

UNITED CORPORATIONS LIMITED

THIRD QUARTER REPORT
December 31, 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

February 4, 2008

UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada



THE PERIOD AT A GLANCE (Unaudited)

	As at Dec. 31 2007 ⁽¹⁾	As at March 31 2007 ^{(1) (2)}
Net equity value per Common Share ⁽³⁾	\$ 81.48	\$ 86.03
Net assets.....	\$ 1,001,358	\$ 1,056,872
Number of Common Shares outstanding at period end	12,194,193	12,194,193

	Nine months ended Dec. 31	
	2007 ⁽¹⁾	2006 ^{(1) (2)}
Investment income	\$ 19,088	\$ 18,996
Net investment income	\$ 12,087	\$ 12,039
Increase (decrease) in net assets from operations per Common Share	\$ (3.55)	\$ 10.17
Net investment income per Common Share ⁽³⁾	\$ 0.97	\$ 0.96
Regular dividends per Common Share	\$ 0.60	\$ 0.60

⁽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).

⁽³⁾ See Management's Discussion and Analysis for Non-GAAP Measures.

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 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 quarters 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.

Use of Non-GAAP Measures

The MD&A contains reference to "net equity value per Common Share" and "net investment income per Common Share". These terms do not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide information useful to our shareholders in understanding our performance and assisting readers in evaluating the Company's financial results.

Net equity value per Common Share is calculated as follows (in thousands of Canadian Dollars, except number of Common Shares outstanding and per share amounts):

	Dec. 31 2007	April 1 2007 (Note 2)	March 31 2007
Net assets	\$1,001,358	\$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>\$ 993,611</u>	<u>\$1,044,186</u>	<u>\$1,049,125</u>
Common Shares outstanding at period end	<u>12,194,193</u>	<u>12,194,193</u>	<u>12,194,193</u>
Net equity value per Common Share	<u>\$ 81.48</u>	<u>\$ 85.63</u>	<u>\$ 86.03</u>

Net investment income per Common Share is calculated as follows:

	Three months ended		Nine months ended	
	2007	2006	2007	2006
Increase (decrease) in net assets from operations per Common Share	\$ (2.09)	\$ 8.91	\$ (3.55)	\$ 10.17
Less: Net gain (loss) on investments per Common Share	<u>(2.34)</u>	<u>8.67</u>	<u>(4.52)</u>	<u>9.21</u>
Net investment income per Common Share	<u>\$ 0.25</u>	<u>\$ 0.24</u>	<u>\$ 0.97</u>	<u>\$ 0.96</u>

UNITED CORPORATIONS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Market Review

In Canadian Dollar terms, in the third quarter of fiscal 2008, the S&P/TSX Composite Index decreased 1.3%, the MSCI World Index decreased 3.2% and the S&P 500 Index decreased 4.1%. On a fiscal year to date basis the S&P/TSX Composite Index increased 7.1%, the MSCI World Index decreased 8.8% and the S&P 500 Index decreased 10.2%.

For the quarter ended December 31, 2007, the Company's net equity value per share decreased to \$81.48 from \$83.78 at September 30, 2007, a decrease of 2.5% (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 decreased to \$81.48 from \$86.03 at March 31, 2007, a decrease of 4.6% (based on the reinvestment of dividends at month-end net equity values).

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.

Operating Results

Net investment income

The Company's net investment income in the third quarter of fiscal 2008 was \$3,107,000 compared to fiscal 2007 net investment income of \$3,082,000. On a year to date basis, the net investment income increased to \$12,087,000 in fiscal 2008 from \$12,039,000 in fiscal 2007. On a per common share basis, net investment income for the quarter increased to \$0.25 in fiscal 2008 from \$0.24 in fiscal 2007 and on a year to date basis to \$0.97 in fiscal 2008 from \$0.96 in fiscal 2007.

Foreign dividend income increased in the third quarter to \$2,890,000 in fiscal 2008 from \$2,777,000 in fiscal 2007 and decreased to \$13,295,000 in fiscal 2008 from \$13,312,000 in fiscal 2007 on a year to date basis. The fiscal 2007 year to date results include a special dividend of approximately \$632,000 that was paid by Vodafone Group PLC. Canadian dividend income decreased in the third quarter of fiscal 2008 to \$1,737,000 from \$1,889,000 in fiscal 2007 and increased to \$5,161,000 in fiscal 2008 from \$5,086,000 in fiscal 2007 on a year to date basis. Interest, including securities lending income, in the third quarter amounted to \$201,000 in fiscal 2008, compared to \$152,000 in fiscal 2007, and increased to \$632,000 in fiscal 2008 from \$598,000 in fiscal 2007 on a year to date basis.

Operating expenses in the quarter amounted to \$1,001,000 (fiscal 2007 - \$1,058,000) and \$3,193,000 (fiscal 2007 - \$3,021,000) on a year to date basis. The rise in expenses on a year to date basis 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 \$11,058,000 in the third quarter of fiscal 2008 (fiscal 2007 net gain - \$11,943,000). On a fiscal year to date basis, the net gain on investments sold was \$32,810,000 (2007 net gain - \$38,085,000). The largest equity contributors to the realized gain in the current quarter were Petro Brasileiro S.A. ADR, China Petroleum and Chemical Corporation, L'Air Liquide SA and Sun Life Financial Services of Canada. In addition, there was a realized gain on the maturity of the forward currency contracts. The most significant losses in the quarter resulted from the sale of Wal-Mart Stores Inc. and Credit Saison Co., Ltd.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Company's unrealized appreciation of investments decreased by \$39,209,000 in the quarter compared to an increase of \$93,729,000 in the same period last year. On a year to date basis, unrealized appreciation of investments decreased by \$87,314,000 to \$183,826,000 as at December 31, 2007 (fiscal 2007 - increase of \$74,182,000 to \$292,154,000). The Company's unrealized appreciation of investments declined throughout each region in the investment portfolio. The equity investments with the most adverse impact on the portfolio during the quarter were Telefonaktiebolaget LM Ericsson B, JFE Holdings, Inc., Metro Inc., and Royal Bank of Scotland. On a sector basis, the Company's large exposure to financial services holdings and the turmoil in the credit markets adversely impacted performance. Potash Corp. of Saskatchewan was the most significant positive contributor in the quarter.

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):

	Dec. 31 2007	Sept. 30 2007	June 30 2007	March 31 2007	Dec. 31 2006	Sept. 30 2006	June 30 2006	March 31 2006
Investments	\$ 1,021,684	\$ 1,053,387	\$ 1,100,232	\$ 1,093,562	\$ 1,106,835	\$ 973,555	\$ 935,334	\$ 970,875
Investment income	\$ 4,828	\$ 5,154	\$ 9,106	\$ 5,844	\$ 4,818	\$ 5,738	\$ 8,440	\$ 5,024
Increase (decrease) in net assets from operations	\$ (25,389)	\$ (34,149)	\$ 16,556	\$ 2,588	\$ 108,754	\$ 37,458	\$ (21,906)	\$ 48,068
Increase (decrease) in net assets from operations per share ¹	\$ (2.09)	\$ (2.81)	\$ 1.35	\$ 0.20	\$ 8.91	\$ 3.06	\$ (1.80)	\$ 3.93

¹ Net of dividends on preferred shares

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, generated by the investment managers, will fluctuate and will not necessarily correlate with the various benchmark returns.

Share Data

At December 31st, 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 December 31, 2007, net investment income was \$3,107,000 as compared to dividend payments of \$2,532,000. On a fiscal year to date basis, net investment income of \$12,087,000 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 4, 2008

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET ASSETS (Unaudited)

	Dec. 31 2007	March 31 2007
		(000's)
ASSETS		
Investments, at fair value (cost - \$804,015; March 31, 2007 - \$760,231).....	\$ 1,021,684	\$ 1,093,562
Cash	6,083	5,851
Short-term investments	5,504	3,005
Receivable in respect of investments sold	495	14,277
Accrued income on investments.....	1,112	2,524
Income taxes receivable.....	2,005	—
Other assets	522	563
	<u>1,037,405</u>	<u>1,119,782</u>
LIABILITIES		
Accounts payable and accrued liabilities.....	845	926
Payable in respect of investments purchased	968	—
Income taxes payable.....	—	3,604
Future income taxes	34,234	58,380
	<u>36,047</u>	<u>62,910</u>
Net assets, at fair value	<u>\$ 1,001,358</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	276,532	239,793
Unrealized appreciation of investments (Note 2)	183,826	276,079
Total shareholders' equity.....	<u>\$ 1,001,358</u>	<u>\$ 1,056,872</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2007	2006	2007	2006
	(000's)			
INVESTMENT INCOME				
Dividends:				
Foreign.....	\$ 2,890	\$ 2,777	\$ 13,295	\$ 13,312
Canadian.....	1,737	1,889	5,161	5,086
	<u>4,627</u>	<u>4,666</u>	<u>18,456</u>	<u>18,398</u>
Interest, including securities lending income	201	152	632	598
	<u>4,828</u>	<u>4,818</u>	<u>19,088</u>	<u>18,996</u>
Expenses:				
Management and administrative costs ...	801	817	2,497	2,316
Directors' and officers' remuneration.....	44	44	140	131
Office and miscellaneous.....	25	50	133	140
Transfer, registrar and custodial agents' fees	97	112	315	322
Professional fees	13	16	45	51
Capital taxes	21	19	63	61
	<u>1,001</u>	<u>1,058</u>	<u>3,193</u>	<u>3,021</u>
Investment income before income taxes.....	3,827	3,760	15,895	15,975
Income taxes	720	678	3,808	3,936
NET INVESTMENT INCOME	<u>3,107</u>	<u>3,082</u>	<u>12,087</u>	<u>12,039</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Net realized gain on investments.....	11,058	11,943	32,810	38,085
Net change in unrealized appreciation of investments (Note 2)	(39,209)	93,729	(87,314)	74,182
Transaction costs on purchase and sale of investments (Note 1).....	(345)	—	(565)	—
NET GAIN (LOSS) ON INVESTMENTS	<u>(28,496)</u>	<u>105,672</u>	<u>(55,069)</u>	<u>112,267</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ (25,389)</u>	<u>\$ 108,754</u>	<u>\$ (42,982)</u>	<u>\$ 124,306</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER COMMON SHARE	<u>\$ (2.09)</u>	<u>\$ 8.91</u>	<u>\$ (3.55)</u>	<u>\$ 10.17</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (Unaudited)

	Nine months ended Dec. 31	
	2007	2006
	(thousands of dollars)	
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 239,793	\$ 181,096
Add:		
Net investment income	12,087	12,039
Net realized gain on investments	32,810	38,085
Refundable dividend taxes recovered	1,606	1,761
	<u>286,296</u>	<u>232,981</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.....	1,600	1,577
Transaction costs on purchase and sale of investments	565	—
	<u>9,764</u>	<u>9,176</u>
RETAINED EARNINGS, END OF PERIOD	<u>\$ 276,532</u>	<u>\$ 223,805</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2007	2006	2007	2006
	(thousands of dollars)			
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ (25,389)	\$ 108,754	\$ (42,982)	\$ 124,306
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 (increase) decrease in refundable dividend tax on hand	(134)	—	6	184
INCREASE (DECREASE) IN NET ASSETS	(28,055)	106,222	(50,575)	116,891
NET ASSETS, BEGINNING OF PERIOD (NOTE 2)	1,029,413	950,737	1,051,933	940,068
NET ASSETS, END OF PERIOD	<u>\$ 1,001,358</u>	<u>\$1,056,959</u>	<u>\$ 1,001,358</u>	<u>\$1,056,959</u>

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF NET REALIZED GAIN ON INVESTMENTS (Unaudited)

	Three months ended Dec. 31		Nine months ended Dec. 31	
	2007	2006	2007	2006
	(thousands of dollars)			
Proceeds on sales of investments.....	\$ 64,397	\$ 54,822	\$ 196,288	\$ 146,669
Cost of investments, beginning of period	785,939	733,260	760,231	704,452
Cost of investments purchased during the period	68,837	60,964	199,359	149,707
	854,776	794,224	959,590	854,159
Cost of investments, end of period	804,015	754,080	804,015	754,080
Cost of investments sold during the period ...	50,761	40,144	155,575	100,079
Realized gain on investments sold before taxes	13,636	14,678	40,713	46,590
Provision for taxes on realized net taxable capital gains	2,578	2,735	7,903	8,505
Net realized gain on investments	\$ 11,058	\$ 11,943	\$ 32,810	\$ 38,085

(See accompanying notes)

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 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	\$ 2,086	0.2
Common				
362,568	Algoma Central Corporation.....	6,201	49,309	
123,150	Bank of Montreal.....	7,828	6,927	
343,425	Bank of Nova Scotia.....	5,921	17,226	
80,000	Cameco Corporation.....	279	3,166	
167,300	Canadian National Railway Company.....	6,713	7,805	
120,370	Canadian Natural Resources Ltd.....	7,076	8,732	
101,200	Canadian Tire Corp. Ltd. Class A.....	2,886	7,486	
155,000	Canadian Utilities Limited Class A.....	3,793	7,155	
222,702	Canfor Corporation.....	1,436	1,940	
246,826	Enbridge Inc.....	3,366	9,873	
223,720	Encana Corporation.....	6,807	15,101	
188,570	Goldcorp, Inc.....	6,112	6,364	
300,000	Great-West Lifeco Inc.....	4,287	10,644	
174,320	Imperial Oil Limited.....	1,746	9,521	
210,676	Jean Coutu Group Inc.....	1,949	2,341	
185,400	Kinross Gold Corporation.....	3,255	3,387	
108,940	Loblaw Cos. Limited.....	5,420	3,700	
470,400	Manulife Financial Corporation.....	7,784	19,028	
258,990	Metro Inc.....	2,667	6,811	
525,060	Nexen Inc.....	4,208	16,833	
52,400	Nova Chemicals Corporation.....	1,491	1,685	
110,300	Potash Corp. of Saskatchewan.....	1,604	15,783	
161,000	Power Financial Corporation.....	926	6,562	
107,775	Quebecor Inc. Class B.....	3,923	3,848	
180,000	Rogers Communications Inc. Class B.....	1,846	8,098	
129,290	Rothmans Inc.....	1,392	3,271	
355,026	Royal Bank of Canada.....	5,160	17,996	
338,400	Shaw Communications Inc. Class B.....	5,393	7,983	
313,140	SNC-Lavalin Group Inc. Class A.....	1,320	15,062	
92,810	Suncor Energy Inc.....	8,376	10,015	
704,310	Talisman Energy Inc.....	4,347	12,931	
176,110	Thomson Corporation (The).....	7,974	7,103	
237,608	Toronto-Dominion Bank.....	4,866	16,502	
196,735	TransCanada Corporation.....	3,302	7,970	
170,000	Transcontinental Inc - Class A.....	3,402	2,669	
240,000	TVA Group Inc. Class B.....	3,202	3,485	
90,600	West Fraser Timber Co. Ltd.....	2,067	3,144	
55,000	Weston (George) Limited.....	5,071	2,969	
		<u>155,396</u>	<u>360,425</u>	35.3
United States				
66,000	3M Co.....	6,082	5,500	
64,000	Abbott Laboratories.....	3,891	3,543	
144,500	Altria Group, Inc.....	9,037	10,783	
121,100	American Int'l Group Inc.....	9,687	6,963	
70,000	Anheuser-Busch Companies, Inc.....	3,370	3,616	
63,800	Bank of America Corporation.....	3,290	2,594	
16,000	Black & Decker Corporation.....	1,513	1,100	
185,300	CBS Corporation.....	5,989	4,980	
186,400	Chevron Corporation.....	12,474	17,157	
150,000	Cisco Systems Inc.....	4,632	4,009	
8,677	Citadel Broadcasting Corporation.....	58	18	
81,500	Citigroup Inc.....	4,997	2,364	
42,960	Clorox Company (The).....	2,912	2,760	
80,000	Colgate-Palmolive Company.....	5,652	6,165	
160,480	Community Health Systems Inc.....	6,027	5,851	
122,300	ConocoPhillips.....	7,210	10,665	
220,000	CVS/Caremark Corp.....	5,271	8,624	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
United States (continued)				
149,300	Dow Chemical Company (The)	6,879	5,799	
100,000	Emerson Electric Company	4,279	5,589	
87,000	E.W. Scripps Company (The) Class A	4,680	3,858	
71,800	Exxon Mobil Corporation	4,537	6,644	
54,100	Fannie Mae	4,773	2,133	
75,000	Fiserv, Inc.	3,848	4,112	
65,900	Freddie Mac	5,017	2,217	
160,700	General Electric Company	6,863	5,872	
100,000	Halliburton Company	3,690	3,746	
82,200	Hartford Financial Services Group, Inc.	7,309	7,070	
29,200	International Business Machines Corporation	3,359	3,113	
81,700	Johnson & Johnson	5,847	5,377	
153,500	JPMorgan Chase & Co.	7,731	6,607	
80,400	Kroger Co.	1,851	2,120	
122,700	Macy's Inc.	5,832	3,129	
142,300	Marathon Oil Corporation	8,775	8,543	
19,600	MBIA Inc.	1,643	358	
52,400	McKesson Corporation	3,304	3,392	
99,000	Merrill Lynch & Co.	7,208	5,247	
39,100	Metlife, Inc.	1,383	2,376	
82,700	Microsoft Corporation	2,940	2,908	
39,400	Northrop Grumman Corporation	3,253	3,062	
80,000	Pepsico, Inc.	5,243	5,988	
503,100	Pfizer Inc.	16,544	11,284	
91,875	Proctor & Gamble Company	5,185	6,651	
90,000	Quest Diagnostics Incorporated	4,715	4,703	
74,600	Safeway Inc.	1,894	2,518	
204,800	Sprint Nextel Corporation	5,720	2,659	
462,350	Time Warner Inc.	11,197	7,524	
154,000	Wachovia Corporation	9,892	5,770	
124,000	Wells Fargo & Company	4,112	3,689	
27,500	XL Capital Ltd Class A	3,053	1,364	
		<u>264,648</u>	<u>242,114</u>	23.7
Mexico				
126,000	Fomento Economico Mexicano, S.A. de C.V. ADR	3,436	4,740	0.4
	Total North America	<u>426,992</u>	<u>609,365</u>	59.6
Latin America				
112,300	Companhia Vale do Rio Doce	3,106	3,104	
37,500	Petroleo Brasileiro S.A. ADR	586	3,569	
		<u>3,692</u>	<u>6,673</u>	0.6
Europe, excluding United Kingdom				
37,800	Air France - KLM	1,426	1,312	
34,750	Allianz SE	8,562	7,416	
207,251	Anglo Irish Bank Corporation plc	3,726	3,292	
65,982	ArcelorMittal	2,611	5,063	
120,000	AXA	3,961	4,730	
324,000	Banco Santander Central Hispano SA	4,888	6,909	
32,300	BASF AG	3,265	4,708	
41,500	Bayer AG	3,259	3,733	
25,000	BNP Paribas SA	2,440	2,676	
90,000	Celesio AG	4,637	5,494	
104,800	Credit Suisse Group	4,960	6,214	
38,300	Deutsche Bank AG	5,290	4,942	
138,000	Deutsche Lufthansa AG	2,777	3,620	
23,300	E.ON AG	2,763	4,892	
96,300	ENI S.p.A.	2,211	3,476	
105,240	Essilor International SA	3,274	6,605	
47,400	Fondiarria - SAI S.P.A.	2,325	1,929	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
Europe, excluding United Kingdom (continued)				
10,000	Fondiaria - SAI SPA-RNC	364	278	
177,200	Fortis Group	5,672	4,605	
113,000	Fresenius Medical Care & Co. KGaA ADR	3,653	5,880	
50,000	Groupe Danone.....	2,692	4,429	
140,600	ING Groep N.V.	5,039	5,426	
145,000	ING Groep N.V. (ADR)	6,057	5,576	
277,000	Irish Life & Permanent PLC.....	7,750	4,696	
34,486	L'Air Liquide SA.....	2,907	5,054	
37,000	L'Oreal SA.....	3,550	5,229	
32,800	Lafarge SA	3,484	5,889	
19,800	Lukoil	1,675	1,696	
125,000	Luxtica Group S.p.A. ADR.....	3,096	3,889	
8,300	Michelin CIE CL B	878	940	
25,800	Muenchener Rueckversicherungs-Gesellschaft AG.....	3,765	4,939	
67,000	Nestlé S.A. ADR.....	5,652	7,577	
47,600	Renault SA	5,176	6,662	
12,000	Repsol YPF, S.A.....	334	422	
32,000	Roche Holding AG.....	4,261	5,419	
37,785	Sanofi-Aventis	2,969	3,433	
92,000	SAP AG Spons ADR	5,183	4,645	
41,000	Schneider Electric SA	5,778	5,478	
40,600	Siemens AG	5,537	6,352	
190,000	STMicroelectronics NV - NY SHS	3,744	2,681	
109,900	StatoilHydro ASA	3,341	3,375	
173,300	Stora Enso Oyj.....	3,395	2,555	
29,000	Synthes, Inc.	3,326	3,543	
1,666,500	Telefonaktiebolaget LM Ericsson B.....	5,854	3,865	
102,000	Total SA ADR.....	6,153	8,325	
87,890	Xstrata PLC.....	1,543	6,114	
		<u>175,203</u>	<u>205,983</u>	20.2
United Kingdom				
34,300	Astrazeneca PLC	2,401	1,454	
267,437	Aviva PLC	2,884	3,525	
115,000	BP plc ADR	9,285	8,295	
40,000	Diageo plc ADR.....	3,056	3,388	
279,900	HBOS plc	5,150	4,032	
120,600	Reckitt Benckiser plc.....	4,478	6,869	
974,854	Royal Bank of Scotland Group plc	12,107	8,480	
137,000	Royal Dutch Shell PLC	5,590	5,681	
290,000	Smith & Nephew plc.....	3,427	3,294	
185,000	Standard Chartered plc	5,234	6,683	
1,431,662	Vodafone Group Plc.....	4,354	5,267	
200,000	Vodafone Group Plc ADR.....	6,732	7,355	
		<u>64,698</u>	<u>64,323</u>	6.3
Asia				
204,492	AU Optronics Corp. ADR	3,024	3,880	
697,000	Bank Hapoalim Ltd.	2,116	3,466	
92,000	Canon Inc. ADR	4,065	4,163	
1,497,500	China Netcom Group Corporation (Hong Kong) Limited	3,001	4,430	
2,484,000	China Petroleum and Chemical Corporation (Sinopec).....	899	3,701	
604,942	Compal Electronics Inc.	3,422	3,048	
133,900	Credit Saison Co., Ltd.	6,325	3,612	
490,000	Daiwa Securities Group Inc.	6,202	4,377	
47,100	Fanuc Ltd.	5,260	4,515	
107,786	Emerging Markets Investors Fund	5,316	7,786	
144,000	Hoya Corporation.....	5,082	4,508	
112,700	Hynix Semiconductor Inc.	4,097	3,088	
34,710	Hyundai Mobis	3,678	3,196	
101,800	JFE Holdings, Inc.....	3,863	5,078	
17,800	Keyence Corporation	4,016	4,332	
40,800	Kookmin Bank	1,727	2,977	

UNITED CORPORATIONS LIMITED

CONSOLIDATED STATEMENT OF INVESTMENTS AS AT December 31, 2007 (Continued) (Unaudited)

Number of Shares		Cost	Fair Value	% of Fair Value
		(000's)		
Asia (continued)				
17,400	Leopalace21 Corp.	639	463	
262,000	Mitsubishi Chemical Holdings Corporation	2,441	1,979	
108,000	Mitsui Chemicals Inc.	906	698	
234,000	Mitsui O.S.K. Lines, Ltd.	2,370	2,937	
210,000	Nippon Yusen Kabushiki Kaisha	2,025	1,644	
765,300	Nissan Motor Co., Ltd.	8,605	8,325	
25,840	Orix Corporation	4,973	4,351	
5,500	Posco	707	3,345	
4,250	Samsung Electronics Co. Ltd.....	2,635	2,504	
229,000	Sharp Corporation.....	4,448	4,042	
37,200	Siam Investment Fund.....	527	174	
74,820	Sony Corporation ADR.....	4,822	4,012	
664	Sumitomo Mitsui Financial Group, Inc.	4,388	4,892	
489,000	Sumitomo Trust and Banking Co., Ltd. (The).....	5,718	3,226	
180,000	Suzuki Motor Corporation	5,533	5,333	
290,000	Tata Motors	5,864	5,387	
630,000	Television Broadcasts Limited.....	3,855	3,696	
1,357,655	United Microelectronics Corporation ADR.....	5,417	4,642	
		<u>127,966</u>	<u>127,807</u>	12.5
Australia				
70,000	BHP Billiton Limited-Spon ADR.....	5,464	4,838	0.5
	Total equities	804,015	1,018,989	99.7
	Forward Currency Contracts, net - Schedule 1	—	2,695	0.3
	Total investments	<u>\$ 804,015</u>	<u>\$ 1,021,684</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 Gain (000's)
98.0	U.S. Dollar	1	1.014	March 17, 2008	<u>\$ 2,695</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> (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 future income taxes.....	333,331	5,957	327,374
Provision for future 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

CORPORATE INFORMATION

HEAD OFFICE Tenth Floor, 165 University Avenue, Toronto, Ontario, M5H 3B8
Tel: 416-947-2578
Fax: 416-362-2592

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

BANKER 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

