

UNITED CORPORATIONS LIMITED

SECOND QUARTER REPORT
September 30, 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

November 2, 2006

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Sept. 30 2006 ⁽¹⁾	As at March 31 2006 ⁽¹⁾
Net equity value per common share.....	\$ 77.33	\$ 76.46
Net assets	\$ 950,737	\$ 940,068
Number of common shares outstanding at period end.....	12,194,193	12,194,193

	Six months ended Sept. 30	
	2006 ⁽¹⁾	2005 ⁽¹⁾
Investment income	\$ 14,178	\$ 11,904
Net investment income	\$ 8,957	\$ 7,786
Increase in net assets from operations per common share.....	\$ 1.26	\$ 4.96
Net investment income per common share	\$ 0.72	\$ 0.62
Regular dividends per common share.....	\$ 0.40	\$ 0.40

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

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 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 quarter 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 rebounded from the negative performance in the first quarter of fiscal 2007 and posted positive results in the quarter ended September 30, 2006. In Canadian dollar terms, in the second quarter of fiscal 2007, the S&P/TSX Composite Index increased 1.9%, the MSCI World Index increased 4.5% and the S&P 500 Index increased 5.7%. On a fiscal year to date basis the S&P/TSX Composite Index decreased 1.7%, the MSCI World Index decreased 0.7% and the S&P 500 Index decreased 0.5%. 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 which has weakened relative to the Canadian Dollar in the current fiscal year. Other large foreign currency exposures include the Euro Dollar, Japanese Yen and UK Pound Sterling. The Japanese Yen has weakened in the current year while the UK Pound Sterling strengthened relative to the Canadian Dollar during the fiscal year. The Euro Dollar is relatively unchanged.

For the quarter ended September 30, 2006, the Company's net equity value per share increased to \$77.33 from \$74.47 at June 30, 2006, an increase of 4.1% (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 \$77.33 from \$76.46 at March 31, 2006, an increase of 1.7% (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 second quarter of fiscal 2007 was \$3,613,000 compared to fiscal 2006 net investment income of \$2,756,000. On a year to date basis, the net investment income increased to \$8,957,000 in fiscal 2007 from \$7,786,000 in fiscal 2006. On a per common share basis, net investment income for the quarter increased to \$0.29 in fiscal 2007 from \$0.22 in fiscal 2006 and on a year to date basis to \$0.72 in fiscal 2007 from \$0.62 in fiscal 2006.

Foreign dividend income increased in the second quarter to \$3,927,000 in fiscal 2007 from \$2,504,000 in fiscal 2006 and to \$10,535,000 in fiscal 2007 from \$7,787,000 in fiscal 2006 on a year to date basis. The increase in foreign dividends is due to an increase in exposure to foreign equities and a special dividend of approximately \$632,000 received in the second quarter from Vodafone Group PLC. Canadian dividend income in the second quarter of \$1,599,000 in fiscal 2007 was relatively unchanged from \$1,592,000 in fiscal 2006 and decreased to \$3,197,000 in fiscal 2007 from \$3,646,000 in fiscal 2006 on a year to date basis. Interest, including securities lending income in the second quarter amounted to \$212,000 in fiscal 2007, compared to \$206,000 in fiscal 2006 and decreased to \$446,000 in fiscal 2007 from \$471,000 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 \$985,000 (fiscal 2006 - \$888,000) and \$1,963,000 (fiscal 2006 - \$1,777,000) 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 \$17,429,000 in the second quarter of fiscal 2007 (fiscal 2006 net gain - \$17,616,000). On a fiscal year to date basis, the net gain on investments sold before income taxes was \$31,912,000 (2006 net gain - \$21,710,000). The largest contributors to the realized gain in the current quarter were Assurance Générales de France, Arcelor, MAN AG and Endesa S.A. A loss of approximately \$1,400,000 was realized on forward currency contracts that matured in the quarter.

The Company's unrealized appreciation of investments before future income taxes increased by \$23,659,000 in the quarter compared to an increase of \$29,197,000 in the same period last year. On a year to date basis, unrealized appreciation of investments before future income taxes decreased by \$26,128,000 to \$240,295,000 as at September 30, 2006 (fiscal 2006 - increase of \$42,836,000 to \$226,647,000). The increase in unrealized appreciation before future income taxes in the current quarter was mainly driven by the U.S. equities in the portfolio. The strongest performing U.S. equities were Microsoft Corporation, JPMorgan Chase & Co. and Pfizer Inc. The Canadian portion of the investment portfolio had mixed returns in the current quarter. The banking sector had positive returns which were led by Toronto Dominion Bank, Bank of Nova Scotia and Royal Bank of Canada. Algoma Central Corporation also performed well. There was, however, a decline in the energy sector which included Shell Canada Ltd., Canadian Natural Resources Ltd. and Encana Corporation. The reduction in unrealized appreciation is also related to the large capital gains that were realized both in the current quarter and on a year to date basis as previously indicated.

In the first quarter of fiscal 2007, the Federal government enacted reductions in income tax rates commencing in 2008. As a result of the tax change, there was a reduction in the future income tax liability and an increase in unrealized appreciation of investments in the first quarter.

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):

	Sept. 30 2006	June 30 2006	March 31 2006	Dec. 31 2005	Sept. 30 2005	June 30 2005	March 31 2005	Dec. 31 2004
Investment income	\$ 5,738	\$ 8,440	\$ 5,024	\$ 3,552	\$ 4,302	\$ 7,602	\$ 4,631	\$ 4,549
Increase (decrease) in net assets from operations	\$ 37,458	\$ (21,906)	\$ 48,068	\$ 15,174	\$ 41,115	\$ 19,560	\$ 28,303	\$ 43,332
Increase (decrease) in net assets from operations per share ¹	\$ 3.06	\$ (1.80)	\$ 3.93	\$ 1.24	\$ 3.36	\$ 1.60	\$ 2.31	\$ 3.55

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 Vodafone Group PLC was received during the quarter.

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Share Data

At September 30th, 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 September 30, 2006, Net investment income was \$3,613,000 as compared to dividend payments of \$2,535,000. On a year to date basis, Net investment income of \$8,957,000 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 2, 2006

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	September 30 2006	March 31 2006
	(thousands of dollars)	
ASSETS		
Investments, at indicated market value (cost - \$733,260; March 31, 2006 - \$704,452)	\$ 973,555	\$ 970,875
Cash	14,673	12,270
Short-term investments	2,177	8,682
Receivable in respect of investments sold	4,837	1,437
Accrued income on investments.....	1,535	2,209
Income taxes receivable.....	755	—
Other assets	557	515
	<u>998,089</u>	<u>995,988</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	725	660
Payable in respect of investments purchased.....	3,757	3,538
Income taxes payable.....	—	2,321
Future income taxes	42,870	49,401
	<u>47,352</u>	<u>55,920</u>
Net assets.....	<u>\$ 950,737</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	211,312	181,096
Unrealized appreciation of investments.....	198,425	217,972
Total shareholders' equity.....	<u>\$ 950,737</u>	<u>\$ 940,068</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	2006	2005	2006	2005
	(thousands of dollars)			
INVESTMENT INCOME				
Dividends:				
Foreign.....	\$ 3,927	\$ 2,504	\$ 10,535	\$ 7,787
Canadian.....	1,599	1,592	3,197	3,646
	<u>5,526</u>	<u>4,096</u>	<u>13,732</u>	<u>11,433</u>
Interest, including securities lending income	<u>212</u>	<u>206</u>	<u>446</u>	<u>471</u>
	<u>5,738</u>	<u>4,302</u>	<u>14,178</u>	<u>11,904</u>
Expenses:				
Management costs.....	735	698	1,499	1,371
Directors' and officers' remuneration.....	42	41	87	90
Office and miscellaneous.....	60	15	90	81
Transfer, registrar and custodial agents' fees	107	92	210	159
Professional fees	20	11	35	24
Capital taxes	21	31	42	52
	<u>985</u>	<u>888</u>	<u>1,963</u>	<u>1,777</u>
Investment income before income taxes.....	4,753	3,414	12,215	10,127
Income taxes	1,140	658	3,258	2,341
NET INVESTMENT INCOME.....	<u>3,613</u>	<u>2,756</u>	<u>8,957</u>	<u>7,786</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain on investments.....	14,244	14,501	26,142	17,913
Net change in unrealized appreciation of investments.....	19,601	23,858	(19,547)	34,976
NET GAIN ON INVESTMENTS.....	<u>33,845</u>	<u>38,359</u>	<u>6,595</u>	<u>52,889</u>
INCREASE IN NET ASSETS FROM OPERATIONS.....				
	<u>\$ 37,458</u>	<u>\$ 41,115</u>	<u>\$ 15,552</u>	<u>\$ 60,675</u>
INCREASE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE				
	<u>\$ 3.06</u>	<u>\$ 3.36</u>	<u>\$ 1.26</u>	<u>\$ 4.96</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Six months ended Sept. 30	
	<u>2006</u>	<u>2005</u>
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 181,096	\$ 134,445
Add:		
Net investment income	8,957	7,786
Net realized gain on investments	26,142	17,913
Refundable taxes recovered.....	1,165	1,340
	<u>217,360</u>	<u>161,484</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 taxes	981	1,215
	<u>6,048</u>	<u>6,282</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 211,312</u>	<u>\$ 155,202</u>

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(thousands of dollars)			
INCREASE IN NET ASSETS				
RESULTING FROM OPERATIONS	\$ 37,458	\$ 41,115	\$ 15,552	\$ 60,675
DISTRIBUTIONS 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.....	—	—	184	125
INCREASE IN NET ASSETS	34,923	38,580	10,669	55,733
NET ASSETS, BEGINNING OF PERIOD	915,814	843,497	940,068	826,344
NET ASSETS, END OF PERIOD	<u>\$ 950,737</u>	<u>\$ 882,077</u>	<u>\$ 950,737</u>	<u>\$ 882,077</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENTS OF NET REALIZED GAIN (Unaudited)

	Three months ended Sept. 30		Six months ended Sept. 30	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(thousands of dollars)			
Proceeds on sales of investments.....	<u>\$ 48,615</u>	<u>\$ 55,683</u>	<u>\$ 91,847</u>	<u>\$ 91,862</u>
Cost of investments, beginning of period	<u>718,698</u>	<u>651,336</u>	<u>704,452</u>	<u>644,571</u>
Cost of investments purchased during the period	<u>45,748</u>	<u>56,694</u>	<u>88,743</u>	<u>95,544</u>
	<u>764,446</u>	<u>708,030</u>	<u>793,195</u>	<u>740,115</u>
Cost of investments, end of period	<u>733,260</u>	<u>669,963</u>	<u>733,260</u>	<u>669,963</u>
Cost of investments sold during the period ..	<u>31,186</u>	<u>38,067</u>	<u>59,935</u>	<u>70,152</u>
Realized gain on investments sold before taxes	<u>17,429</u>	<u>17,616</u>	<u>31,912</u>	<u>21,710</u>
Provision for taxes on realized net taxable capital gains	<u>3,185</u>	<u>3,115</u>	<u>5,770</u>	<u>3,797</u>
Net realized gain on investments	<u>\$ 14,244</u>	<u>\$ 14,501</u>	<u>\$ 26,142</u>	<u>\$ 17,913</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 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	\$ 2,366	0.3
Common				
362,568	Algoma Central Corporation.....	6,201	38,432	
79,100	Bank of Montreal.....	4,736	5,347	
424,970	Bank of Nova Scotia.....	7,327	20,416	
90,000	Cameco Corporation.....	314	3,666	
125,100	Canadian National Railway Company.....	4,356	5,848	
118,310	Canadian Natural Resources Ltd.....	6,917	6,027	
134,800	Canadian Tire Corp. Ltd. Class A.....	3,844	9,459	
160,000	Canadian Utilities Limited Class A.....	3,915	6,563	
267,702	Canfor Corporation.....	1,727	2,985	
26,770	Canfor Pulp Income Fund.....	272	309	
246,826	Enbridge Inc.....	3,366	8,903	
178,400	Encana Corporation.....	3,102	9,279	
310,000	Great-West Lifeco Inc.....	4,430	9,334	
251,040	Imperial Oil Limited.....	2,514	9,406	
210,676	Jean Coutu Group Inc.....	1,949	2,505	
100,000	Loblaw Cos. Limited.....	4,972	4,738	
500,400	Manulife Financial Corporation.....	8,281	18,014	
264,000	Metro Inc.....	2,461	8,870	
273,630	Nexen Inc.....	4,344	16,349	
52,400	Nova Chemicals Corporation.....	1,491	1,795	
59,000	Potash Corp. of Saskatchewan.....	2,573	6,845	
169,000	Power Financial Corporation.....	972	5,732	
141,900	Quebecor Inc.....	5,165	3,892	
90,000	Rogers Communications Inc. Class B.....	1,846	5,508	
143,290	Rothmans Inc.....	1,543	2,927	
368,026	Royal Bank of Canada.....	5,349	18,221	
189,200	Shaw Communications Inc. Class B.....	6,031	6,333	
314,260	Shell Canada Ltd. Class A.....	3,446	9,852	
321,140	SNC-Lavalin Group Inc. Class A.....	1,354	9,236	
90,305	Sun Life Financial Services of Canada.....	2,058	4,140	
13,560	Suncor Energy Inc.....	1,046	1,087	
678,810	Talisman Energy Inc.....	3,384	12,381	
189,110	Thomson Corporation (The).....	8,562	8,510	
244,608	Toronto-Dominion Bank.....	5,010	16,247	
259,700	TransCanada Corporation.....	3,945	9,128	
170,000	Transcontinental Inc - CL A.....	3,402	3,113	
240,000	TVA Group Inc. Class B.....	3,202	3,542	
120,600	West Fraser Timber Co. Ltd.....	2,751	4,303	
55,000	Weston (George) Limited.....	5,069	3,904	
		<u>143,227</u>	<u>323,146</u>	33.2
United States				
49,600	3M Co.....	4,788	4,117	
64,000	Abbott Laboratories.....	3,891	3,466	
118,200	Altria Group, Inc.....	9,500	10,091	
91,100	American Int'l Group Inc.....	7,238	6,732	
70,000	Anheuser-Busch Companies, Inc.....	3,370	3,709	
126,760	Aramark Corporation Class B.....	4,515	4,646	
63,800	Bank of America Corporation.....	3,290	3,812	
53,000	Beckman Coulter, Inc.....	3,402	3,402	
2,700	Black & Decker Corporation.....	241	239	
50,000	Cardinal Health Inc.....	3,949	3,666	
121,500	CBS Corporation.....	3,727	3,817	
196,400	Chevron Corporation.....	13,143	14,207	
52,500	Chubb Corporation (The).....	2,396	3,042	
101,700	Citigroup Inc.....	6,236	5,634	
42,960	Clorox Company (The).....	2,912	3,019	
80,000	Colgate-Palmolive Company.....	5,652	5,541	
108,300	Comcast Corporation Special Class A.....	4,286	4,446	
126,000	Disney (Walt) Company.....	4,644	4,344	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
United States (continued)				
58,300	ConocoPhillips	2,189	3,871	
220,000	CVS Corporation	5,271	7,881	
50,000	Emerson Electric Company	4,279	4,676	
60,700	E.W. Scripps Company (The) Class A	3,520	3,245	
79,000	Electronic Data Systems Corporation	2,318	2,160	
79,800	Exxon Mobil Corporation	5,043	5,972	
93,500	Fannie Mae	8,249	5,830	
102,000	Fifth Third Bancorp	6,849	4,332	
75,000	Fiserv, Inc.	3,848	3,939	
84,900	Freddie Mac	6,464	6,281	
278,600	General Electric Company	11,898	10,967	
84,400	Hartford Financial Services Group, Inc.	7,136	8,166	
100,000	HCA Inc.	5,693	5,564	
75,900	Hewlett-Packard Company	2,143	3,106	
74,700	Johnson & Johnson	5,298	5,410	
187,900	JPMorgan Chase & Co.	9,650	9,841	
67,000	Kimberly Clark Corporation	5,719	4,884	
192,500	Kroger Co.	4,432	4,968	
49,907	Lincoln National Corporation	3,289	3,455	
60,000	Medtronic Inc.	3,563	3,108	
44,000	Merrill Lynch & Co.	3,766	3,839	
39,100	Metlife, Inc.	1,383	2,472	
239,900	Microsoft Corporation	8,529	7,312	
80,000	Pepsico, Inc.	5,243	5,823	
225,400	Pfizer Inc.	9,471	7,129	
91,875	Proctor & Gamble Company	5,185	6,351	
74,600	Safeway Inc.	1,894	2,525	
204,800	Sprint Nextel Corporation	5,720	3,917	
13,000	Textron Inc.	980	1,269	
430,050	Time Warner Inc.	10,622	8,744	
119,400	Tyco International Ltd.	3,692	3,727	
76,000	Wal-Mart Stores Inc.	5,573	4,181	
124,000	Wells Fargo & Company	4,112	5,004	
27,500	XL Capital Ltd Class A	3,051	2,108	
		263,252	259,987	26.7
Mexico				
100,000	Cemex Sab De C.V. ADR	3,154	3,355	
42,000	Fomento Economico Mexicano, S.A. de C.V. ADR	3,437	4,541	
		6,591	7,896	0.8
Total North America		416,582	593,395	61.0
Latin America				
52,300	Petroleo Brasileiro S.A. ADR	1,635	4,365	0.4
Europe, excluding United Kingdom				
207,251	Anglo Irish Bank Corporation plc	3,726	3,801	
2,550	Arkema ADR	96	134	
12,645	Assurances Générales de France	956	1,777	
120,000	AXA	3,961	4,938	
300,000	Banco Santander Central Hispano SA	3,978	5,294	
25,000	BNP Paribas SA	2,440	3,002	
90,000	Celesio AG	4,637	5,237	
58,800	Continental AG	2,428	7,622	
104,800	Credit Suisse Group	5,002	6,762	
138,000	Deutsche Lufthansa AG	2,777	3,261	
35,000	E.ON AG	4,151	4,641	
98,560	European Aeronautic Defense and Space Company	3,690	3,163	
61,000	Endesa, S.A.	1,681	2,896	
96,300	ENI S.p.A.	2,211	3,185	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
Europe, excluding United Kingdom (continued)				
1,116,500	Ericsson LM - B.....	3,940	4,325	
61,620	Essilor International SA.....	3,834	7,041	
26,100	Fondiaría - SAI S.P.S.....	1,229	1,278	
6,600	Fondiaría - SAI SPA-RNC.....	236	243	
73,300	Fortis Group.....	2,943	3,320	
160,000	Fresenius Medical Care & Co. KGaA ADR.....	5,172	7,713	
42,000	Groupe Danone.....	4,522	6,579	
140,600	ING Groep N.V.....	5,039	6,902	
110,000	ING Groep N.V. (ADR).....	4,093	5,396	
147,000	Irish Life & Permanent PLC.....	3,836	4,110	
33,431	L'Air Liquide SA.....	5,636	7,611	
52,000	L'Oreal SA.....	4,990	5,894	
28,800	Lafarge SA.....	2,874	4,149	
155,000	Luxottica Group S.p.A. ADR.....	3,839	5,088	
9,400	MAN AG.....	438	886	
59,582	Mittal Steel Co NV.....	2,328	2,322	
19,700	MOL Magyar Olaj - es Gazipari Rt.....	922	2,000	
42,100	Muenchener Rueckversicherungs-Gesellschaft AG.....	5,836	7,426	
62,000	Nestlé S.A. ADR.....	5,126	6,064	
45,000	Novartis AG ADR.....	2,367	2,933	
56,800	Renault SA.....	6,176	7,270	
169,300	Repsol YPF, S.A.....	4,717	5,622	
32,000	Roche Holding AG.....	4,261	6,170	
23,585	Sanofi-Aventis.....	1,576	2,343	
190,000	STMicroelectronics NV - NY SHS.....	3,744	3,658	
25,000	Synthes, Inc.....	2,848	3,099	
30,800	Total SA.....	2,359	2,255	
102,000	Total SA ADR.....	6,153	7,501	
129,000	Xstrata PLC.....	2,265	5,938	
		145,033	190,849	19.6
United Kingdom				
41,600	Astrazeneca PLC.....	2,912	2,899	
262,941	Aviva PLC.....	2,821	4,298	
319,200	BP plc.....	3,749	3,878	
115,000	BP plc ADR.....	9,342	8,411	
55,000	Diageo plc ADR.....	4,202	4,358	
687,630	Friends Provident plc.....	2,735	2,777	
55,000	GlaxoSmithKline plc ADR.....	3,836	3,265	
100,890	HBOS plc.....	1,898	2,226	
66,880	HSBC Holdings plc ADR.....	6,182	6,827	
120,600	Reckitt Benckiser plc.....	4,478	5,574	
217,000	Royal Bank of Scotland Group plc.....	8,059	8,330	
370,000	Smith & Nephew plc.....	4,372	3,794	
185,000	Standard Chartered plc.....	5,234	5,283	
614,200	Standard Life PLC.....	3,005	3,471	
1,891,662	Vodafone Group Plc.....	5,752	4,827	
175,000	Vodafone Group Plc ADR.....	5,994	4,462	
		74,571	74,680	7.7
Asia				
697,000	Bank Hapoalim Ltd.....	2,116	3,673	
75,000	Canon Inc. ADR.....	3,076	4,374	
1,327,000	China Netcom Group Corporation (Hong Kong) Limited.....	2,656	2,655	
4,634,000	China Petroleum and Chemical Corporation (Sinopec).....	1,677	3,210	
601,932	Compal Electronics Inc.....	3,422	2,954	
123,900	Credit Saison Co., Ltd.....	6,409	5,832	
107,786	Emerging Markets Investors Fund.....	4,566	6,133	
111,000	Fuji Photo Film Co., Ltd.....	4,909	4,522	
134,000	Hoya Corporation.....	4,656	5,636	
23,470	Hyundai Mobis.....	2,529	2,692	
1,175	Japan Tobacco Inc.....	3,676	5,098	
65,800	JFE Holdings, Inc.....	2,257	2,880	
40,800	Kookmin Bank.....	1,727	3,588	
35,000	Kyocera Corporation ADR.....	3,302	3,339	
39,400	Leopalace21 Corporation.....	1,448	1,605	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT SEPTEMBER 30, 2006 (Continued) (Unaudited)

Number of Shares		Cost	Market Value	% of Market
		(000's)		
Asia (continued)				
108,000	Mitsui Chemicals Inc.	906	868	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	1,931	
16,800	Orix Corporation	3,120	5,185	
1,182,000	PetroChina Company Limited	1,489	1,418	
18,800	Posco	2,416	5,430	
4,250	Samsung Electronics Co. Ltd.	2,635	3,327	
218,000	Sharp Corporation	4,230	4,173	
37,200	Siam Investment Fund	527	197	
189,800	Sino Land Company Limited	347	375	
92,820	Sony Corporation ADR	5,982	4,178	
4,000	Sony Corporation	580	181	
251,000	Sumitomo Heavy Industries, Ltd.	2,814	2,346	
457	Sumitomo Mitsui Financial Group, Inc.	2,872	5,356	
391,352	Taiwan Semiconductor Manufacturing Company Ltd. ADR	3,811	4,190	
530,000	Television Broadcasts Limited	3,268	3,186	
93,600	Toyota Motor Corporation	5,764	5,682	
		<u>91,557</u>	<u>106,214</u>	10.9
Australia				
133,000	National Australia Bank Limited	3,882	4,062	0.4
	Total equities	733,260	973,565	100.0
	Forward Currency Contracts, net - Schedule 1	—	(10)	—
	Total investments	<u>\$ 733,260</u>	<u>\$ 973,555</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)
64.4	U.S. Dollar	2	1.112 - 1.113	Dec. 15, 2006	\$ (8)
1,496	Japanese Yen	2	0.009578 - 0.009598	Dec. 15, 2006	81
—	U.K. Pound Sterling	2	2.0949 - 2.1091	Dec. 15, 2006	(133)
6.8	Swiss Franc	1	0.9019	Dec. 15, 2006	50
					<u>\$ (10)</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).

	Sept. 30	March 31
	2006	2006
Net assets	\$ 950,737	\$ 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.....	\$ 942,990	\$ 932,321
Net equity value per Common Share	\$ 77.33	\$ 76.46

UNITED CORPORATIONS LIMITED

CORPORATE INFORMATION

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100 University Avenue, 9th Floor
Toronto, Ontario
M5J 2Y1
Telephone: 416-981-9633
Toll Free: 1-800-564-6253

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 every Saturday 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