,530,074
Deduct:		
Cost of redemption —		
First preferred shares .....	1,567,110	1,567,110
Second preferred shares .....	6,179,565	6,179,565
	7,746,675	7,746,675
Net equity value .....	\$371,436,732	\$319,783,399
Net equity value per common share .....	\$67.00	\$57.68

5. Income taxes:

The Corporation continues to qualify as an investment corporation under Section 130 of the Income Tax Act, Canada. As such dividends from taxable Canadian corporations are effectively not taxed while other income is taxed at reduced rates.

Taxes on capital gains are refundable when the Corporation distributes such gains by way of capital gains dividends to its shareholders. The Corporation has refundable capital gains tax on hand of \$8,465,757 at March 31, 1987. This potential recovery has not been recorded in the Corporation's accounts.

6. Subsequent event:

On May 5, 1987 the Corporation declared a dividend of \$5.819 per common share out of realized gains on investments, payable on May 29, 1987 to shareholders of record May 20, 1987. The dividend is payable \$4.364 in stock and \$1.455 in cash. Approximately 369,613 common shares will be issued for a total consideration of \$24,194,906 in satisfaction of the stock dividend, resulting in the issue of one common share for each fifteen common shares outstanding at the record date.

This dividend will result in a \$8,306,823 recovery of the Corporation's refundable capital gains tax on hand of \$8,465,757 at March 31, 1987.

The amounts noted in the financial statements for net income per common share and net equity value per common share for the year ended March 31, 1987 would be \$0.82 and \$62.81 respectively, after giving retroactive effect to the stock dividend and the reduction in the refundable capital gains tax on hand at March 31, 1987.

## AUDITORS' REPORT

### To the Shareholders of United Corporations Limited:

We have examined the consolidated financial statements of United Corporations Limited for the year ended March 31, 1987 which appear on pages 2 to 8 inclusive. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position and investments of the Corporation as at March 31, 1987 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

May 5, 1987  
Toronto, Ontario

Price Waterhouse  
Chartered Accountants



## SUMMARY STATEMENTS OF NET ASSETS (all investments at market)

Portfolio —	1987 March 31st	1986 March 31st	1985 March 31st	1984 March 31st	1983 March 31st	1982 March 31st
Cash, etc, Short Term Notes, Bonds & Term Preferred . . . . .	\$ 22,122,452	\$ 25,194,811	\$ 13,340,538	\$ 11,742,303	\$ 13,954,335	\$ 24,916,714
Less: Liabilities . . . . .	19,688,219	9,804,248	2,285,508	433,097	383,739	168,653
Net Reserves . . . . .	2,434,233	15,390,563	11,055,030	11,309,206	13,570,596	24,748,061
Common Stocks . . . . .	358,213,417	306,716,480	234,133,487	187,148,150	162,818,139	99,146,496
Convertibles . . . . .	10,070,000	5,220,000	1,200,000	1,430,000	4,363,713	2,021,428
Total Portfolio Investments and Cash . . . . .	370,717,650	327,327,043	246,388,517	199,887,356	180,752,448	125,915,985
Other Investment . . . . .	—	—	1,207,334	1,285,007	1,474,144	1,726,815
Net Assets available for investment .	370,717,650	327,327,043	247,595,851	201,172,363	182,226,592	127,642,800
Less: Income Debenture . . . . .	—	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Total Net Assets . . . . .	<u>\$370,717,650</u>	<u>\$319,327,043</u>	<u>\$239,595,851</u>	<u>\$193,172,363</u>	<u>\$174,226,592</u>	<u>\$119,642,800</u>
<b>Capitalization —</b>						
Senior Capital at Redemption Prices: —						
First Preferred Shares . . . . .	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110
Second Preferred Shares . . . . .	6,179,565	6,179,565	6,179,565	6,179,565	6,179,565	6,179,565
Total Senior Capital . . . . .	7,746,675	7,746,675	7,746,675	7,746,675	7,746,675	7,746,675
Net Assets for Common Shares* . .	<u>362,970,975</u>	<u>311,580,368</u>	<u>231,849,176</u>	<u>185,425,688</u>	<u>166,479,917</u>	<u>111,896,125</u>
	<u>\$370,717,650</u>	<u>\$319,327,043</u>	<u>\$239,595,851</u>	<u>\$193,172,363</u>	<u>\$174,226,592</u>	<u>\$119,642,800</u>
*Percentage of Common Stocks & Convertibles to Net Assets for Common Shares . . . . .	101.5%	100.1%	101.5%	101.7%	100.4%	90.4%

# UNITED CORPORATIONS LIMITED

## FINANCIAL RECORD 1968-1987

Year	Total Net Assets at Market Value Before Funded Debt	Funded Debt and Preferred Shares	Shares Outstanding	Common Shares					
				Net Equity		Net Income		Dividends Per Share	
				Total	Per Share	Total	Per Share	Income	Capital
1968	\$ 84,930,355	\$ 7,746,675	3,510,873	\$ 77,183,680	\$21.98	\$1,700,009	\$0.48	\$0.72	\$ —
1969	78,768,892	7,746,675	3,515,873	71,022,217	20.20	1,865,674	0.53	0.48	0.34
1970	71,219,714	7,746,675	3,515,873	63,455,575	18.05	1,981,177	0.56	0.52	0.36
1971	73,401,432	7,746,675	3,515,873	65,654,757	18.67	1,669,008	0.47	0.48	0.42
1972	86,757,181	7,746,675	3,515,873	79,020,426	22.47	1,723,962	0.49	0.48	0.25
1973	83,758,227	7,746,675	3,517,473	76,149,951	21.64	374,400 (a)	0.11 (a)	0.12 (a)	0.25 (a)
1974	82,457,336	7,746,675	3,517,473	74,926,140	21.29	1,996,086	0.56	0.52	—
1975	71,674,185	7,746,675	3,522,473	64,152,989	18.21	2,790,691	0.79	0.68	—
1976	80,075,495	15,746,675	3,522,473	64,544,289	18.32	2,522,400	0.72	0.68	—
1977	78,614,477	15,746,675	3,522,473	63,083,281	17.90	2,115,947	0.60	0.68	—
1978	82,829,205	15,746,675	3,522,473	67,298,009	19.10	2,335,097	0.66	0.68	—
1979	116,792,697	17,252,795	3,522,473	100,281,048	28.47	2,478,094	0.70	0.68	—
1980	141,700,326	17,403,715	3,564,573	129,232,435	36.25	3,702,505	1.05	0.875	—
1981	197,142,974	15,746,675	3,564,573	194,350,489	54.52	4,808,304	1.35	1.30	—
1982	127,642,800	15,746,675	4,118,553	121,412,408	29.48	4,437,026	1.08	0.99	8.00 (b)
1983	182,226,592	15,746,675	4,118,553	174,692,441	42.42	4,467,676	1.08	0.98	—
1984	201,172,363	15,746,675	4,530,150	191,984,273	42.38	3,933,545	0.87	0.82	5.39 (c)
1985	247,595,851	15,746,675	4,982,837	234,513,816	47.06	4,787,632	0.96	0.86	5.46 (d)
1986	327,327,043	15,746,675	5,148,542	319,783,399	62.11	4,816,135	0.94	0.90	2.07 (e)
1987	370,717,650	7,746,675	5,544,204	371,436,732	67.00	4,840,999	0.87	0.80	6.21 (f)

(a) For the three months ending March 31, 1973.

(b) Paid \$2 in cash, \$6 in Common Shares.

(c) Paid \$1.35 in cash, \$4.04 in Common Shares.

(d) Paid \$1.365 in cash, \$4.095 in Common Shares.

(e) Paid \$0.517 in cash, \$1.551 in Common Shares.

(f) Paid \$1.5518 in cash, \$4.6554 in Common Shares.

All prior per share amounts have not been adjusted for the shares issued as stock dividends.







