

UNITED CORPORATIONS LIMITED

THIRD QUARTER REPORT
December 31, 2006

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

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

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

signed "Duncan N.R. Jackman"

Duncan N.R. Jackman
Chairman and President

signed "Travis R. Epp"

Travis R. Epp
Treasurer

February 5, 2007

UNITED CORPORATIONS LIMITED



THE PERIOD AT A GLANCE (Unaudited)

	As at Dec. 31 2006	As at March 31 2006
Net equity value per common share.....	\$ 86.04	\$ 76.46
Net assets	\$ 1,056,959,000	\$ 940,068,000
Number of common shares outstanding at period end.....	12,194,193	12,194,193

	Nine months ended December 31	
	2006	2005
Investment income	\$ 18,996,000	\$ 15,456,000
Net investment income	\$ 12,039,000	\$ 9,989,000
Increase in net assets from operations per common share.....	\$ 10.17	\$ 6.20
Net investment income per common share	\$ 0.96	\$ 0.80
Regular dividends per common share.....	\$ 0.60	\$ 0.60

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 2007 should be read in conjunction with the MD&A for the year ended March 31, 2006, the Company's annual audited consolidated financial statements, the notes relating thereto, supplementary financial information included in the Company's Annual Report, the quarterly unaudited financial statements and notes contained in this report, as well as the Company's MD&A and unaudited interim financial statements for the previous quarters of fiscal 2007. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The reporting currency for the Company is the Canadian Dollar, and all amounts in the following discussions are in Canadian Dollars.

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

Market Review

Global stock markets performed extremely well in the third quarter of fiscal 2007. In Canadian Dollar terms, in the third quarter of fiscal 2007, the S&P/TSX Composite Index increased 10.4%, the MSCI World Index increased 13.2% and the S&P 500 Index increased 11.5%. On a fiscal year to date basis the S&P/TSX Composite Index increased 8.6%, the MSCI World Index increased 12.5% and the S&P 500 Index increased 11.0%. The performance of our global equities is also impacted by foreign currency fluctuations. The most significant foreign currency exposure, before utilizing forward currency contracts, is the United States Dollar. In the current quarter, the Canadian Dollar depreciated relative to all of the currency exposures included in the global investment portfolio creating a positive impact on the investment portfolio. On a year to date basis, the Canadian Dollar is relatively unchanged as compared to the United States Dollar and Japanese Yen, and has weakened against most other currencies.

For the quarter ended December 31, 2006, the Company's net equity value per share increased to \$86.04 from \$77.33 at September 30, 2006, an increase of 11.5% (based on the reinvestment of dividends at month-end net equity values). On a fiscal year to date basis the net equity value per share increased to \$86.04 from \$76.46 at March 31, 2006, an increase of 13.4% (based on the reinvestment of dividends at month-end net equity values). As 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.

Operating Results

Net investment income

The Company's net investment income in the third quarter of fiscal 2007 was \$3,082,000 compared to fiscal 2006 net investment income of \$2,203,000. On a year to date basis, the net investment income increased to \$12,039,000 in fiscal 2007 from \$9,989,000 in fiscal 2006. On a per common share basis, net investment income for the quarter increased to \$0.24 in fiscal 2007 from \$0.18 in fiscal 2006 and on a year to date basis to \$0.96 in fiscal 2007 from \$0.80 in fiscal 2006.

Foreign dividend income increased in the third quarter to \$2,777,000 in fiscal 2007 from \$2,018,000 in fiscal 2006 and to \$13,312,000 in fiscal 2007 from \$9,805,000 in fiscal 2006 on a year to date basis. Canadian dividend income in the third quarter of \$1,889,000 in fiscal 2007 increased from \$1,425,000 in fiscal 2006 and on a year to date basis totalled \$5,086,000 which is relatively unchanged from \$5,071,000 in fiscal 2006. The increase in Canadian dividends in the current quarter is due to the stock dividend of Canfor Pulp Income Fund units paid by Canfor Corporation. Interest, including securities lending income, in the third quarter amounted to \$152,000 in fiscal 2007, compared to \$109,000 in fiscal 2006 and increased to \$598,000 in fiscal 2007 from \$580,000 in fiscal 2006 on a year to date basis.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Operating expenses in the quarter amounted to \$1,058,000 (fiscal 2006 - \$905,000) and \$3,021,000 (fiscal 2006 - \$2,682,000) on a year to date basis. The rise in expenses from the prior periods is mainly due to an increase in management costs which are based on the market value of the investment portfolio.

Net gain (loss) on investments

The Company realized a net gain on investments sold before income taxes of \$14,678,000 in the third quarter of fiscal 2007 (fiscal 2006 net gain - \$9,961,000). On a fiscal year to date basis, the net gain on investments sold before income taxes was \$46,590,000 (fiscal 2006 net gain - \$31,671,000). The largest contributors to the realized gain in the current quarter were Imperial Oil Limited, Endesa, SA, Potash Corporation of Saskatchewan, Hewlett-Packard Company and Continental AG. A loss of approximately \$3,400,000 was realized on forward currency contracts that matured in the quarter.

The Company's unrealized appreciation of investments before future income taxes increased by \$112,460,000 in the quarter compared to an increase of \$5,869,000 in the same period last year. On a year to date basis, unrealized appreciation of investments before future income taxes increased by \$86,332,000 to \$352,755,000 as at December 31, 2006 (fiscal 2006 - increase of \$48,705,000 to \$232,516,000). The increase in the current quarter resulted from the strong performance of the global equity markets. The equities which posted the most significant gains in the quarter included Algoma Central Corporation, Shell Canada Ltd., Chevron Corporation and Royal Bank of Canada.

Quarterly Results

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

	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31
	2006	2006	2006	2006	2005	2005	2005	2005
Investment income	\$ 4,818	\$ 5,738	\$ 8,440	\$ 5,024	\$ 3,552	\$ 4,302	\$ 7,602	\$ 4,631
Increase (decrease) in net assets from operations	\$ 108,754	\$ 37,458	\$ (21,906)	\$ 48,068	\$ 15,174	\$ 41,115	\$ 19,560	\$ 28,303
Increase (decrease) in net assets from operations per share ¹	\$ 8.91	\$ 3.06	\$ (1.80)	\$ 3.93	\$ 1.24	\$ 3.36	\$ 1.60	\$ 2.31

¹ Net of dividends on preferred shares

The investment income is primarily derived from dividend income that is earned by the Company. While North American investments generally pay regular quarterly dividends, investments outside of North America often pay less frequently. Generally, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. Further, there are occasions when investments pay special dividends. As previously indicated, a special dividend from Canfor Corporation was received during the quarter.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Share Data

At December 31st, 2006, the following shares were issued and outstanding; 52,237 First Preferred shares, 80,290 Second Preferred shares, 1959 Series, 119,710 Preferred shares, 1963 Series and 12,194,193 Common shares.

Liquidity and Capital Resources

The payment of the Company's regular quarterly dividends on its Common Shares and Preferred Shares is funded by Net investment income. For the quarter ended December 31, 2006, Net investment income was \$3,082,000 as compared to dividend payments of \$2,532,000. On a year to date basis, Net investment income of \$12,039,000 exceeded dividend payments of \$7,599,000.

Additional information

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

Duncan N.R. Jackman
Chairman of the Board

February 5, 2007

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	<u>December 31</u> <u>2006</u>	<u>March 31</u> <u>2006</u>
	(thousands of dollars)	
ASSETS		
Investments, at market value (cost - \$754,080; March 31, 2006 - \$704,452)	\$ 1,106,835	\$ 970,875
Cash	9,908	12,270
Short-term investments	1,940	8,682
Receivable in respect of investments sold	231	1,437
Accrued income on investments.....	1,464	2,209
Other assets	601	515
	<u>1,120,979</u>	<u>995,988</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	778	660
Payable in respect of investments purchased	1,941	3,538
Income taxes payable.....	166	2,321
Future income taxes	61,135	49,401
	<u>64,020</u>	<u>55,920</u>
Net assets, at market.....	<u>\$ 1,056,959</u>	<u>\$ 940,068</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	223,805	181,096
Unrealized appreciation of investments.....	292,154	217,972
Total shareholders' equity	<u>\$ 1,056,959</u>	<u>\$ 940,068</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(thousands of dollars)			
INVESTMENT INCOME				
Dividends:				
Foreign	\$ 2,777	\$ 2,018	\$ 13,312	\$ 9,805
Canadian	<u>1,889</u>	<u>1,425</u>	<u>5,086</u>	<u>5,071</u>
	4,666	3,443	18,398	14,876
Interest, including securities lending income	<u>152</u>	<u>109</u>	<u>598</u>	<u>580</u>
	4,818	<u>3,552</u>	18,996	<u>15,456</u>
Expenses:				
Management costs	817	709	2,316	2,080
Directors' and officers' remuneration	44	42	131	132
Office and miscellaneous	50	29	140	110
Transfer, registrar and custodial agents' fees	112	82	322	241
Professional fees	16	22	51	46
Capital taxes	19	21	61	73
	<u>1,058</u>	<u>905</u>	<u>3,021</u>	<u>2,682</u>
Investment income before income taxes	3,760	2,647	15,975	12,774
Income taxes	<u>678</u>	<u>444</u>	<u>3,936</u>	<u>2,785</u>
NET INVESTMENT INCOME	<u>3,082</u>	<u>2,203</u>	<u>12,039</u>	<u>9,989</u>
REALIZED AND UNREALIZED GAIN ON INVESTMENTS				
Net realized gain on investments	11,943	8,371	38,085	26,284
Net change in unrealized appreciation of investments	<u>93,729</u>	<u>4,600</u>	<u>74,182</u>	<u>39,576</u>
NET GAIN ON INVESTMENTS	<u>105,672</u>	<u>12,971</u>	<u>112,267</u>	<u>65,860</u>
INCREASE IN NET ASSETS FROM OPERATIONS				
	<u>\$ 108,754</u>	<u>\$ 15,174</u>	<u>\$ 124,306</u>	<u>\$ 75,849</u>
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE				
	<u>\$ 8.91</u>	<u>\$ 1.24</u>	<u>\$ 10.17</u>	<u>\$ 6.20</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Nine months ended Dec. 31	
	<u>2006</u>	<u>2005</u>
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 181,096	\$ 134,445
Add:		
Net investment income	12,039	9,989
Net realized gain on investments	38,085	26,284
Refundable dividend taxes recovered	1,761	1,725
	<u>232,981</u>	<u>172,443</u>
Deduct:		
Dividends from Net investment income		
First preferred shares	59	59
Second preferred shares	224	224
Common shares	7,316	7,316
Provision for refundable dividend taxes	1,577	1,600
	<u>9,176</u>	<u>9,199</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 223,805</u>	<u>\$ 163,244</u>

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(thousands of dollars)			
INCREASE IN NET ASSETS				
RESULTING FROM OPERATIONS	\$ 108,754	\$ 15,174	\$ 124,306	\$ 75,849
CASH DIVIDENDS TO SHAREHOLDERS				
Common shareholders	(2,438)	(2,438)	(7,316)	(7,316)
Preferred shareholders	(94)	(94)	(283)	(283)
	<u>(2,532)</u>	<u>(2,532)</u>	<u>(7,599)</u>	<u>(7,599)</u>
TAXATION CHANGES				
Net decrease in refundable dividend taxes on hand	—	—	184	125
INCREASE IN NET ASSETS	106,222	12,642	116,891	68,375
NET ASSETS, BEGINNING OF PERIOD	950,737	882,077	940,068	826,344
NET ASSETS, END OF PERIOD	<u>\$ 1,056,959</u>	<u>\$ 894,719</u>	<u>\$ 1,056,959</u>	<u>\$ 894,719</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENTS OF NET REALIZED GAIN (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(thousands of dollars)			
Proceeds on sales of investments.....	<u>\$ 54,822</u>	<u>\$ 18,662</u>	<u>\$ 146,669</u>	<u>\$ 110,524</u>
Cost of investments, beginning of period	<u>733,260</u>	<u>669,963</u>	<u>704,452</u>	<u>644,571</u>
Cost of investments purchased during the period	<u>60,964</u>	<u>24,774</u>	<u>149,707</u>	<u>120,318</u>
	<u>794,224</u>	<u>694,737</u>	<u>854,159</u>	<u>764,889</u>
Cost of investments, end of period	<u>754,080</u>	<u>686,036</u>	<u>754,080</u>	<u>686,036</u>
Cost of investments sold during the period ..	<u>40,144</u>	<u>8,701</u>	<u>100,079</u>	<u>78,853</u>
Realized gain on investments sold before taxes	<u>14,678</u>	<u>9,961</u>	<u>46,590</u>	<u>31,671</u>
Provision for taxes on realized net taxable capital gains	<u>2,735</u>	<u>1,590</u>	<u>8,505</u>	<u>5,387</u>
Net realized gain on investments	<u>\$ 11,943</u>	<u>\$ 8,371</u>	<u>\$ 38,085</u>	<u>\$ 26,284</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
North America				
Canada				
Preferred				
140,000	Nortel Networks Limited \$1.275 Series F	\$ 3,512	\$ 2,604	0.2
Common				
362,568	Algoma Central Corporation.....	6,201	46,227	
91,260	Bank of Montreal	5,567	6,297	
417,970	Bank of Nova Scotia.....	7,206	21,776	
90,000	Cameco Corporation	314	4,248	
125,100	Canadian National Railway Company.....	4,356	6,264	
115,810	Canadian Natural Resources Ltd.	6,771	7,198	
130,800	Canadian Tire Corp. Ltd. Class A.....	3,730	9,271	
155,000	Canadian Utilities Limited Class A.....	3,793	7,398	
247,702	Canfor Corporation.....	1,598	2,673	
51,117	Canfor Pulp Income Fund	544	631	
246,826	Enbridge Inc.	3,366	9,940	
168,400	Encana Corporation	2,928	9,036	
300,000	Great-West Lifeco Inc.	4,287	10,140	
189,320	Imperial Oil Limited	1,896	8,128	
210,676	Jean Coutu Group Inc.	1,949	2,897	
100,000	Loblaw Cos. Limited.....	4,972	4,879	
485,400	Manulife Financial Corporation	8,032	19,100	
265,500	Metro Inc.	2,725	10,073	
261,630	Nexen Inc.	4,154	16,797	
52,400	Nova Chemicals Corporation	1,491	1,703	
43,400	Potash Corp. of Saskatchewan.....	1,893	7,248	
161,000	Power Financial Corporation.....	926	6,068	
141,900	Quebecor Inc.....	5,165	5,090	
180,000	Rogers Communications Inc. Class B.....	1,846	6,246	
129,290	Rothmans Inc.	1,392	2,812	
361,026	Royal Bank of Canada	5,248	20,037	
184,200	Shaw Communications Inc. Class B	5,872	6,799	
314,260	Shell Canada Ltd. Class A.....	3,446	13,673	
321,140	SNC-Lavalin Group Inc. Class A	1,354	10,106	
90,305	Sun Life Financial Services of Canada	2,058	4,453	
24,310	Suncor Energy Inc.....	1,923	2,231	
643,810	Talisman Energy Inc.....	3,210	12,747	
189,110	Thomson Corporation (The).....	8,562	9,149	
244,608	Toronto-Dominion Bank.....	5,010	17,054	
259,700	TransCanada Corporation	3,945	10,546	
170,000	Transcontinental Inc - CL A.....	3,402	3,541	
240,000	TVA Group Inc. Class B	3,202	3,576	
100,600	West Fraser Timber Co. Ltd.	2,295	4,163	
55,000	Weston (George) Limited	5,067	4,160	
		<u>141,696</u>	<u>354,375</u>	32.0
United States				
49,600	3M Co.....	4,788	4,504	
64,000	Abbott Laboratories.....	3,891	3,633	
118,200	Altria Group, Inc.	9,500	11,821	
91,100	American Int'l Group Inc.....	7,238	7,607	
70,000	Anheuser-Busch Companies, Inc.....	3,370	4,013	
63,800	Bank of America Corporation	3,290	3,969	
53,000	Beckman Coulter, Inc.	3,402	3,693	
16,000	Black & Decker Corporation.....	1,513	1,491	
50,000	Cardinal Health Inc.....	3,949	3,754	
185,300	CBS Corporation	5,989	6,733	
196,400	Chevron Corporation.....	13,143	16,828	
52,500	Chubb Corporation (The)	2,396	3,237	
101,700	Citigroup Inc.	6,236	6,601	
42,960	Clorox Company (The).....	2,912	3,211	
80,000	Colgate-Palmolive Company.....	5,652	6,082	
69,800	Comcast Corporation Special Class A	2,762	3,406	
145,480	Community Health Systems Inc.	5,610	6,191	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
United States (continued)				
58,300	ConocoPhillips	2,189	4,888	
20,400	Countrywide Financial Corporation	985	1,009	
220,000	CVS Corporation	5,271	7,924	
126,000	Disney (Walt) Company	4,644	5,032	
100,000	Emerson Electric Company	4,279	5,138	
60,700	E.W. Scripps Company (The) Class A	3,520	3,532	
79,000	Electronic Data Systems Corporation	2,318	2,536	
79,800	Exxon Mobil Corporation	5,043	7,126	
93,500	Fannie Mae	8,249	6,471	
102,000	Fifth Third Bancorp	6,849	4,865	
75,000	Fiserv, Inc.	3,848	4,581	
84,900	Freddie Mac	6,464	6,718	
278,600	General Electric Company	11,898	12,080	
109,400	Hartford Financial Services Group, Inc.	9,727	11,896	
15,200	International Business Machines Corporation	1,712	1,721	
74,700	Johnson & Johnson	5,298	5,747	
90,900	JPMorgan Chase & Co.	4,668	5,116	
67,000	Kimberly Clark Corporation	5,719	5,305	
192,500	Kroger Co.	4,432	5,175	
10,800	MBIA Inc.	899	919	
75,000	Medtronic Inc.	4,387	4,678	
44,000	Merrill Lynch & Co.	3,766	4,774	
39,100	Metlife, Inc.	1,383	2,689	
239,900	Microsoft Corporation	8,529	8,348	
80,000	Pepsico, Inc.	5,243	5,831	
241,500	Pfizer Inc.	9,975	7,289	
91,875	Procter & Gamble Company	5,185	6,881	
74,600	Safeway Inc.	1,894	3,004	
204,800	Sprint Nextel Corporation	5,720	4,508	
430,050	Time Warner Inc.	10,622	10,915	
119,400	Tyco International Ltd.	3,692	4,230	
76,000	Wal-Mart Stores Inc.	5,573	4,090	
75,000	Wachovia Corp.	4,597	4,977	
124,000	Wells Fargo & Company	4,112	5,138	
27,500	XL Capital Ltd Class A	3,055	2,309	
		<u>261,386</u>	<u>284,214</u>	25.7
Mexico				
100,000	Cemex Sab De C.V. ADR	3,154	3,948	
42,000	Fomento Economico Mexicano, S.A. de C.V. ADR	3,436	5,666	
		<u>6,590</u>	<u>9,614</u>	0.9
Total North America				
		<u>413,184</u>	<u>650,807</u>	58.8
Latin America				
52,300	Petroleo Brasileiro S.A. ADR	1,635	5,653	0.5
Europe, excluding United Kingdom				
207,251	Anglo Irish Bank Corporation plc	3,726	4,987	
37,800	Air France - KLM	1,426	1,854	
120,000	AXA	3,961	5,659	
440,000	Banco Santander Central Hispano SA	6,638	9,567	
32,300	BASF AG	3,265	3,677	
25,000	BNP Paribas SA	2,440	3,177	
90,000	Celesio AG	4,637	5,602	
46,000	Continental AG	1,899	6,241	
104,800	Credit Suisse Group	5,002	8,536	
138,000	Deutsche Lufthansa AG	2,777	4,422	
35,000	E.ON AG	4,151	5,571	
98,560	European Aeronautic Defense and Space Company	3,690	3,956	
96,300	ENI S.p.A.	2,211	3,773	
1,116,500	Ericsson LM - B	3,940	5,260	
61,620	Essilor International SA	3,834	7,718	
47,400	Fondiarria - SAI S.P.A.	2,325	2,642	
10,000	Fondiarria - SAI SPA-RNC	364	413	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
Europe, excluding United Kingdom (continued)				
73,300	Fortis Group	2,943	3,643	
140,000	Fresenius Medical Care & Co. KGaA ADR	4,526	7,248	
38,000	Groupe Danone.....	4,091	6,708	
140,600	ING Groep N.V.	5,039	7,262	
145,000	ING Groep N.V. (ADR).....	5,896	7,463	
192,000	Irish Life & Permanent PLC.....	5,088	6,170	
33,431	L'Air Liquide SA.....	5,636	9,248	
52,000	L'Oreal SA.....	4,990	6,069	
28,800	Lafarge SA.....	2,874	4,991	
140,000	Luxottica Group S.p.A. ADR.....	3,468	5,004	
115,582	Mittal Steel Co NV.....	4,573	5,684	
19,700	MOL Magyar Olaj - es Gazipari Rt.....	922	2,603	
50,900	Muenchener Rueckversicherungs-Gesellschaft AG.....	7,427	10,240	
67,000	Nestlé S.A. ADR.....	5,652	6,949	
45,000	Novartis AG ADR.....	2,367	3,012	
56,800	Renault SA	6,176	7,948	
86,800	Repsol YPF, S.A.....	2,419	3,510	
32,000	Roche Holding AG.....	4,261	6,680	
37,785	Sanofi-Aventis.....	2,969	4,064	
84,000	SAP AG Spons ADR	4,742	5,198	
190,000	STMicroelectronics NV - NY SHS.....	3,744	4,074	
29,000	Synthes, Inc.	3,326	4,026	
30,800	Total SA.....	2,359	2,588	
102,000	Total SA ADR.....	6,153	8,548	
129,000	Xstrata PLC.....	2,264	7,511	
		160,191	229,496	20.7
United Kingdom				
41,600	Astrazeneca PLC	2,912	2,605	
262,941	Aviva PLC	2,821	4,933	
319,200	BP plc.....	3,749	4,134	
130,000	BP plc ADR	10,496	10,165	
55,000	Diageo plc ADR.....	4,202	5,083	
687,630	Friends Provident plc	2,735	3,406	
55,000	GlaxoSmithKline plc ADR.....	3,836	3,381	
100,890	HBOS plc	1,898	2,607	
66,880	HSBC Holdings plc ADR	6,182	7,143	
120,600	Reckitt Benckiser plc.....	4,478	6,425	
270,000	Royal Bank of Scotland Group plc.....	10,207	12,282	
370,000	Smith & Nephew plc.....	4,372	4,501	
185,000	Standard Chartered plc	5,234	6,300	
614,200	Standard Life PLC.....	3,005	4,146	
1,891,662	Vodafone Group Plc.....	5,752	6,109	
200,000	Vodafone Group Plc ADR.....	6,732	6,474	
		78,611	89,694	8.1
Asia				
200,500	AU Optronics Corp. ADR	3,024	3,227	
697,000	Bank Hapoalim Ltd.	2,116	3,797	
92,000	Canon Inc. ADR	4,065	6,067	
1,497,500	China Netcom Group Corporation (Hong Kong) Limited.....	3,001	4,678	
4,634,000	China Petroleum and Chemical Corporation (Sinopec).....	1,677	4,999	
601,932	Compal Electronics Inc.	3,422	3,199	
183,900	Credit Saison Co., Ltd.	8,687	7,382	
107,786	Emerging Markets Investors Fund	4,566	7,255	
111,000	Fuji Photo Film Co., Ltd.....	4,909	5,314	
134,000	Hoya Corporation.....	4,656	6,087	
26,750	Hyundai Mobis	2,898	2,879	
1,175	Japan Tobacco Inc.	3,676	6,614	
101,800	JFE Holdings, Inc.	3,863	6,109	
40,800	Kookmin Bank.....	1,727	3,829	
35,000	Kycocera Corp. Spons. ADR.....	3,302	3,870	
35,700	Leopalace21 Corp.	1,312	1,328	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
Asia (continued)				
108,000	Mitsui Chemicals Inc.	906	969	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	2,689	
16,800	Orix Corporation	3,120	5,666	
1,182,000	PetroChina Company Limited	1,489	1,952	
15,100	Posco	1,941	5,846	
4,250	Samsung Electronics Co. Ltd.	2,635	3,264	
229,000	Sharp Corporation	4,448	4,596	
37,200	Siam Investment Fund	527	205	
181,700	Siliconware Precision Industries - ADR	1,415	1,664	
213,800	Sino Land Company Limited	394	582	
92,820	Sony Corporation ADR	5,982	4,633	
4,000	Sony Corporation	580	200	
251,000	Sumitomo Heavy Industries, Ltd.	2,814	3,072	
457	Sumitomo Mitsui Financial Group, Inc.	2,872	5,458	
278,952	Taiwan Semiconductor Manufacturing Company Ltd. ADR	2,716	3,553	
580,000	Television Broadcasts Limited	3,585	4,128	
93,600	Toyota Motor Corporation	5,764	7,514	
		<u>100,459</u>	<u>132,625</u>	<u>12.0</u>
	Total equities	754,080	1,108,275	100.1
	Forward Currency Contracts, net - Schedule 1	—	(1,440)	(0.1)
		<u>\$ 754,080</u>	<u>\$ 1,106,835</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	Unrealized Gain (Loss) (000's)
92.2	U.S. Dollar	3	1.1309 - 1.1496	Mar. 15, 2007	\$ (1,482)
6.4	Swiss Franc	1	0.96404	Mar. 15, 2007	42
					<u>\$ (1,440)</u>

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

UNITED CORPORATIONS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of presentation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as the most recent annual financial statements and should be read in conjunction with the notes to the Company's audited financial statements for the year ended March 31, 2006. These financial statements do not include all of the disclosures required under GAAP for annual financial statement filings.

2. 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).

	Dec. 31	March 31
	2006	2006
Net assets	\$ 1,056,959	\$ 940,068
Deduct:		
Cost to redeem		
First Preferred Shares.....	1,567	1,567
1959 and 1963 Series Second Preferred Shares	6,180	6,180
	7,747	7,747
Net equity value.....	\$ 1,049,212	\$ 932,321
Net equity value per Common Share	\$ 86.04	\$ 76.46

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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AUDITOR PricewaterhouseCoopers LLP, Toronto

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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 share is published weekly in the mutual fund section of the Globe and Mail (under "Fund Asset Values"). The Net Equity Value per common share is also disclosed on a weekly basis on the Company's website.

REPORTING PROCEDURE FOR ACCOUNTING AND AUDITING MATTERS

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

WEBSITE www.ucorp.ca