

UNITED CORPORATIONS LIMITED

SECOND QUARTER REPORT
September 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

November 8, 2007

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Sept. 30 2007 ⁽¹⁾	As at March 31 2007 ^{(1) (2)}
Net equity value per Common Share	\$ 83.78	\$ 86.03
Net assets.....	\$ 1,029,413	\$ 1,056,872
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Six months ended Sept. 30	
	2007 ⁽¹⁾	2006 ^{(1) (2)}
Investment income	\$ 14,260	\$ 14,178
Net investment income	\$ 8,980	\$ 8,957
Increase (decrease) in net assets from operations per Common Share	\$ (1.46)	\$ 1.26
Net investment income per Common Share.....	\$ 0.72	\$ 0.72
Regular dividends per Common Share	\$ 0.40	\$ 0.40

⁽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 second 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 previous quarter of fiscal 2008. 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 discussion 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 were mixed in the quarter ended September 30, 2007. During the quarter, the Canadian Dollar continued to strengthen which adversely impacted foreign investments. In Canadian Dollar terms, in the second quarter of fiscal 2008, the S&P/TSX Composite Index increased 2.0%, the MSCI World Index decreased 4.1% and the S&P 500 Index decreased 4.4%. On a fiscal year to date basis the S&P/TSX Composite Index increased 8.4%, the MSCI World Index decreased 5.8% and the S&P 500 Index decreased 6.3%.

For the quarter ended September 30, 2007, the Company's net equity value per share decreased to \$83.78 from \$86.79 at June 30, 2007, a decrease of 3.2% (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 decreased to \$83.78 from \$86.03 at March 31, 2007, a decrease of 2.2% (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 the Company's 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 of the CICA Handbook, "Financial Instruments - Recognition and Measurement". 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 gain (loss) on investments. 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.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Operating Results

Net investment income

The Company's net investment income in the second quarter of fiscal 2008 was \$3,212,000 compared to fiscal 2007 net investment income of \$3,613,000. On a year to date basis, the net investment income increased to \$8,980,000 in fiscal 2008 from \$8,957,000 in fiscal 2007. On a per common share basis, net investment income for the quarter decreased to \$0.27 in fiscal 2008 from \$0.29 in fiscal 2007 and on a year to date basis was unchanged at \$0.72 in both fiscal 2008 and fiscal 2007.

Foreign dividend income decreased in the second quarter to \$3,308,000 in fiscal 2008 from \$3,927,000 in fiscal 2007 and to \$10,405,000 in fiscal 2008 from \$10,535,000 in fiscal 2007 on a year to date basis. These results reflect a special dividend of approximately \$632,000 that was paid by Vodafone Group PLC in the second quarter of fiscal 2007. Canadian dividend income in the second quarter of fiscal 2008 increased to \$1,659,000 from \$1,599,000 in fiscal 2007 and increased to \$3,424,000 in fiscal 2008 from \$3,197,000 in fiscal 2007 on a year to date basis. Interest, including securities lending income, in the second quarter amounted to \$187,000 in fiscal 2008, compared to \$212,000 in fiscal 2007, and decreased to \$431,000 in fiscal 2008 from \$446,000 in fiscal 2007 on a year to date basis.

Operating expenses in the quarter amounted to \$1,078,000 (fiscal 2007 - \$985,000) and \$2,192,000 (fiscal 2007 - \$1,963,000) on a year to date basis. The rise in expenses from the prior periods is mainly due to an increase in management and administrative 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 of \$4,114,000 in the second quarter of fiscal 2008 (fiscal 2007 net gain - \$14,244,000). On a fiscal year to date basis, the net gain on investments sold was \$21,752,000 (2007 net gain - \$26,142,000). The largest contributors to the realized gain in the current quarter were Xstrata PLC, Bank of Nova Scotia, TransCanada Corporation and Sun Life Financial Services of Canada. The most significant loss in the quarter resulted from the sale of Countrywide Financial Corporation.

The Company's unrealized appreciation of investments decreased by \$41,390,000 in the quarter compared to an increase of \$19,601,000 in the same period last year. On a year to date basis, unrealized appreciation of investments decreased by \$48,105,000 to \$223,035,000 as at September 30, 2007 (fiscal 2007 - decrease of \$19,547,000 to \$198,425,000). The decrease in unrealized appreciation in the current quarter was mainly driven by the continued significant appreciation of the Canadian Dollar and the negative return of our European investments.

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):

	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31
	2007	2007	2007	2006	2006	2006	2006	2005
Investments	\$ 1,053,387	\$ 1,100,232	\$ 1,093,562	\$ 1,106,835	\$ 973,555	\$ 935,334	\$ 970,875	\$ 918,552
Investment income	\$ 5,154	\$ 9,106	\$ 5,844	\$ 4,818	\$ 5,738	\$ 8,440	\$ 5,024	\$ 3,552
Increase (decrease) in net assets from operations	\$ (34,149)	\$ 16,556	\$ 2,588	\$ 108,754	\$ 37,458	\$ (21,906)	\$ 48,068	\$ 15,174
Increase (decrease) in net assets from operations per share ¹	\$ (2.81)	\$ 1.35	\$ 0.20	\$ 8.91	\$ 3.06	\$ (1.80)	\$ 3.93	\$ 1.24

¹ Net of dividends on preferred shares

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Quarterly Results (continued)

Investment income is primarily derived 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. Generally, dividends earned on investments outside of North America peak in the first quarter of the fiscal year. 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. The returns generated by the investment managers will not necessarily correlate with the various benchmark returns.

Share Data

At September 30th, 2007, 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

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 September 30, 2007, net investment income was \$3,212,000 as compared to dividend payments of \$2,535,000. On a year to date basis, net investment income of \$8,980,000 exceeded dividend payments of \$5,067,000.

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

November 8, 2007

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	Sept. 30 2007	March 31 2007
	(000's)	
ASSETS		
Investments, at fair value (cost - \$785,939; March 31, 2007 - \$760,231).....	\$ 1,053,387	\$ 1,093,562
Cash	8,466	5,851
Short-term investments	9,284	3,005
Receivable in respect of investments sold	4,245	14,277
Accrued income on investments.....	1,326	2,524
Income taxes receivable.....	1,817	—
Other assets	537	563
	<u>1,079,062</u>	<u>1,119,782</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	875	926
Payable in respect of investments purchased.....	3,830	—
Income taxes payable.....	—	3,604
Future income taxes	44,944	58,380
	<u>49,649</u>	<u>62,910</u>
Net assets, at fair value	<u>\$ 1,029,413</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	265,378	239,793
Unrealized appreciation of investments.....	223,035	276,079
Total shareholders' equity.....	<u>\$ 1,029,413</u>	<u>\$ 1,056,872</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	2007	2006	2007	2006
			(000's)	
INVESTMENT INCOME				
Dividends:				
Foreign.....	\$ 3,308	\$ 3,927	\$ 10,405	\$ 10,535
Canadian.....	1,659	1,599	3,424	3,197
	4,967	5,526	13,829	13,732
Interest, including securities lending income	187	212	431	446
	5,154	5,738	14,260	14,178
Expenses:				
Management and administrative costs ...	831	735	1,696	1,499
Directors' and officers' remuneration.....	43	42	96	87
Office and miscellaneous.....	34	60	108	90
Transfer, registrar and custodial agents' fees	134	107	218	210
Professional fees	15	20	32	35
Capital taxes	21	21	42	42
	1,078	985	2,192	1,963
Investment income before income taxes.....	4,076	4,753	12,068	12,215
Income taxes	864	1,140	3,088	3,258
NET INVESTMENT INCOME	3,212	3,613	8,980	8,957
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain on investments.....	4,114	14,244	21,752	26,142
Net change in unrealized appreciation of investments.....	(41,390)	19,601	(48,105)	(19,547)
Transaction costs on purchase and sale of investments (Note 1).....	(85)	—	(220)	—
NET GAIN (LOSS) ON INVESTMENTS	(37,361)	33,845	(26,573)	6,595
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (34,149)	\$ 37,458	\$ (17,593)	\$ 15,552
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	\$ (2.81)	\$ 3.06	\$ (1.46)	\$ 1.26

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Six months ended Sept. 30	
	2007	2006
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 239,793	\$ 181,096
Add:		
Net investment income	8,980	8,957
Net realized gain on investments	21,752	26,142
Refundable dividend taxes recovered	1,200	1,165
	<u>271,725</u>	<u>217,360</u>
Deduct:		
Dividends from net investment income		
First preferred shares	39	39
Second preferred shares	150	150
Common shares	4,878	4,878
Provision for refundable dividend taxes	1,060	981
Transaction costs on purchase and sale of investments	220	—
	<u>6,347</u>	<u>6,048</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 265,378</u>	<u>\$ 211,312</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	2007	2006	2007	2006
	(thousands of dollars)			
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (34,149)	\$ 37,458	\$ (17,593)	\$ 15,552
DIVIDENDS TO SHAREHOLDERS				
Common shareholders	(2,439)	(2,439)	(4,878)	(4,878)
Preferred shareholders	(96)	(96)	(189)	(189)
	<u>(2,535)</u>	<u>(2,535)</u>	<u>(5,067)</u>	<u>(5,067)</u>
TAXATION CHANGES				
Net decrease in refundable dividend tax on hand	—	—	140	184
INCREASE (DECREASE) IN NET ASSETS	(36,684)	34,923	(22,520)	10,669
NET ASSETS, BEGINNING OF PERIOD	1,066,097	915,814	1,051,933	940,068
NET ASSETS, END OF PERIOD	<u>\$ 1,029,413</u>	<u>\$ 950,737</u>	<u>\$ 1,029,413</u>	<u>\$ 950,737</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET REALIZED GAIN (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	2007	2006	2007	2006
	(thousands of dollars)			
Proceeds on sales of investments.....	\$ 72,436	\$ 48,615	\$ 131,891	\$ 91,847
Cost of investments, beginning of period	782,545	718,698	760,231	704,452
Cost of investments purchased during the period	70,233	45,748	130,522	88,743
	852,778	764,446	890,753	793,195
Cost of investments, end of period	785,939	733,260	785,939	733,260
Cost of investments sold during the period ...	66,839	31,186	104,814	59,935
Realized gain on investments sold before taxes	5,597	17,429	27,077	31,912
Provision for taxes on realized net taxable capital gains	1,483	3,185	5,325	5,770
Net realized gain on investments	\$ 4,114	\$ 14,244	\$ 21,752	\$ 26,142

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 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	\$ 2,121	0.2
Common				
362,568	Algoma Central Corporation.....	6,201	49,342	
123,150	Bank of Montreal.....	7,828	7,999	
365,170	Bank of Nova Scotia.....	6,296	19,076	
80,000	Cameco Corporation.....	279	3,669	
167,300	Canadian National Railway Company.....	6,713	9,486	
120,370	Canadian Natural Resources Ltd.....	7,076	9,076	
106,540	Canadian Tire Corp. Ltd. Class A.....	3,038	8,445	
155,000	Canadian Utilities Limited Class A.....	3,793	7,518	
222,702	Canfor Corporation.....	1,436	2,461	
246,826	Enbridge Inc.....	3,366	8,992	
223,720	Encana Corporation.....	6,807	13,757	
300,000	Great-West Lifeco Inc.....	4,287	10,944	
174,320	Imperial Oil Limited.....	1,746	8,590	
210,676	Jean Coutu Group Inc.....	1,949	2,783	
108,940	Loblaw Cos. Limited.....	5,420	4,907	
470,400	Manulife Financial Corporation.....	7,784	19,277	
258,500	Metro Inc.....	2,653	9,029	
525,060	Nexen Inc.....	4,208	15,925	
52,400	Nova Chemicals Corporation.....	1,491	2,006	
121,200	Potash Corp. of Saskatchewan.....	1,762	12,713	
161,000	Power Financial Corporation.....	926	6,661	
139,000	Quebecor Inc. Class B.....	5,059	5,203	
180,000	Rogers Communications Inc. Class B.....	1,846	8,136	
129,290	Rothmans Inc.....	1,392	2,967	
355,026	Royal Bank of Canada.....	5,160	19,534	
338,400	Shaw Communications Inc. Class B.....	5,393	8,342	
313,140	SNC-Lavalin Group Inc. Class A.....	1,320	13,835	
54,705	Sun Life Financial Services of Canada.....	1,247	2,854	
92,810	Suncor Energy Inc.....	8,376	8,747	
670,450	Talisman Energy Inc.....	3,707	13,087	
176,110	Thomson Corporation (The).....	7,974	7,337	
237,608	Toronto-Dominion Bank.....	4,866	18,110	
214,286	TransCanada Corporation.....	3,556	7,815	
170,000	Transcontinental Inc - Class A.....	3,402	3,699	
240,000	TVA Group Inc. Class B.....	3,202	3,458	
90,600	West Fraser Timber Co. Ltd.....	2,067	3,411	
55,000	Weston (George) Limited.....	5,070	3,884	
		<u>148,696</u>	<u>363,075</u>	34.6
United States				
49,600	3M Co.....	4,788	4,627	
64,000	Abbott Laboratories.....	3,891	3,417	
118,200	Altria Group, Inc.....	7,235	8,183	
121,100	American Int'l Group Inc.....	9,687	8,168	
70,000	Anheuser-Busch Companies, Inc.....	3,370	3,484	
63,800	Bank of America Corporation.....	3,290	3,195	
16,000	Black & Decker Corporation.....	1,513	1,326	
185,300	CBS Corporation.....	5,989	5,814	
186,400	Chevron Corporation.....	12,474	17,386	
8,677	Citadel Broadcasting Corporation.....	58	36	
81,500	Citigroup Inc.....	4,997	3,789	
42,960	Clorox Company (The).....	2,912	2,608	
80,000	Colgate-Palmolive Company.....	5,652	5,680	
23,100	Comcast Corporation Special Class A.....	609	551	
145,480	Community Health Systems Inc.....	5,610	4,557	
122,300	ConocoPhillips.....	7,210	10,687	
220,000	CVS/Caremark Corp.....	5,271	8,691	

UNITED CORPORATIONS LIMITED

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

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
United States (continued)				
31,600	Dow Chemical Company (The)	1,706	1,355	
100,000	Emerson Electric Company	4,279	5,304	
87,000	E.W. Scripps Company (The) Class A	4,680	3,635	
71,800	Exxon Mobil Corporation	4,537	6,618	
54,100	Fannie Mae	4,773	3,273	
75,000	Fiserv, Inc.	3,848	3,800	
84,900	Freddie Mac	6,464	4,992	
257,600	General Electric Company	11,001	10,623	
82,200	Hartford Financial Services Group, Inc.	7,309	7,570	
29,200	International Business Machines Corporation	3,359	3,428	
81,700	Johnson & Johnson	5,847	5,343	
153,500	JPMorgan Chase & Co.	7,731	7,006	
103,300	Kraft Foods Inc.	3,561	3,554	
80,400	Kroger Co.	1,851	2,282	
122,700	Macy's, Inc.	5,832	3,951	
142,300	Marathon Oil Corporation	8,775	8,081	
19,600	MBIA Inc.	1,643	1,190	
52,400	McKesson Corporation	3,304	3,066	
44,000	Merrill Lynch & Co.	3,766	3,121	
39,100	Metlife, Inc.	1,383	2,718	
239,900	Microsoft Corporation	8,529	7,041	
39,400	Northrop Grumman Corporation	3,253	3,064	
80,000	Pepsico, Inc.	5,243	5,838	
266,500	Pfizer Inc.	10,620	6,484	
91,875	Proctor & Gamble Company	5,185	6,444	
90,000	Quest Diagnostics Incorporated	4,715	5,182	
74,600	Safeway Inc.	1,894	2,458	
204,800	Sprint Nextel Corporation	5,720	3,875	
462,350	Time Warner Inc.	11,197	8,448	
154,000	Wachovia Corporation	9,892	7,678	
76,000	Wal-Mart Stores Inc.	5,573	3,304	
124,000	Wells Fargo & Company	4,112	4,384	
27,500	XL Capital Ltd Class A	3,055	2,171	
		<u>259,193</u>	<u>249,480</u>	23.7
Mexico				
36,530	Cemex Sab De C.V. ADR	1,241	1,089	
126,000	Fomento Economico Mexicano, S.A. de C.V. ADR	3,436	4,685	
		<u>4,677</u>	<u>5,774</u>	0.5
Total North America		416,078	620,450	59.0
Latin America				
86,600	Petroleo Brasileiro S.A. ADR	1,354	5,575	0.5
Europe, excluding United Kingdom				
37,800	Air France - KLM	1,426	1,380	
34,750	Allianz SE	8,562	8,062	
207,251	Anglo Irish Bank Corporation plc	3,726	3,814	
83,882	ArcelorMittal	3,319	6,575	
120,000	AXA	3,961	5,333	
400,000	Banco Santander Central Hispano SA	6,035	7,718	
32,300	BASF AG	3,265	4,452	
25,000	BNP Paribas SA	2,440	2,717	
90,000	Celesio AG	4,637	5,673	
104,800	Credit Suisse Group	4,960	6,896	
22,700	Deutsche Bank AG	3,309	2,904	
138,000	Deutsche Lufthansa AG	2,777	3,949	
35,000	E.ON AG	4,151	6,413	
96,300	ENI S.p.A.	2,211	3,551	
105,240	Essilor International SA	3,274	6,546	
36,330	European Aeronautic Defense and Space Company	1,360	1,110	
47,400	Fondiarria - SAI S.P.A.	2,325	2,203	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 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	324	
73,300	Fortis Group	2,943	2,136	
73,300	Fortis Group Rights	—	385	
126,000	Fresenius Medical Care & Co. KGaA ADR	4,073	6,662	
50,000	Groupe Danone	2,692	3,910	
140,600	ING Groep N.V.	5,039	6,196	
160,000	ING Groep N.V. (ADR)	6,684	7,065	
277,000	Irish Life & Permanent PLC	7,750	6,043	
64,486	L'Air Liquide SA	5,435	8,572	
37,000	L'Oreal SA	3,550	4,822	
32,800	Lafarge SA	3,484	5,048	
140,000	Luxottica Group S.p.A. ADR	3,468	4,724	
8,300	Michelin CIE CL B	878	1,108	
34,800	Muenchener Rueckversicherungs-Gesellschaft AG	5,078	6,620	
67,000	Nestlé S.A. ADR	5,652	7,343	
56,800	Renault SA	6,176	8,175	
86,800	Repsol YPF, S.A.	2,419	3,079	
32,000	Roche Holding AG	4,261	5,744	
37,785	Sanofi-Aventis	2,969	3,178	
92,000	SAP AG Spons ADR	5,183	5,374	
40,600	Siemens AG	5,537	5,533	
190,000	STMicroelectronics NV - NY SHS	3,744	3,169	
41,000	Schneider Electric SA	5,778	5,145	
173,300	Stora Enso OYJ	3,395	3,353	
29,000	Synthes, Inc.	3,326	3,213	
1,366,500	Telefonaktiebolaget LM Ericsson B	5,004	5,422	
30,800	Total SA	2,359	2,487	
102,000	Total SA ADR	6,153	8,227	
87,890	Xstrata PLC	1,543	5,783	
		<u>176,675</u>	<u>218,136</u>	20.7
United Kingdom				
26,300	Antofagasta plc	308	407	
41,600	Astrazeneca PLC	2,912	2,069	
262,941	Aviva PLC	2,821	3,931	
115,000	BP plc ADR	9,285	7,938	
40,000	Diageo plc ADR	3,056	3,496	
408,635	Friends Provident plc	1,625	1,428	
100,890	HBOS plc	1,898	1,873	
120,600	Reckitt Benckiser plc	4,478	7,036	
817,281	Royal Bank of Scotland Group plc	10,309	8,716	
137,000	Royal Dutch Shell PLC	5,590	5,618	
290,000	Smith & Nephew plc	3,427	3,520	
185,000	Standard Chartered plc	5,234	6,005	
1,680,762	Vodafone Group Plc	5,111	6,023	
200,000	Vodafone Group Plc ADR	6,731	7,236	
		<u>62,785</u>	<u>65,296</u>	6.2
Asia				
204,492	AU Optronics Corp. ADR	3,024	3,441	
697,000	Bank Hapoalim Ltd.	2,116	3,521	
92,000	Canon Inc. ADR	4,065	4,970	
1,497,500	China Netcom Group Corporation (Hong Kong) Limited	3,001	3,994	
4,634,000	China Petroleum and Chemical Corporation (Sinopec)	1,677	5,740	
604,942	Compal Electronics Inc.	3,422	3,194	
183,900	Credit Saison Co., Ltd.	8,687	4,717	
490,000	Daiwa Securities Group Inc.	6,202	4,641	
47,100	Fanuc Ltd.	5,260	4,775	
107,786	Emerging Markets Investors Fund	5,316	7,634	
144,000	Hoya Corporation	5,082	4,879	
89,100	Hynix Semiconductor Inc.	3,437	3,042	
34,710	Hyundai Mobis	3,678	3,674	
101,800	JFE Holdings, Inc.	3,863	7,127	
17,800	Keyence Corporation	4,016	3,928	
40,800	Kookmin Bank	1,727	3,390	

UNITED CORPORATIONS LIMITED

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

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
Asia (continued)				
23,300	Leopalace21 Corp.	856	761	
262,000	Mitsubishi Chemical Holdings Corporation	2,441	2,266	
108,000	Mitsui Chemicals Inc.	906	1,065	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	3,767	
210,000	Nippon Yusen Kabushiki Kaisha	2,025	2,036	
599,300	Nissan Motor Co., Ltd.	7,017	5,977	
25,840	Orix Corporation	4,973	5,857	
5,500	Posco	707	4,031	
4,250	Samsung Electronics Co. Ltd.	2,635	2,652	
229,000	Sharp Corporation	4,448	4,137	
37,200	Siam Investment Fund	527	176	
185,284	Siliconware Precision Industries - ADR	1,415	2,232	
92,820	Sony Corporation ADR	5,982	4,437	
548	Sumitomo Mitsui Financial Group, Inc.	3,508	4,221	
489,000	Sumitomo Trust and Banking Co., Ltd. (The)	5,718	3,674	
180,000	Suzuki Motor Corporation	5,533	5,272	
290,000	Tata Motors	5,864	5,519	
580,000	Television Broadcasts Limited	3,582	3,455	
1,162,500	United Microelectronics Corporation ADR	3,967	4,100	
		<u>129,047</u>	<u>138,302</u>	<u>13.1</u>
	Total equities	785,939	1,047,759	99.5
	Forward Currency Contracts, net - Schedule 1	—	5,628	0.5
	Total investments	<u>\$ 785,939</u>	<u>\$ 1,053,387</u>	<u>100.0</u>

Schedule 1 - Forward Currency Contracts, net

Forward contracts to sell foreign currencies for Canadian dollars:

Par value	Currency	Number of Contracts	Contract Rates	Settlement Date	Net Unrealized Gain
(in millions)					(000's)
93.8	U.S. Dollar	2	1.0008 - 1.0538	Dec. 17, 2007	<u>\$ 5,628</u>

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

UNITED CORPORATIONS LIMITED

NOTES TO CONSOLIDATED 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 consolidated 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 of the CICA Handbook, “Financial Instruments - Recognition and Measurement”. 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 gain (loss) on investments. 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>	<u>As adjusted</u>
		(000's)	
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 income taxes.....	333,331	5,957	327,374
Provision for income 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 CONSOLIDATED 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).

	Sept. 30	April 1	March 31
	2007	2007	2007
		(Note 2)	
Net assets	\$1,029,413	\$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
	<u>7,747</u>	<u>7,747</u>	<u>7,747</u>
Net equity value	<u>\$1,021,666</u>	<u>\$1,044,186</u>	<u>\$1,049,125</u>
Net equity value per Common Share	<u>\$ 83.78</u>	<u>\$ 85.63</u>	<u>\$ 86.03</u>

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

WEBSITE www.ucorp.ca

