

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

UNITED INTERNATIONAL GROWTH FUND INC

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Mailing Address
*PO BOX 29217
SHAWNEE MISSION KS
66201-9217*

Business Address
*6300 LAMAR AVE
P O BOX 29217
SHAWNEE MISSION KS
66201-9217
9132361579*

UNITED
INTERNATIONAL
GROWTH FUND,
INC.

ANNUAL
REPORT

For the fiscal year ended June 30, 1996

FUND MANAGER'S LETTER
JUNE 30, 1996

Dear Shareholder:

This report relates to the operation of United International Growth Fund for the fiscal year ended June 30, 1996. The following discussion, graphs and tables provide you with information regarding the Fund's performance during that period.

Despite declining interest rates during much of the past fiscal year, global economic growth generally continued to slow. Economic stagnation was especially evident in Europe and Canada, while the economies of Mexico and Japan showed signs of recovering from their respective economic crises. During the past fiscal year, the U.S. Dollar grew in strength relative to most foreign currencies. General elections in many foreign countries during the past fiscal year contributed to global economic uncertainty.

Since assuming management of the Fund on May 1, 1996, I have pursued investment strategies consistent with those of previous management. The Fund continued its strategy during the past fiscal year of investing in interest-sensitive European stocks, and also those of Scandinavian, British and German exporters. In the Pacific Basin, we concentrated on companies that offered low cost alternatives to expensive Japanese products. In emerging markets, the Fund emphasized infrastructure and technology stocks in countries with strong government spending plans.

The strategies and techniques we applied resulted in the Fund slightly underperforming the indexes charted on the following page. Those indexes generally reflect the performance of the international securities market as charted by the Morgan Stanley E.A.FE. Index (Europe, Australia, Far East Index) and the universe of funds with similar investment objectives (the Lipper International Fund Universe Average). The Fund's performance was negatively impacted by its exposure to stocks of Latin American companies.

We expect global inflation to remain subdued during the next fiscal year. The U.S. Dollar should remain strong relative to world currencies. The economies of Japan and Latin American countries are positioned to continue their gradual recoveries, while Europe and Canada should experience some growth. During the next fiscal year, we expect to continue emphasizing stocks in economically and politically stable countries that have the potential for growth.

Thank you very much for your continued support and confidence in our

organization.

Respectfully,
Thomas A. Mengel
Manager, United International Growth Fund, Inc.

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
UNITED INTERNATIONAL GROWTH FUND, INC.,
THE MORGAN STANLEY E.A.FE. INDEX (WITH NET DIVIDENDS),
AND THE LIPPER INTERNATIONAL FUND UNIVERSE AVERAGE

	United International Growth Fund	Morgan Stanley E.A.FE. Index	Lipper International Fund Universe Average
06/30/86 Purchase	9,425	10,000	10,000
06/30/87	13,029	15,833	14,205
06/30/88	12,813	16,476	13,920
06/30/89	12,817	18,046	15,414
06/30/90	14,796	18,633	18,678
06/30/91	13,243	16,484	16,807
06/30/92	16,102	16,377	18,456
06/30/93	16,523	19,699	19,922
06/30/94	22,029	23,048	24,256
06/30/95	23,787	23,429	24,543
06/30/96	26,570	26,541	28,356

==== United International Growth Fund* -- \$26,570
++++ Morgan Stanley E.A.FE. Index -- \$26,541
----- Lipper International Fund Universe Average -- \$28,356

*The value of the investment in the Fund is impacted by the sales load at the time of the investment and by the ongoing expenses of the Fund.

Annual Average Total Return +
Class A++ Class Y

Year Ended		
6/30/96	5.28%	N/A
5 Years Ended		
6/30/96	13.59%	N/A
10 Years Ended		
6/30/96	10.26%	N/A
Aggregate Total Return for Life of Class Y +++	N/A	5.44%

- + Total return for the Class Y shares may be greater than that of the Class A shares because the Fund's Class Y shares are not subject to a sales load or 12b-1 fees.
- ++ Performance data quoted represents past performance and is based on deduction of a 5.75% sales load on the initial purchase in each of the three periods. Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.
- +++ 9/27/95 (the date on which Fund Class Y shares were first acquired by shareholders) through 6/30/96.

Past performance is not predictive of future performance. Indexes are unmanaged.

SHAREHOLDER SUMMARY

 UNITED INTERNATIONAL GROWTH FUND, INC.

PORTFOLIO STRATEGY:

Normally at least 80% in foreign securities. Not more than 75% in securities in any one country.

OBJECTIVE: Long-term appreciation of capital with realization of income as a secondary consideration.

Maximum of 15% in currency exchange contracts

STRATEGY: Invests in securities (common stocks and/or debt securities) issued by companies or governments of any nation. (May purchase securities subject to repurchase agreements. May invest in certain options.)

Cash Reserves

The use of cash reserves (often invested in money market securities) for defensive purposes is a strategy that may be utilized by the International Growth Fund from time to time.

Moving into cash reserve positions at times thought to be near a major stock market peak allows the Fund the opportunity to capture profits and attempts to cushion the impact of market declines. The added flexibility provided by our CASH RESERVES STRATEGY has from time to time been an important element in

our past success and, when deemed appropriate, may be used in the management of the portfolio in the future.

FOUNDED: 1970

SCHEDULED DIVIDEND FREQUENCY: SEMIANNUALLY (June and December)

PERFORMANCE SUMMARY - Class A Shares

PER SHARE DATA

For the Fiscal Year Ended June 30, 1996

DIVIDENDS PAID \$0.07
=====

CAPITAL GAINS DISTRIBUTION \$0.60
=====

NET ASSET VALUE ON
6/30/96 \$8.95 adjusted to:\$9.55 (A)
6/30/95 8.68

CHANGE PER SHARE \$0.87
=====

(A) This number includes the capital gains distribution of \$0.60 paid in December 1995 added to the actual net asset value on June 30, 1996.

Past performance is not necessarily indicative of future results.

TOTAL RETURN HISTORY

Period	Average Annual Total Return	
	With Sales Load*	Without Sales Load**
1-year period ended 6-30-96	5.28%	11.70%
5-year period ended 6-30-96	13.59%	14.94%
10-year period ended 6-30-96	10.26%	10.92%

*Performance data quoted represents past performance and is based on deduction of 5.75% sales load on the initial purchase in each of the three periods.

**Performance data quoted in this column represents past performance without taking into account the sales load deducted on an initial purchase.

Investment return and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost.

PORTFOLIO HIGHLIGHTS

On June 30, 1996, United International Growth Fund, Inc. had net assets totaling \$776,187,817 invested in a diversified portfolio of:

92.21%	Common Stocks and Rights
6.00%	Cash and Cash Equivalents and Open Forward Currency Contracts
1.79%	Preferred Stocks

As a shareholder of United International Growth Fund, Inc., for every \$100 you had invested on June 30, 1996, your Fund owned \$6.00 in cash and cash equivalents and open forward currency contracts; the remainder was invested by country and by industry, respectively, as follows:

\$38.82	Europe
24.72	Pacific Basin
22.05	Scandinavia
6.44	Mexico
6.00	Cash and Cash Equivalents and Open Forward Currency Contracts
1.97	South America

\$33.67	Manufacturing
20.14	Finance, Insurance and Real Estate
13.26	Transportation, Communication, Electric, Gas and Sanitary Services
10.42	Wholesale and Retail Trade
9.40	Miscellaneous Investing Institutions
6.00	Cash and Cash Equivalents and Open Forward Currency Contracts
3.81	Services
2.86	Contract Construction
0.44	Mining

The Manufacturing segment shown above is comprised of the following industries:

\$9.16	Electronic and Other Electric Equipment
6.79	Chemicals and Allied Products
3.95	Transportation Equipment
3.49	Printing and Publishing
2.44	Industrial Machinery and Equipment
2.26	Fabricated Metal Products
1.74	Food and Kindred Products
1.64	Instruments and Related Products

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS AND RIGHTS		
Argentina - 0.32%		
Ciadea, S.A.*	135,136	\$ 939,195
Corcemar, Class B Rights*	302,820	5,420
Corcemar S.A., Series B1*	338,522	1,574,129
Total		2,518,744
Australia - 3.66%		
Advance Bank Australia Ltd.	982,587	4,075,741
John Fairfax Holdings Ltd.	1,500,000	3,122,761
News Corporation Limited	563,180	3,189,952
Publishing & Broadcasting PBL	1,000,000	4,399,361
Westpac Banking Corp.	1,887,894	8,350,022
Woolworths Ltd.	2,200,000	5,305,944
Total		28,443,781
Brazil - 0.54%		
Telebras S.A., ADR	60,000	4,177,500
Denmark - 3.75%		
Copenhagen Airports A/S	82,000	8,120,059
Danske Traelast	54,975	4,045,385
Tele Danmark A/S	250,000	12,591,555
Thorkild Kristensen	66,450	4,322,523
Total		29,079,522
Finland - 3.04%		
Nokia Corporation, Series K	512,200	18,783,840
Tampella OY*	2,503,167	4,787,360
Total		23,571,200
France - 4.94%		
Christian Dior S.A.	30,000	3,908,529
Guyenne et Gascogne	18,780	6,723,054
Lapeyre S.A.	197,985	11,607,451
Societe Industrielle de Transports		
Automobiles S.A.	42,100	10,405,067
Television Francais 1-TF1 S.A.	50,000	5,716,953
Total		38,361,054

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS AND RIGHTS (Continued)		
Germany - 5.68%		
Daimler-Benz AG*	13,000	\$ 6,963,828
Daimler-Benz AG, Rights*	10,000	1,381
Depfa Bank	300,000	11,857,941
GILDEMEISTER Aktiengesellschaft*	59,750	2,554,258
Mannesmann AG	31,700	10,966,261
Metallgesellschaft AG*	200,000	3,439,658
TRAUB AG (B)*	47,000	3,044,722
Vereinigte Baubeschlag-Handel Aktiengesellschaft.....	20,000	5,261,427
Total		44,089,476
Hong Kong - 6.24%		
Dongfang Electrical Machinery Co., Ltd.		
	9,106,000	2,282,972
First Pacific Company Limited	11,094,000	17,061,075
Guangdong Corporation Limited	10,000,000	6,332,386
Guangzhou Investment Company Ltd.	26,000,000	6,552,081
HSBC Holdings Plc	400,000	6,048,074
Harbin Power Equipment Company Limited, H Shares	598,000	89,646
Peregrine Investments Holdings, Ltd. ...	7,000,000	10,086,586
Total		48,452,820
Indonesia - 0.82%		
PT Bimantara Citra, F	1,700,000	2,137,340
PT Semen Cibinong, F	600,000	1,308,839
Pt Steady Safe Transportation Service, F	2,126,500	2,924,921
Total		6,371,100
Ireland - 0.40%		
Allied Irish Banks plc	600,000	3,141,717
Italy - 2.47%		
Mediolanum S.p.A.*	350,000	3,476,225
Parmalat Finanziaria SPA	2,500,000	3,339,321
STET - Societa Finanziaria		
Telefonica p.a.	2,900,000	7,633,573
Telecom Italia Mobile Risp*	3,500,000	4,757,348
Total		19,206,467

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS AND RIGHTS (Continued)		
Japan - 12.16%		
Amway Japan	75,000	\$ 3,770,222
Dai-ni Denden Corporation	1,050	9,174,664
Daiichi Corporation	150,000	4,359,748
Honda Motor Co., Ltd.	350,000	9,085,093
Japan Airport Terminal Co.	100,000	1,416,690
Matsushita Electric Industrial	500,000	9,322,731
Mitsubishi Heavy Industries, Ltd.	300,000	2,613,107
Mitsubishi Motors	500,000	4,387,168
Promise Co., Ltd.	60,000	2,961,338
Sankyo Co., Ltd.	600,000	15,574,445
Sony Corporation	220,000	14,497,761
TDK Corp.	225,000	13,449,410
Xebio Co., Ltd.	100,000	3,756,512
Total		94,368,889
Mexico - 6.44%		
bufete industrial, s.a., ADR*	337,500	5,864,063
Cemex, S.A., CPO Shares, Series A	923,750	3,296,491
Desc-Sociedad de Fomento Industrial, S.A. de C.V., Class B*	1,297,000	7,011,274
Desc-Sociedad de Fomento Industrial, S.A. de C.V., Class C*	4,770	24,903
Empresas ICA Sociedad Controladora, S.A. de C.V., ADS*	728,000	10,101,000
Fomento Economico Mexicano, S.A. de C.V., Class B	1,760,000	5,001,322
Grupo Carso, S.A. de C.V., Series 1A* ..	750,000	5,333,069
Grupo Financiero Bancomer, S.A. de C.V., B, CPO Shares*	15,279,600	6,664,377
Telefonos de Mexico, S.A. de C.V., ADR	200,000	6,700,000
Total		49,996,499
Netherlands - 4.66%		
Koninklijke Boskalis Westminster N.V.* .	350,000	6,260,263
Koninklijke PTT Nederland NV	350,000	13,259,442
Vendex International N.V.	253,500	8,845,443
Verenigd Bezit VNU*	500,000	7,770,350
Total		36,135,498

See Notes to Schedule of Investments on page 11.

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS AND RIGHTS (Continued)		
Norway - 2.93%		
Fokus Bank A.S.*	1,000,000	\$ 5,455,134
Orkla, Series A	118,700	6,255,744
Schibsted AS	331,200	4,287,180
UNI Storebrand AS, Series A*	1,500,000	6,749,572
Total		22,747,630
Philippines - 0.16%		
Pilipino Telephone Corporation*	800,500	1,222,604
Portugal - 0.34%		
Portugal Telecom, S.A., Ordinary Shares*	100,000	2,617,175
Spain - 5.05%		
Corporacion Bancaria de Espana, S.A. ...	303,000	13,236,715
Corporation Financiero Alba, S.A.	147,250	12,266,998
Gas Natural SDG, S.A.	15,211	3,197,686
Grupo Uralita S.A.	235,506	2,208,559
Iberdrola	450,000	4,624,492
Telefonica de Espana, S.A.	200,000	3,688,653
Total		39,223,103
Sweden - 12.33%		
Astra AB, Class A	500,165	22,135,875
Catena, Series A	700,000	6,661,229
Frontec AB, Class B*	90,000	1,107,939
Kinnevik AB, B Shares	400,000	12,144,281
NCC AB, Series B	358,000	3,677,119
NetCom Systems AB, Class B*	400,000	4,531,448
Nobel Biocare AS	200,000	3,715,788
Skandia Enskilda Banken, Class A	2,720,000	21,775,119
Skandia Group Insurance Company Ltd.* ..	150,000	3,976,346
Sparbanken Sverige AB, Series A	500,000	6,495,076
Stadshypotek, Class A	200,000	4,471,029
Tidnings AB Marieberg, Series A, F	100,000	2,507,401
WM-data AB, Class B	40,000	2,537,611
Total		95,736,261

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Shares	Value
COMMON STOCKS AND RIGHTS (Continued)		
Switzerland - 5.98%		
Adia SA, Bearer Shares	26,500	\$ 6,657,332
CS Holding, Registered Shares	115,000	10,948,876
Ciba-Geigy AG, Registered	12,300	15,007,201
SMH Swiss Corporation	13,000	9,048,724
Societe Internationale Pirelli*	40,000	4,736,379
Total		46,398,512
Thailand - 1.68%		
Charoen Pokphand Feedmill	900,000	5,147,929
Matichon Company Ltd.	807,666	6,244,676
Thai Stanley Electric Co. Ltd.	258,500	1,611,164
Total		13,003,769
United Kingdom - 8.62%		
HSBC Holdings Plc	300,000	4,699,293
Kingfisher plc	750,000	7,534,953
Next plc	2,050,000	17,935,481
Shandwick PLC	1,450,000	1,171,715
Storehouse PLC	1,400,000	6,944,511
THORN EMI plc	275,000	7,666,655
Tomkins plc	2,000,000	7,521,356
Vodafone Group Plc	3,600,000	13,398,581
Total		66,872,545
TOTAL COMMON STOCKS AND RIGHTS - 92.21%		\$715,735,866
(Cost: \$590,534,052)		
PREFERRED STOCKS		
Brazil - 1.11%		
Banco Itau S.A.	21,200,000	8,594,024
Germany - 0.68%		
Marschollek, Lautenschlager und Partner AG.....	5,000	5,261,427
TOTAL PREFERRED STOCKS - 1.79%		\$ 13,855,451
(Cost: \$12,630,174)		

THE INVESTMENTS OF
 UNITED INTERNATIONAL GROWTH FUND, INC.
 JUNE 30, 1996

	Face Amount in Thousands	Value
UNREALIZED GAIN ON OPEN FORWARD		
CURRENCY CONTRACTS - 0.34%		
Deutsche Marks, 10-2-96 (B)	DM53,000	\$ 1,272,998
Japanese Yen, 10-2-96 (B)	Y3,800,000	1,398,742
Total		\$ 2,671,740
	Principal Amount in Thousands	
SHORT-TERM SECURITIES		
Chemicals and Allied Products - 1.97%		
Air Products & Chemicals Inc.,		
5.38%, 8-12-96	\$1,675	1,664,487
Ciba-Geigy PLC,		
5.35%, 7-10-96	7,800	7,789,567
Procter & Gamble Company (The),		
5.35%, 8-12-96	5,875	5,838,330
Total		15,292,384
Communication - 0.94%		
NYNEX Corporation,		
5.32%, 7-16-96	7,335	7,318,741
Depository Institutions - 0.51%		
Commonwealth Bank of Australia,		
5.31%, 7-5-96	3,975	3,972,655
Food and Kindred Products - 0.01%		
General Mills, Inc.,		
Master Note	89	89,000
Instruments and Related Products - 0.10%		
Raytheon Company,		
5.3%, 7-8-96	745	744,232
Nondepository Institutions - 1.14%		
Island Finance Puerto Rico Inc.,		
5.31%, 7-12-96	8,850	8,835,641
Security and Commodity Brokers - 0.35%		
Merrill Lynch & Co., Inc.,		
5.36%, 7-31-96	2,735	2,722,784

TOTAL SHORT-TERM SECURITIES - 5.02%	\$ 38,975,437
(Cost: \$38,975,437)	
TOTAL INVESTMENT SECURITIES - 99.36%	\$771,238,494
(Cost: \$642,139,663)	
CASH AND OTHER ASSETS, NET OF LIABILITIES - 0.64%	4,949,323
NET ASSETS - 100.00%	\$776,187,817

See Notes to Schedule of Investments on page 11.

THE INVESTMENTS OF
UNITED INTERNATIONAL GROWTH FUND, INC.
JUNE 30, 1996

Notes to Schedule of Investments

*No income dividends were paid during the preceding 12 months.

(A) Affiliate as defined by the Investment Company Act of 1940 by reason of ownership by the Fund of 5% or more of its outstanding voting securities.

(B) Principal amounts are denominated in the indicated foreign currency where applicable (DM - Deutsche Mark, Y - Japanese Yen).

See Note 1 to financial statements for security valuation and other significant accounting policies concerning investments.

See Note 3 to financial statements for cost and unrealized appreciation and depreciation of investments owned for Federal income tax purposes.

UNITED INTERNATIONAL GROWTH FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1996

Assets

Investment securities -- at value (Notes 1 and 3) . \$771,238,494

Receivables:

Fund shares sold	6,151,181
Investment securities sold	5,373,193
Dividends and interest	2,956,879
Prepaid insurance premium	16,726

Total assets 785,736,473

Liabilities

Payable for investment securities purchased 7,389,984

Payable for Fund shares redeemed	1,391,330
Accrued service fee	252,478
Accrued transfer agency and dividend disbursing ..	188,061
Due to custodian	25,626
Accrued accounting services fee	7,083
Other	294,094

Total liabilities 9,548,656

Total net assets \$776,187,817

Net Assets

\$1.00 par value capital stock

Capital stock \$ 86,737,685

Additional paid-in capital 551,172,181

Accumulated undistributed income:

Accumulated undistributed net investment income . 3,434,116

Accumulated net realized gain on investment transactions 5,736,725

Net unrealized appreciation in value of investments at end of period 126,427,091

Net unrealized appreciation in value of foreign currency exchange at end of period 2,680,019

Net assets applicable to outstanding units of capital \$776,187,817

Net asset value per share (net assets divided by shares outstanding)

Class A \$8.95

Class Y \$8.95

Capital shares outstanding

Class A 86,186,231

Class Y 551,454

Capital shares authorized 400,000,000

See notes to financial statements.

UNITED INTERNATIONAL GROWTH FUND, INC.

STATEMENT OF OPERATIONS

For the Fiscal Year Ended JUNE 30, 1996

Investment Income

Income:

Dividends (net of foreign withholding taxes of \$1,567,766) \$13,303,132

Interest 2,217,375

Total income 15,520,507

Expenses (Note 2):	
Investment management fee	5,147,703
Transfer agency and dividend disbursing - Class A	1,607,898
Service fee - Class A	1,156,620
Custodian fees	792,933
Accounting services fee	72,500
Audit fees	36,775
Legal fees	9,485
Shareholder servicing - - Class Y	2,704
Other	215,900

Total expenses	9,042,518

Net investment income	6,477,989

Realized and Unrealized Gain (Loss) on Investments	
Realized net gain on securities	31,888,044
Realized net gain on forward currency contracts ..	4,379,792
Realized net loss on foreign currency transactions	(798,906)

Realized net gain on investments	35,468,930

Unrealized appreciation in value of securities during the period.....	
	36,534,342
Unrealized appreciation on open forward currency contracts during the period	
	2,545,806
Unrealized depreciation in value of foreign currency exchange at end of period	
	(39,286)

Unrealized appreciation on investments	39,040,862

Net gain on investments	74,509,792

Net increase in net assets resulting from operations	\$80,987,781
	=====

See notes to financial statements.

UNITED INTERNATIONAL GROWTH FUND, INC.
STATEMENT OF CHANGES IN NET ASSETS

For the fiscal year ended
June 30,

	-----	-----
	1996	1995
	-----	-----
Increase in Net Assets Operations:		

Net investment income	\$ 6,477,989	\$ 5,413,297
Realized net gain on investments	35,468,930	24,452,115
Unrealized appreciation	39,040,862	16,770,945
	-----	-----
Net increase in net assets resulting from operations	80,987,781	46,636,357
	-----	-----
Dividends to shareholders from:*		
Net investment income		
Class A	(5,719,358)	(3,007,607)
Class Y	(22,311)	---
Realized gains on securities transactions		
Class A	(46,756,060)	(64,022,607)
Class Y	(4,319)	---
.....	-----	-----
	(52,502,048)	(67,030,214)
	-----	-----
Capital share transactions		
Proceeds from sale of shares:		
Class A (47,085,595 and 17,238,289 shares, respectively)	410,226,754	152,187,285
Class Y (591,404 and 0 shares, respectively)	5,052,415	---
Proceeds from reinvestment of dividends and/or capital gains distribution:		
Class A (6,447,921 and 7,967,530 shares, respectively).....	51,649,557	66,005,451
Class Y (3,058 and 0 shares, respectively)	26,631	---
Payments for shares redeemed:		
Class A (45,588,818 and 10,746,945 shares, respectively)	(398,231,010)	(90,905,631)
Class Y (43,008 and 0 shares, respectively)	(371,574)	---
	-----	-----
Net increase in net assets resulting from capital share transactions	68,352,773	127,287,105
	-----	-----
Total increase	96,838,506	106,893,248
Net Assets		
Beginning of period	679,349,311	572,456,063
	-----	-----
End of period, including undistributed net investment income of \$3,434,116 and \$3,496,702, respectively.....	\$776,187,817	\$679,349,311
	=====	=====

*See "Financial Highlights" on pages 15 - 16.
See notes to financial statements.

UNITED INTERNATIONAL GROWTH FUND, INC.
 FINANCIAL HIGHLIGHTS
 Class A Shares
 For a Share of Capital Stock Outstanding
 Throughout Each Period:

	For the fiscal year ended June 30,				
	1996	1995	1994	1993	1992
Net asset value, beginning of period	\$8.68	\$8.98	\$7.16	\$7.10	\$5.94
Income from investment operations:					
Net investment income .....	.08	0.07	.04	.07	.08
Net realized and unrealized gain on investments .....	.86	0.60	2.32	.11	1.20
Total from investment operations .....	.94	0.67	2.36	.18	1.28
Less distributions:					
Dividends from net investment income	(0.07)	(0.04)	(0.04)	(0.07)	(0.09)
Distribution from capital gains ...	(0.60)	(0.93)	(0.50)	(0.05)	(0.03)
Total distributions	(0.67)	(0.97)	(0.54)	(0.12)	(0.12)
Net asset value, end of period	\$8.95	\$8.68	\$8.98	\$7.16	\$7.10
Total return*	11.70%	7.98%	33.31%	2.62%	21.59%
Net assets, end of period (000 omitted)	\$771,252	\$679,349	\$572,456	\$336,382	\$322,534
Ratio of expenses to average net assets	1.25%	1.25%	1.20%	1.18%	1.18%
Ratio of net investment income to average net assets	0.89%	0.86%	0.57%	1.07%	1.17%
Portfolio turnover rate	58.64%	57.45%	83.76%	94.22%	112.82%

*Total return calculated without taking into account the sales load deducted on an initial purchase.

See notes to financial statements.

UNITED INTERNATIONAL GROWTH FUND, INC.
FINANCIAL HIGHLIGHTS
Class Y Shares
For a Share of Capital Stock Outstanding
Throughout the Period:

For the
period
from 9/27/95
through
6/30/96*

Net asset value,
beginning of period \$9.21

Income from investment
operations:
Net investment
income12
Net realized and
unrealized gain
on investments... .30

Total from investment
operations42

Less distributions:
Dividends from net
investment
income..... (0.08)
Distribution from
capital gains.... (0.60)

Total distributions. (0.68)

Net asset value,
end of period \$8.95

=====

Total return 5.44%

Net assets, end of
period (000
omitted) \$4,936

Ratio of expenses

to average net
 assets 0.98%**

Ratio of net
 investment income
 to average net
 assets 2.60%**

Portfolio
 turnover rate 58.64%**

*On July 4, 1995, the Fund began offering Class Y shares to the public.
 Fund shares outstanding prior to that date were designated Class A
 shares.

**Annualized.

See notes to financial statements.

UNITED INTERNATIONAL GROWTH FUND, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE 1 -- Significant Accounting Policies

United International Growth Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. Its investment objective is the long-term appreciation of your investment. Realization of income is a secondary goal. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

- A. Security valuation -- Each stock and convertible bond is valued at the latest sale price thereof on the last business day of the fiscal period as reported by the principal securities exchange on which the issue is traded or, if no sale is reported for a stock, the average of the latest bid and asked prices. Bonds, other than convertible bonds, are valued using a pricing system provided by a pricing service or dealer in bonds. Convertible bonds are valued using this pricing system only on days when there is no sale reported. Stocks which are traded over-the-counter are priced using Nasdaq (National Association of Securities Dealers Automated Quotations System) which provides information on bid and asked or closing prices quoted by major dealers in such stocks. Securities for which quotations are not readily available are valued as determined in good faith in accordance with procedures established by and under the general supervision of the Fund's Board of Directors. Short-term debt securities are valued at amortized cost, which approximates market.
- B. Security transactions and related investment income -- Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Securities gains and losses are calculated on the identified cost basis. Original issue discount (as defined in the Internal Revenue Code), premiums on the purchase of bonds and post-1984 market

discount are amortized for both financial and tax reporting purposes over the remaining lives of the bonds. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recorded as soon as the Fund is informed of the ex-dividend date. Interest income is recorded on the accrual basis. See Note 3 -- Investment Securities Transactions.

- C. Foreign currency translations -- All assets and liabilities denominated in foreign currencies are translated into U.S. dollars daily. Purchases and sales of investment securities and accruals of income and expenses are translated at the rate of exchange prevailing on the date of the transaction. For assets and liabilities other than investments in securities, net realized and unrealized gains and losses from foreign currency translations arise from changes in currency exchange rates. The Fund combines fluctuations from currency exchange rates and fluctuations in market value when computing net realized and unrealized gain or loss from investments.
- D. Forward foreign currency exchange contracts -- A forward foreign currency exchange contract (Forward Contract) is an obligation to purchase or sell a specific currency at a future date at a fixed price. Forward Contracts are "marked-to-market" daily at the applicable translation rates and the resulting unrealized gains or losses are reflected in the Fund's financial statements. Gains or losses are realized by the Fund at the time the forward contract is extinguished. Contracts may be extinguished by either entry into a closing transaction or by delivery of the currency. Risks may arise from the possibility that the other party will not complete the obligations of the contract and from unanticipated movements in the value of the foreign currency relative to the U.S. dollar. The Fund uses forward contracts to attempt to reduce the overall risk of its investments.
- E. Federal income taxes -- It is the Fund's policy to distribute all of its taxable income and capital gains to its shareholders and otherwise qualify as a regulated investment company under the Internal Revenue Code. In addition, the Fund intends to pay distributions as required to avoid imposition of excise tax. Accordingly, provision has not been made for Federal income taxes. See Note 4 -- Federal Income Tax Matters.
- F. Dividends and distributions -- Dividends and distributions to shareholders are recorded by the Fund on the record date. Net investment income distributions and capital gains distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are due to differing treatments for items such as deferral of wash sales and post-October losses, foreign currency transactions, net operating losses and expiring capital loss carryforwards. At June 30, 1996, \$798,906 was reclassified between accumulated undistributed net investment income and accumulated undistributed net realized gain on investment transactions.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and

assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 -- Investment Management and Payments to Affiliated Persons

The Fund pays a fee for investment management services. The fee is computed daily based on the net asset value at the close of business. The fee consists of two elements: (i) a "Specific" fee computed on net asset value as of the close of business each day at the annual rate of .30% of net assets and (ii) a "Group" fee computed each day on the combined net asset values of all of the funds in the United Group of mutual funds (approximately \$14.3 billion of combined net assets at June 30, 1996) at annual rates of .51% of the first \$750 million of combined net assets, .49% on that amount between \$750 million and \$1.5 billion, .47% between \$1.5 billion and \$2.25 billion, .45% between \$2.25 billion and \$3 billion, .43% between \$3 billion and \$3.75 billion, .40% between \$3.75 billion and \$7.5 billion, .38% between \$7.5 billion and \$12 billion, and .36% of that amount over \$12 billion. The Fund accrues and pays this fee daily.

Pursuant to assignment of the Investment Management Agreement between the Fund and Waddell & Reed, Inc. ("W&R"), Waddell & Reed Investment Management Company ("WRIMCO"), a wholly-owned subsidiary of W&R, serves as the Fund's investment manager.

The Fund has an Accounting Services Agreement with Waddell & Reed Services Company ("WARSCO"), a wholly-owned subsidiary of W&R. Under the agreement, WARSCO acts as the agent in providing accounting services and assistance to the Fund and pricing daily the value of shares of the Fund. For these services, the Fund pays WARSCO a monthly fee of one-twelfth of the annual fee shown in the following table.

Accounting Services Fee	
Average Net Asset Level (all dollars in millions)	Annual Fee Rate for Each Level
From \$ 0 to \$ 10	\$ 0
From \$ 10 to \$ 25	\$ 10,000
From \$ 25 to \$ 50	\$ 20,000
From \$ 50 to \$ 100	\$ 30,000
From \$ 100 to \$ 200	\$ 40,000
From \$ 200 to \$ 350	\$ 50,000
From \$ 350 to \$ 550	\$ 60,000
From \$ 550 to \$ 750	\$ 70,000
From \$ 750 to \$1,000	\$ 85,000
\$1,000 and Over	\$100,000

For Class A shares, the Fund also pays WARSCO a monthly per account charge for transfer agency and dividend disbursement services of \$1.3125 for each shareholder account which was in existence at any time during the prior month (\$1.0208 per account prior to April 1, 1996), plus \$0.30 for each account on which a dividend or distribution of cash or shares had a record date in that

month. With respect to Class Y shares, the Fund pays WARSCO a monthly fee at an annual rate of .15% of the average daily net assets of the class for the preceding month. The Fund also reimburses W&R and WARSCO for certain out-of-pocket costs.

As principal underwriter for the Fund's shares, W&R received direct and indirect gross sales commissions for Class A shares (which are not an expense of the Fund) of \$3,741,932, out of which W&R paid sales commissions of \$2,081,396 and all expenses in connection with the sale of Fund shares, except for registration fees and related expenses.

Under a Service Plan for Class A shares adopted by the Fund pursuant to Rule 12b-1 under the Investment Company Act of 1940, the Fund may pay monthly a fee to W&R in an amount not to exceed .25% of the Fund's Class A average annual net assets. The fee is to be paid to reimburse W&R for amounts it expends in connection with the provision of personal services to Fund shareholders and/or maintenance of shareholder accounts.

The Fund paid Directors' fees of \$28,447.

W&R is an indirect subsidiary of Torchmark Corporation, a holding company, and United Investors Management Company, a holding company, and a direct subsidiary of Waddell & Reed Financial Services, Inc., a holding company.

NOTE 3 -- Investment Securities Transactions

Purchases of investment securities, other than U.S. Government and short-term securities, aggregated \$400,458,942 while proceeds from maturities and sales aggregated \$403,591,702. Purchases of short-term securities aggregated \$776,397,217 while proceeds from maturities and sales aggregated \$750,850,741. No U.S. Government securities were bought or sold during the period.

For Federal income tax purposes, cost of investments owned at June 30, 1996 was \$642,585,979, resulting in net unrealized appreciation of \$125,980,775, of which \$152,976,597 related to appreciated securities and \$26,995,822 related to depreciated securities.

NOTE 4 -- Federal Income Tax Matters

For Federal income tax purposes, the Fund realized capital gain net income of \$38,813,642 during its fiscal year ended June 30, 1996, of which a portion was paid to shareholders during the period ended June 30, 1996. Remaining capital gain net income will be distributed to Fund shareholders.

Internal Revenue Code regulations permit the Fund to defer into its next fiscal year net foreign currency losses, net capital losses or net long-term capital losses incurred between each November 1 and the end of its fiscal year ("post-October losses"). From November 1, 1995 through June 30, 1996, the Fund incurred foreign currency losses of \$435,952, which will be deferred to the fiscal year ending June 30, 1997.

NOTE 5 -- Commencement of Multiclass Operations

On July 4, 1995, the Fund was authorized to offer investors a choice of two classes of shares, Class A and Class Y, each of which has equal rights as to assets and voting privileges. Class Y shares are not subject to a sales charge on purchases; they are not subject to a Rule 12b-1 Service Plan and have a separate transfer agency and dividend disbursement services fee structure. A comprehensive discussion of the terms under which shares of either class are offered is contained in the prospectus and the Statement of Additional Information for the Fund. The Fund commenced multiclass operations on September 27, 1995.

Income, non-class specific expenses and realized and unrealized gains and losses are allocated daily to each class of shares based on the value of relative net assets as of the beginning of each day adjusted for the prior day's capital share activity.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
United International Growth Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of United International Growth Fund, Inc. (the "Fund") at June 30, 1996, the results of its operations for the year then ended and the changes in its net assets and the financial highlights for each of the periods indicated, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 1996 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP
Kansas City, Missouri
August 5, 1996

INCOME TAX INFORMATION

The amounts of the dividends and long-term capital gains below, multiplied by the number of shares owned by you on the record dates, will give you the total amounts to be reported in your Federal income tax return for the years in which they were received or reinvested.

PER-SHARE AMOUNTS REPORTABLE AS:

Record Date	Total	For Individuals		For Corporations		
		Ordinary Income	Long-Term Capital Gain	Qualifying	Non-Qualifying	Long-Term Capital Gain

Class A						
12-15-95	\$0.635	\$0.0574	\$0.5776	\$0.0000	\$0.0574	\$0.5776
6-14-96	0.030	0.0300	0.0000	0.0000	0.0300	0.0000
	-----	-----	-----	-----	-----	-----
Totals	\$0.665	\$0.0874	\$0.5776	\$0.0000	\$0.0874	\$0.5776
	=====	=====	=====	=====	=====	=====
Class Y						
12-15-95	\$0.639	\$0.0614	\$0.5776	\$0.0000	\$0.0614	\$0.5776
6-14-96	0.040	0.0400	0.0000	0.0000	0.0400	0.0000
	-----	-----	-----	-----	-----	-----
Totals	\$0.679	\$0.1014	\$0.5776	\$0.0000	\$0.1014	\$0.5776
	=====	=====	=====	=====	=====	=====

CORPORATION DEDUCTIONS -- Under Federal tax law, the amounts reportable as Qualifying Dividends are eligible for the dividends received deduction in the year received as provided by Section 243 of the Internal Revenue Code.

The tax status of dividends paid will be reported to you on Form 1099-DIV after the close of the applicable calendar year.

Shareholders are advised to consult with their tax advisor concerning the tax treatment of dividends and distributions from the Fund.

This report is submitted for the general information of the shareholders of United International Growth Fund, Inc. It is not authorized for distribution to prospective investors in the Fund unless accompanied with or preceded by the United International Growth Fund, Inc. current prospectus.

To all IRA Planholders:

As required by law, income tax will automatically be withheld from any distribution or withdrawal from an IRA unless you make a written election not to have taxes withheld. The election may be made by submitting forms provided by Waddell & Reed, Inc. which can be obtained from your Waddell & Reed representative or by submitting Internal Revenue Service form W-4P. Once made, an election can be revoked by providing written notice to Waddell & Reed, Inc. If you elect not to have tax withheld you may be required to make payments of estimated tax. Penalties may be imposed by the IRS if withholding and estimated tax payments are not adequate.

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United Cash Management, Inc.
United Government Securities Fund, Inc.
United Bond Fund
United Municipal Bond Fund, Inc.
United Municipal High Income Fund, Inc.
United High Income Fund, Inc.

United High Income Fund II, Inc.
United Continental Income Fund, Inc.
United Retirement Shares, Inc.
United Asset Strategy Fund, Inc.
United Income Fund
United Accumulative Fund
United Vanguard Fund, Inc.
United New Concepts Fund, Inc.
United Science and Technology Fund
United International Growth Fund, Inc.
United Gold & Government Fund, Inc.

FOR MORE INFORMATION:

Contact your representative, or your
local office as listed on your
Account Statement, or contact:

WADDELL & REED
CUSTOMER SERVICE
6300 Lamar Avenue
P.O. Box 29217
Shawnee Mission, KS 66201-9217
(913) 236-1303

Our INTERNET address is:
<http://www.waddell.com>

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