

UNITED CORPORATIONS LIMITED

FIRST QUARTER REPORT
June 30, 2007

**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

August 2, 2007



THE PERIOD AT A GLANCE
(Unaudited)

	As at June 30 2007 ⁽¹⁾	As at March 31 2007 ^{(1) (2)}
Net equity value per Common Share	\$ 86.79	\$ 86.03
Net assets.....	\$ 1,066,097	\$ 1,056,872
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Three months ended June 30	
	2007 ⁽¹⁾	2006 ^{(1) (2)}
Investment income	\$ 9,106	\$ 8,440
Net investment income	\$ 5,633	\$ 5,344
Increase (decrease) in net assets from operations per Common Share	\$ 1.35	\$ (1.80)
Net investment income per Common Share.....	\$ 0.45	\$ 0.43
Regular dividends per Common Share	\$ 0.20	\$ 0.20

⁽¹⁾ In thousands of dollars, except number of Common Shares outstanding and per share amounts.

⁽²⁾ Comparative amounts have not been restated to reflect the change in accounting policy that was adopted as at April 1, 2007 (Note 1 to the consolidated financial statements).

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 first quarter of fiscal 2008 should be read in conjunction with the MD&A for the fiscal year ended March 31, 2007, 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 Corporation's MD&A and unaudited interim financial statements for the quarters of fiscal 2007. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial statements 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 discussions are in Canadian Dollars.

The 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 disclosure will occur, or if they do, that any benefits may be derived from them.

Market Review

Global stock markets posted positive results in the quarter ended June 30, 2007 (the first quarter of fiscal 2008). The performance of the Company was adversely affected by the strengthening of the Canadian Dollar in the first quarter of fiscal 2008. In Canadian Dollar terms, in the first quarter of fiscal 2008, the S&P/TSX Composite Index increased 6.3%, the MSCI World Index decreased 1.8% and the S&P 500 Index decreased 2.0%.

For the quarter ended June 30, 2007, the Company's net equity value per share increased to \$86.79 from \$86.03 at March 31, 2007, an increase of 1.1% (based on the reinvestment of dividends at month-end net equity values). 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. 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.

Accounting Policy Change

Effective April 1, 2007, the Company adopted Section 3855, "Financial Instruments - Recognition and Measurement" as issued by the Canadian Institute of Chartered Accountants. As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net income. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the market value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying market values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated prospectively and comparative balances have not been restated.

Effective April 1, 2007, the accounting policy change to closing bid price from closing market quotation resulted in a decrease in the fair value of Investments of \$5,957,000, a decrease in future income taxes of \$1,018,000 and a decrease in unrealized appreciation of investments and net assets of \$4,939,000.

Operating Results

Net investment income

The Company's net investment income in the first quarter of fiscal 2008 was \$5,633,000 compared to \$5,344,000 in the first quarter of fiscal 2007. On a per Common Share basis, net investment income for the quarter increased to \$0.45 in fiscal 2008 from \$0.43 in fiscal 2007.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Foreign dividend income in the quarter increased to \$7,097,000 from \$6,608,000 in fiscal 2007. The increase in foreign dividends is due to an increase in investment in foreign equities compared to the prior year. Canadian dividend income amounted to \$1,765,000 in the current quarter compared to \$1,598,000 in the prior year. Interest income amounted to \$244,000 as compared to \$234,000 in fiscal 2007.

Operating expenses in the quarter amounted to \$1,249,000 (2007 - \$978,000). The rise in expenses from the prior year was mainly due to the expensing of transaction costs (Note 1 to the consolidated financial statements) of \$135,000 in the quarter (2007 - \$ Nil) and an increase in management and administrative costs.

Net gain on investments

The Company realized a net gain on investments sold of \$17,638,000 in the first quarter of fiscal 2008 (2007 - \$11,898,000). The majority of the realized gain was due to the maturity of forward currency contracts which resulted in a gain of approximately \$9,900,000. The largest gains on the disposition of equity investments were from Posco, Japan Tobacco Inc., Mol Magyar and Kroger Co.

The Company's unrealized appreciation of investments decreased by \$6,715,000 in the quarter compared to an decrease of \$39,148,000 in the same period last year. The decrease in the first quarter of fiscal 2008 is due to the realization of previously unrealized gains as well as the appreciation of the Canadian Dollar which adversely impacted the equity investment portfolio. The large decrease in the first quarter of fiscal 2007 was due to the negative performance of global stock markets as well as the appreciation of the Canadian Dollar.

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):

	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
	2007	2007	2006	2006	2006	2006	2005	2005
Investments	\$ 1,100,232	\$ 1,093,562	\$ 1,106,835	\$ 973,555	\$ 935,334	\$ 970,875	\$ 918,552	\$ 896,610
Investment income	\$ 9,106	\$ 5,844	\$ 4,818	\$ 5,738	\$ 8,440	\$ 5,024	\$ 3,552	\$ 4,302
Increase (decrease) in net assets from operations	\$ 16,556	\$ 2,588	\$ 108,754	\$ 37,458	\$ (21,906)	\$ 48,068	\$ 15,174	\$ 41,115
Increase (decrease) in net assets from operations per share ¹	\$ 1.35	\$ 0.20	\$ 8.91	\$ 3.06	\$ (1.80)	\$ 3.93	\$ 1.24	\$ 3.36

¹ Net of dividends on preferred shares

Investment income is primarily derived from dividend income that is earned by the Company. The Company continued its recent history of reinvesting the proceeds of sales of Canadian investments into non-Canadian investments. While North American investments usually 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. Further, there are occasions when investments pay special dividends.

Net gain (loss) on investments is determined by the performance of the investment managers of the portfolio. The returns of the portfolio will fluctuate as illustrated by the negative returns in the first quarter of fiscal 2007 and the very positive returns in the third quarter of fiscal 2007. The returns generated by the investment managers will not necessarily correlate with the various benchmark returns.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Liquidity and Capital Resources

The payment of the Company's regular dividends on its Common Shares and Preferred Shares are funded by net investment income. For the quarter ended June 30, 2007, net investment income was \$5,633,000 as compared to dividend payments of \$2,532,000.

Additional Information

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

August 2, 2007

Duncan N.R. Jackman
Chairman and President

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	<u>June 30</u> <u>2007</u>	<u>March 31</u> <u>2007</u>
		(000's)
ASSETS		
Investments, at fair value (cost - \$782,545; March 31, 2007 - \$760,231).....	\$ 1,100,232	\$ 1,093,562
Cash	11,990	5,851
Short-term investments	6,500	3,005
Receivable in respect of investments sold	376	14,277
Accrued income on investments.....	1,342	2,524
Other assets	527	563
	<u>1,120,967</u>	<u>1,119,782</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	899	926
Payable in respect of investments purchased	546	—
Income taxes payable.....	737	3,604
Future income taxes	52,688	58,380
	<u>54,870</u>	<u>62,910</u>
Net assets, at fair value	<u>\$ 1,066,097</u>	<u>\$ 1,056,872</u>
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
	<u>541,000</u>	<u>541,000</u>
Retained earnings	260,672	239,793
Unrealized appreciation of investments.....	264,425	276,079
Total shareholders' equity	<u>\$ 1,066,097</u>	<u>\$ 1,056,872</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three months ended June 30	
	<u>2007</u>	<u>2006</u>
	(000's)	
INVESTMENT INCOME		
Dividends:		
Foreign.....	\$ 7,097	\$ 6,608
Canadian.....	1,765	1,598
	<u>8,862</u>	<u>8,206</u>
Interest, including securities lending income	244	234
	<u>9,106</u>	<u>8,440</u>
Expenses:		
Management and administrative costs	865	764
Transaction costs (Note 1).....	135	—
Directors' and officers' remuneration.....	53	45
Office and miscellaneous.....	74	30
Transfer, registrar and custodial agents' fees	84	103
Professional fees	17	15
Capital tax.....	21	21
	<u>1,249</u>	<u>978</u>
Investment income before income taxes	7,857	7,462
Income taxes.....	2,224	2,118
NET INVESTMENT INCOME.....	<u>5,633</u>	<u>5,344</u>
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net realized gain on investments.....	17,638	11,898
Net change in unrealized appreciation of investments	(6,715)	(39,148)
NET GAIN (LOSS) ON INVESTMENTS.....	<u>10,923</u>	<u>(27,250)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 16,556</u>	<u>\$ (21,906)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE.....	<u>\$ 1.35</u>	<u>\$ (1.80)</u>

CONSOLIDATED STATEMENT OF REALIZED GAIN (Unaudited)

	Three months ended June 30	
	<u>2007</u>	<u>2006</u>
	(000's)	
Proceeds on sales of investments.....	\$ 59,455	\$ 43,232
Cost of investments, beginning of period	760,231	704,452
Cost of investments purchased during the period	60,289	42,995
	<u>820,520</u>	<u>747,447</u>
Cost of investments, end of period.....	782,545	718,698
Cost of investments sold during the period	37,975	28,749
Realized gain on investments sold before taxes	21,480	14,483
Provision for taxes on realized net realized capital gains.....	3,842	2,585
Net realized gain on investments	<u>\$ 17,638</u>	<u>\$ 11,898</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Three months ended June 30	
	<u>2007</u>	<u>2006</u>
	(000's)	
BEGINNING OF PERIOD.....	\$ 239,793	\$ 181,096
Add:		
Net investment income.....	5,633	5,344
Net realized gain on investments	17,638	11,898
Refundable taxes recovered	688	674
	<u>263,752</u>	<u>199,012</u>
Deduct:		
Dividends from net investment income:		
First Preferred Shares.....	19	19
Second Preferred Shares.....	74	74
Common Shares	2,439	2,439
Provision for refundable taxes.....	548	490
	<u>3,080</u>	<u>3,022</u>
END OF PERIOD	<u>\$ 260,672</u>	<u>\$ 195,990</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended June 30	
	<u>2007</u>	<u>2006</u>
	(000's)	
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 16,556	\$ (21,906)
DISTRIBUTIONS TO SHAREHOLDERS		
Common Shareholders	(2,439)	(2,439)
Preferred Shareholders.....	(93)	(93)
	<u>(2,532)</u>	<u>(2,532)</u>
TAXATION CHANGES		
Net decrease in refundable dividend tax on hand	140	184
INCREASE (DECREASE) IN NET ASSETS	14,164	(24,254)
NET ASSETS, BEGINNING OF PERIOD (Note 2)	1,051,933	940,068
NET ASSETS, END OF PERIOD	<u>\$ 1,066,097</u>	<u>\$ 915,814</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (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	\$ 2,570	0.2
Common				
362,568	Algoma Central Corporation.....	6,201	50,034	
123,150	Bank of Montreal.....	7,828	8,419	
405,970	Bank of Nova Scotia.....	6,999	21,062	
80,000	Cameco Corporation.....	279	4,305	
167,300	Canadian National Railway Company.....	6,713	9,068	
120,370	Canadian Natural Resources Ltd.....	7,076	8,496	
125,800	Canadian Tire Corp. Ltd. Class A.....	3,587	10,507	
155,000	Canadian Utilities Limited Class A.....	3,793	7,149	
247,702	Canfor Corporation.....	1,598	3,327	
246,826	Enbridge Inc.....	3,366	8,859	
158,400	Encana Corporation.....	2,754	10,350	
300,000	Great-West Lifeco Inc.....	4,287	10,323	
174,320	Imperial Oil Limited.....	1,746	8,606	
210,676	Jean Coutu Group Inc.....	1,949	3,263	
108,940	Loblaw Cos. Limited.....	5,420	5,658	
470,400	Manulife Financial Corporation.....	7,784	18,708	
258,500	Metro Inc.....	2,653	9,632	
523,260	Nexen Inc.....	4,154	17,252	
52,400	Nova Chemicals Corporation.....	1,491	1,985	
121,200	Potash Corp. of Saskatchewan.....	1,762	10,061	
161,000	Power Financial Corporation.....	926	6,509	
141,900	Quebecor Inc. Class B.....	5,165	5,636	
180,000	Rogers Communications Inc. Class B.....	1,846	8,136	
129,290	Rothmans Inc.....	1,392	2,692	
355,026	Royal Bank of Canada.....	5,160	20,059	
169,200	Shaw Communications Inc. Class B.....	5,393	7,565	
313,140	SNC-Lavalin Group Inc. Class A.....	1,320	12,134	
90,305	Sun Life Financial Services of Canada.....	2,058	4,583	
31,150	Suncor Energy Inc.....	2,554	2,980	
643,810	Talisman Energy Inc.....	3,210	13,250	
176,110	Thomson Corporation (The).....	7,974	7,641	
244,608	Toronto-Dominion Bank.....	5,010	17,822	
274,207	TransCanada Corporation.....	4,498	10,044	
170,000	Transcontinental Inc - Class A.....	3,402	3,555	
240,000	TVA Group Inc. Class B.....	3,202	4,248	
90,600	West Fraser Timber Co. Ltd.....	2,067	3,753	
55,000	Weston (George) Limited.....	5,069	4,382	
		<u>141,686</u>	<u>362,053</u>	32.9
United States				
49,600	3M Co.....	4,788	4,579	
64,000	Abbott Laboratories.....	3,891	3,644	
118,200	Altria Group, Inc.....	7,235	8,807	
121,100	American Int'l Group Inc.....	9,687	9,012	
70,000	Anheuser-Busch Companies, Inc.....	3,370	3,882	
63,800	Bank of America Corporation.....	3,290	3,315	
16,000	Black & Decker Corporation.....	1,513	1,500	
185,300	CBS Corporation.....	5,989	6,568	
186,400	Chevron Corporation.....	12,474	16,692	
8,677	Citadel Broadcasting Corporation.....	55	60	
101,700	Citigroup Inc.....	6,236	5,541	
42,960	Clorox Company (The).....	2,912	2,832	
80,000	Colgate-Palmolive Company.....	5,652	5,516	
104,700	Comcast Corporation Special Class A.....	2,762	3,107	
145,480	Community Health Systems Inc.....	5,610	6,256	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
United States (continued)				
122,300	ConocoPhillips	7,210	10,203	
77,900	Countrywide Financial Corporation	3,444	3,005	
220,000	CVS/Caremark Corp.	5,271	8,518	
113,000	Disney (Walt) Company	4,165	4,104	
31,600	Dow Chemical Company (The).....	1,706	1,485	
100,000	Emerson Electric Company.....	4,279	4,970	
67,000	E.W. Scripps Company (The) Class A.....	3,841	3,252	
71,800	Exxon Mobil Corporation.....	4,537	6,401	
93,500	Fannie Mae	8,249	6,496	
75,000	Fiserv, Inc.	3,848	4,530	
84,900	Freddie Mac.....	6,464	5,475	
278,600	General Electric Company	11,898	11,332	
109,400	Hartford Financial Services Group, Inc.	9,727	11,450	
29,200	International Business Machines Corporation	3,359	3,266	
81,700	Johnson & Johnson.....	5,847	5,350	
105,200	JPMorgan Chase & Co.	5,533	5,413	
67,000	Kimberly Clark Corporation	5,719	4,762	
138,800	Kraft Foods Inc.	4,785	5,201	
80,400	Kroger Co.	1,851	2,400	
122,700	Macy's, Inc.	5,832	5,189	
76,800	Marathon Oil Corporation	4,894	4,899	
19,600	MBIA Inc.	1,643	1,297	
44,000	Merrill Lynch & Co.	3,766	3,906	
39,100	Metlife, Inc.	1,383	2,681	
239,900	Microsoft Corporation.....	8,529	7,513	
80,000	Pepsico, Inc.	5,243	5,513	
241,500	Pfizer Inc.	9,975	6,556	
91,875	Proctor & Gamble Company	5,185	5,970	
90,000	Quest Diagnostics Incorporated.....	4,715	4,943	
74,600	Safeway Inc.	1,894	2,701	
204,800	Sprint Nextel Corporation.....	5,720	4,506	
430,050	Time Warner Inc.	10,622	9,617	
154,000	Wachovia Corporation	9,892	8,393	
76,000	Wal-Mart Stores Inc.	5,573	3,887	
124,000	Wells Fargo & Company	4,112	4,635	
27,500	XL Capital Ltd Class A.....	3,055	2,465	
		269,230	273,595	24.9
Mexico				
133,190	Cemex Sab De C.V. ADR.....	4,526	5,215	
126,000	Fomento Economico Mexicano, S.A. de C.V. ADR.....	3,436	5,255	
		7,962	10,470	1.0
Total North America				
		422,390	648,688	59.0
Latin America				
52,300	Petroleo Brasileiro S.A. ADR.....	1,635	5,928	0.5
Europe, excluding United Kingdom				
37,800	Air France - KLM	1,426	1,877	
34,750	Allianz SE	8,562	8,618	
207,251	Anglo Irish Bank Corporation plc.....	3,726	4,496	
115,582	Arcelor Mittal	4,573	7,733	
120,000	AXA	3,961	5,522	
440,000	Banco Santander Central Hispano SA.....	6,638	8,660	
32,300	BASF AG	3,265	4,497	
25,000	BNP Paribas SA.....	2,440	3,174	
90,000	Celesio AG	4,637	6,221	
104,800	Credit Suisse Group.....	5,002	7,953	
138,000	Deutsche Lufthansa AG	2,777	4,087	
35,000	E.ON AG	4,151	6,217	
96,300	ENI S.p.A.	2,211	3,723	
61,620	Essilor International SA.....	3,834	7,828	
98,560	European Aeronautic Defense and Space Company.....	3,690	3,416	
47,400	Fondiarria - SAI S.P.A.	2,325	2,441	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
Europe, excluding United Kingdom (continued)				
10,000	Fondiarria - SAI SPA-RNC	364	383	
73,300	Fortis Group	2,943	3,320	
140,000	Fresenius Medical Care & Co. KGaA ADR	4,526	6,839	
76,000	Groupe Danone	4,091	6,557	
140,600	ING Groep N.V.	5,039	6,616	
160,000	ING Groep N.V. (ADR)	6,684	7,485	
277,000	Irish Life & Permanent PLC	7,750	7,427	
64,486	L'Air Liquide SA	5,435	9,034	
52,000	L'Oreal SA	4,990	6,556	
28,800	Lafarge SA	2,874	5,598	
140,000	Luxottica Group S.p.A. ADR	3,468	5,754	
8,300	Michelin CIE CL B	878	1,239	
40,700	Muenchener Rueckversicherungs-Gesellschaft AG	5,939	7,934	
67,000	Nestlé S.A. ADR	5,652	6,772	
45,000	Novartis AG ADR	2,367	2,685	
56,800	Renault SA	6,176	9,730	
86,800	Repsol YPF, S.A.	2,419	3,647	
32,000	Roche Holding AG	4,261	6,039	
37,785	Sanofi-Aventis	2,969	3,265	
92,000	SAP AG Spons ADR	5,183	4,995	
190,000	STMicroelectronics NV - NY SHS	3,744	3,877	
29,000	Synthes, Inc.	3,326	3,694	
1,366,500	Telefonaktiebolaget LM Ericsson B	5,004	5,827	
30,800	Total SA	2,359	2,668	
102,000	Total SA ADR	6,153	8,783	
129,000	Xstrata PLC	2,263	8,218	
		170,075	231,405	21.0
United Kingdom				
26,300	Antofagasta plc	308	344	
41,600	Astrazeneca PLC	2,912	2,379	
262,941	Aviva PLC	2,821	4,165	
319,200	BP plc	3,749	4,103	
115,000	BP plc ADR	9,285	8,828	
55,000	Diageo plc ADR	4,202	4,873	
612,845	Friends Provident plc	2,437	2,340	
55,000	GlaxoSmithKline plc ADR	3,836	3,064	
100,890	HBOS plc	1,898	2,119	
120,600	Reckitt Benckiser plc	4,478	7,031	
810,000	Royal Bank of Scotland Group plc	10,207	10,938	
290,000	Smith & Nephew plc	3,427	3,823	
185,000	Standard Chartered plc	5,234	6,425	
614,200	Standard Life PLC	3,005	4,328	
1,891,662	Vodafone Group Plc	5,752	6,759	
200,000	Vodafone Group Plc ADR	6,731	7,158	
		70,282	78,677	7.2
Asia				
200,500	AU Optronics Corp. ADR	3,024	3,661	
697,000	Bank Hapoalim Ltd.	2,116	3,598	
92,000	Canon Inc. ADR	4,065	5,741	
1,497,500	China Netcom Group Corporation (Hong Kong) Limited	3,001	4,389	
4,634,000	China Petroleum and Chemical Corporation (Sinopec)	1,677	5,458	
601,932	Compal Electronics Inc.	3,422	3,360	
183,900	Credit Saison Co., Ltd.	8,687	5,056	
490,000	Daiwa Securities Group Inc.	6,202	5,540	
107,786	Emerging Markets Investors Fund	5,316	7,560	
144,000	Hoya Corporation	5,082	5,076	
89,100	Hynix Semiconductor Inc.	3,437	3,425	
34,710	Hyundai Mobis	3,678	3,484	
41	Japan Tobacco Inc.	128	214	
101,800	JFE Holdings, Inc.	3,863	6,711	
17,800	Keyence Corporation	4,016	4,125	
40,800	Kookmin Bank	1,727	3,809	
23,300	Leopalace21 Corp.	856	843	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT JUNE 30, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
Asia (continued)				
186,500	Mitsubishi Chemical Holdings Corporation	1,747	1,816	
108,000	Mitsui Chemicals Inc.	906	870	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	3,370	
191,000	Nippon Yusen Kabushiki Kaisha	1,839	1,858	
425,200	Nissan Motor Co., Ltd.	5,070	4,841	
16,800	Orix Corporation	3,120	4,684	
7,000	Posco	900	3,529	
4,250	Samsung Electronics Co. Ltd.	2,635	2,774	
229,000	Sharp Corporation.....	4,448	4,608	
37,200	Siam Investment Fund	527	188	
181,700	Siliconware Precision Industries - ADR	1,415	2,123	
92,820	Sony Corporation ADR.....	5,982	5,070	
4,000	Sony Corporation	580	218	
64,000	Sumitomo Heavy Industries, Ltd.	717	770	
457	Sumitomo Mitsui Financial Group, Inc.	2,872	4,490	
489,000	Sumitomo Trust and Banking Co., Ltd. (The).....	5,718	5,210	
170,000	Suzuki Motor Corporation	5,242	5,128	
240,000	Tata Motors Limited ADR	4,996	4,188	
580,000	Television Broadcasts Limited.....	3,585	4,338	
51,900	Toyota Motor Corporation.....	3,197	3,483	
		<u>118,163</u>	<u>135,606</u>	<u>12.3</u>
	Total equities	782,545	1,100,304	100.0
	Forward Currency Contracts, net - Schedule 1	—	(72)	—
	Total investments	<u>\$ 782,545</u>	<u>\$ 1,100,232</u>	<u>100.0</u>

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value (in millions)	Currency	Number of Contracts	Contract Rates	Settlement Date	Net Unrealized Loss (000's)
92.9	U.S. Dollar	1	1.05965	Sept. 18, 2007	\$ (69)
8.9	Swiss Franc	1	0.87120	Sept. 18, 2007	(3)
					<u>\$ (72)</u>

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

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, except as noted below, and should be read in conjunction with the notes to the Company’s audited financial statements for the year ended March 31, 2007. The financial statements do not include all of the disclosures required under GAAP for annual financial statements.

Effective April 1, 2007, the Company adopted Section 3855, “Financial Instruments - Recognition and Measurement”, as issued by the Canadian Institute of Chartered Accountants. As a result, certain changes were made to the accounting policy regarding the carrying value of investments. Financial assets are measured at fair value and transaction costs are recognized immediately in net income. The fair value of securities traded in an active market is the closing bid price. Previously, the closing market quotation was used in determining the market value of investments. The fair values of investments not listed on stock exchanges have been determined by management based on the underlying market values of the net assets represented by such securities. These fair values, determined on the basis of closing bid prices of such securities, do not necessarily represent the realizable value of the total holdings. The actual realizable value could be more or less than the value indicated by those market quotations. There have not been any changes to the timing and recognition of financial assets. The change in accounting policy is treated prospectively and comparative balances have not been restated.

Effective April 1, 2007, the accounting policy change to closing bid price from closing market quotation resulted in a decrease in the fair value of investments of \$5,957,000, a decrease in future income taxes of \$1,018,000 and a decrease in unrealized appreciation of investments and net assets of \$4,939,000.

2. Unrealized appreciation of investments

The details of the unrealized appreciation of investments as at March 31, 2007 and the effect of the change in accounting policy as described in Note 1 are as follows:

	<u>As reported</u>	<u>Decrease</u> (000's)	<u>As adjusted</u>
Investments at fair value.....	\$1,093,562	\$ 5,957	\$1,087,605
Investments at cost.....	<u>760,231</u>	<u>—</u>	<u>760,231</u>
Unrealized appreciation of investments before provision for taxes	333,331	5,957	327,374
Provision for taxes	<u>57,252</u>	<u>1,018</u>	<u>56,234</u>
Unrealized appreciation of investments.....	<u>\$ 276,079</u>	<u>\$ 4,939</u>	<u>\$ 271,140</u>
Net assets.....	<u>\$1,056,872</u>	<u>\$ 4,939</u>	<u>\$1,051,933</u>

UNITED CORPORATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS (Unaudited)

3. Net equity value of the Company's Common Shares

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 (in thousands of dollars, except per share amounts).

	June 30	April 1	March 31
	2007	2007	2007
		(Note 2)	
Net assets	\$1,066,097	\$1,051,933	\$1,056,872
Deduct:			
Cost to redeem			
First Preferred Shares	1,567	1,567	1,567
1959 and 1963 Series Second Preferred Shares...	6,180	6,180	6,180
	7,747	7,747	7,747
Net equity value	\$1,058,350	\$1,044,186	\$1,049,125
Net equity value per Common Share.....	\$ 86.79	\$ 85.63	\$ 86.03

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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EXTERNAL INVESTMENT MANAGERS Jarislowsky Fraser Limited, Toronto
Sanford C. Bernstein & Co., LLC, New York

BANKERS Bank of Nova Scotia

AUDITOR 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

