2008

Annual Report

For the year ended June 30, 2008

CORBY

Corby Distilleries Limited
A Leading Canadian Manufacturer & Marketer
of Spirits and Importer of Wines Since 1859

Affiliated with Pernod Ricard

Overview

Corby Distilleries Limited ("Corby" or the "Company") is a leading Canadian manufacturer and marketer of spirits and imported wines.

Corby's portfolio of owned-brands includes some of the most renowned brands in Canada, including Wiser's Canadian whiskies, Lamb's rum, Polar Ice vodka and Seagram Coolers. Through its affiliation with Pernod Ricard S.A., Corby also represents leading international brands such as Chivas Regal, The Glenlivet and Ballantine's scotch whiskies, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines.

Corby has about a 24 percent share of spirit sales in Canada, representing more than 4,000,000 cases of spirits sold annually. Corby owns or represents 8 of the 25 top-selling spirit brands in Canada, and 16 of the top 50, as measured by case volumes. Our affiliation with Pernod Ricard S.A. provides us with global reach to complement our strong local roots in the Canadian marketplace. Additionally, with volume of approximately 900,000 cases, Corby is also a leading importer of wines.

Leveraging our portfolio of excellence across Canada is a national sales force in excess of 100 professionals supported by a first-class management team located at the executive office in Toronto, Ontario, and production teams located at facilities in Montréal, Québec, and Windsor, Ontario. While Corby's sales remain predominantly Canadian, Corby products are also exported for sale to the United States, Europe and other international markets.

Corby Voting Class A Common Shares and Non-Voting Class B Common Shares trade on the Toronto Stock Exchange under the symbols CDL.A and CDL.B, respectively.

Annual General Meeting

Corby's Annual General Meeting of Shareholders will be held on **Wednesday, November 12, 2008,** at **11:00 a.m.** at The Carlu, located at 444 Yonge Street, 7th floor, Toronto, Ontario. Copies of the Annual Information Form and Management Proxy Circular are available upon request, or can be found on SEDAR at **www.sedar.com**.

Table of
Contents

Key Financial Results

The financial results for fiscal 2008 reflect a solid performance by the Company as demonstrated by a 6% increase in operating revenue, a 15% increase in EBITDA[1], and a 10% increase in net earnings (after excluding the gain on disposition of the Company's investment in the Tia Maria Group ("TMG") in fiscal 2007).

Operating revenue, consisting of sales revenue and commission income, was $163.3 million compared to $153.6 million last year, representing an increase of 6% or $9.7 million. This increase is the combination of an $8.5 million, or 6%, increase in sales of Corby's owned-brands, coupled with a $2.6 million, or 15%, increase in commissions before amortization expense. Growth in sales of key brands such as Wiser's Canadian whiskies, Polar Ice vodka, and Lamb's rum were the main drivers behind the increase in sales revenue.

Basic earnings per share amounted to $1.11 for the year ended June 30, 2008, compared to $3.53 for the previous year. Net earnings for the year ended June 30, 2007 include a gain of $72.6 million from the disposal of the Company's investment in TMG. Excluding the gain on disposition of TMG, the Company's fiscal 2007 basic earnings per share was $1.01.

Financial Highlights

CORBY

For the year ended June 30, 2008
(in thousands of dollars, except per share amounts)

Results		**Per Common Share**	
Operating revenue	$ 163,318	EBITDA	$ 1.77
EBITDA	50,476	Net earnings	1.11
Earnings before income taxes	46,515	Cash flow from operating activities	1.09
Net earnings	31,690	Dividends declared and paid	0.56
Cash flows from operating activities	31,169	Shareholders' equity	7.70
Financial Position at Balance Sheet Date		**Financial Ratios**	
Working capital	$ 109,564	Working capital	6.4
Total assets	249,932	Return on average shareholders' equity	15.0
Shareholders' equity	219,265	Pre-tax return on average capital employed	21.5

[1]Corby defines "EBITDA" as net earnings before equity earnings, foreign exchange, interest income, income taxes, depreciation, and amortization. This non-GAAP financial measure has been included in this Annual Report as it is a measure which management believes is useful in evaluating and measuring the Company's operating performance. EBITDA is also a common measure used by investors, financial analysts and rating agencies. These groups may use EBITDA and other non-GAAP financial measures to value the Company and assess its performance. However, EBITDA is not a measure recognized by GAAP and it does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings as determined in accordance with GAAP as an indicator of performance.

Letter to Shareholders

My previous Letter to Shareholders spoke to a period of transition, both my own, as the new Chief Executive Officer of Corby, and our corporate integration with Pernod Ricard's Canadian operations. This year, I would like to reflect on the success we had in executing a strategy that is taking us to new heights as a leading Canadian manufacturer and marketer of spirits, and as an importer and marketer of wines.

Early in the year, my colleagues and I looked back and challenged the underlying assumptions which formed the business strategy we shared with you last year. We focused carefully on what we did as a company and why and how we did it. We prioritized where and how we wanted to compete in a changing industry and we put a premium on excellence in execution.

We came out of that exercise with an even clearer vision than we did the year before and with an affirmation that our strategic direction was sound.

Already an industry leader in portfolio and presence, we plan to become *the* industry leader in annual value growth, as measured by retail revenue, for spirit and wine companies in Canada within three years. We will firmly establish a winning culture conducive to tackling all challenges and establishing ourselves as the leader among Pernod Ricard's global affiliates. And we will win wherever we decide to compete by making the right choices with our brands, both within markets and among distribution channels.

We have the portfolio, the resources and the people to achieve these goals and in doing so, we will continue to leverage reciprocal benefits from Pernod Ricard's committed investment behind its global premium brands, new brands it may bring to our portfolio, access to its global talent pool, and continued reinforcement of an entrepreneurial and decentralized management philosophy.

Turning to other specific accomplishments this year, we completed thorough reviews of our portfolio strategies for vodka, coolers and wine as part of our on-going portfolio prioritization efforts. This work will generate more efficient returns for our marketing dollars, and the efforts continue as we now accelerate focus on developing thorough strategies for our rum and liqueur portfolios. Likewise, we developed a more integrated approach to channel management for our key brands. We did this in a marketplace in which some of our largest customers, particularly, Alberta and British Columbia, have long ago moved to more open-market models of retail distribution. Routes to market are evolving beyond traditional bricks and mortar and provincial liquor boards are now operating sophisticated first-class retail business models, so we are moving quickly with our customers to provide quality products across a range of channels.

A series of critical human resource initiatives supported our work in these areas. This included enhanced focus on rewards and recognition programs, talent management and training. Our sales force training, in particular, is now based on industry best practices, incorporates feedback from our customers and is aligned to support the needs defined by our brand strategies. We call it our "sales force blueprinting", and based on early successes in Alberta, we are rolling this training out to sales teams across the country.

These and other steps we are taking to enhance our business are being noticed. We are particularly pleased by the recognition from the Liquor Control Board of Ontario at their Elsie Awards for the industry this past June. As the Ontario market accounts for 38% of the national business, these are the Canadian beverage alcohol industry's most prestigious awards. We were awarded five Elsies, an unprecedented achievement, including the most prestigious award, "Supplier of the Year". Our team was also recognized for the Partnership Award in Spirits, for Best On-Premise Program for Wiser's 150th Anniversary Tour, Best Niche Marketing for our Martell Brand Ambassador Tour, and Best New Product Launch in the Spirits category for J.P. Wiser's Red Letter Canadian whisky.

Such recognition is an important affirmation of our ability to execute on our strategy and support the front-line teams tirelessly. It speaks to the value of hard work over shortcuts and to a team-based approach, two characteristics of Corby held in high regard throughout the organization. I cannot emphasize enough how proud I am of every single member of the team.

For our employees, the vast majority of whom are also shareholders, this focus on execution brings to light and supports the great job they do, day in and day out, at Corby. A company like ours, celebrating 150 years in 2009, is built on the quality of our products and the character of our people. This is evident in daily discussions with colleagues and in our quarterly town hall meetings. Staff at all levels ask me difficult questions about the future of the Company. And so they should. It is as much their company as anyone's. Those who know me, know how much this mutual commitment really drives me.

As I reflect on the many successes this year, I need to extend my sincere appreciation to the people involved in the most important accomplishment of all – performance. As you will see in the following pages, our Company delivered outstanding results this year, and we did it the right way by investing in the long-term health of our brands and respecting our core values. For this, I formally wish to thank and recognize all our employees (including our colleagues at Hiram Walker in Windsor), our customers who continue to support "partnerships that deliver", our Board of Directors, and as always, you, the shareholders. You hold us to a high standard of accountability and delivery, but you believe in us, and you support us.

Your Company is operating on a very solid foundation, with a committed team in a dynamic industry. We have a proven track record of executing value-added transactions, and while we prudently prepare for opportunities resulting from industry consolidation, we do it with the shareholders' best interests in mind, and without losing focus on our existing portfolio and responsibilities.

We have the second largest number of brands in the over-$30-a-bottle market segment in Canada, but we have the largest number of brands in the over-$40-a-bottle market segment. These segments of the market are showing double-digit value growth, reflecting the trend toward more premium products in the marketplace. We are, thus, very well positioned to capitalize on this trend, as part of our premiumization strategy. We are aligning resources to increase our appeal to a growing number of consumers attracted by the affordable luxury offered by products such as Wiser's 18 Year Old and Wiser's Red Letter Canadian whiskies, Chivas Regal and The Glenlivet scotches, Wyborowa Exquisite vodka, Martell cognac, and Mumm and Perrier Jouët champagne brands, as well as the higher-end Jacob's Creek and Wyndham Estate wines.

The future is to be embraced with all the vigour of the 150 years of history that brought us here. I say that as someone who cares passionately about this Company and the industry in which we operate. For once you are a part of a company like Corby, you pledge yourself to honour the past and to shape the future. We are doing that and proudly so.

Thank you for your ongoing support.

Sincerely,

Con Constandis
President and Chief Executive Officer
Corby Distilleries Limited

Portfolio of

Excellence

Corby Distilleries Limited

A Leading Canadian Manufacturer & Marketer of Spirits and Importer of Wines Since 1859

Brown Spirits

Canadian Bonded Stock • Hiram Walker Special Old • McGuinness Silk Tassel • Meagher's 1878 • Royal Reserve • Royal Reserve Gold • Wiser's De Luxe • Wiser's Reserve • Wiser's Small Batch • Wiser's Special Blend • Wiser's Very Old - 18 Year Old **Scotch** Ballantine's • Chivas Regal • Queen Anne • Royal Salute • Teacher's Highland Cream **Single Malt** Aberlour • Glendronach • Laphroaig • Longmorn • Scapa • Strathisla • The Glenlivet • Tormore **Irish** Jameson • Middleton • Paddy's • Powers • Redbreast • Tullamore Dew **US** Wild Turkey **Cognac and Brandy** Barclay's • Courvoisier • Courvoisier VS • Courvoisier VSOP • Courvoisier XO • d'Eaubonne • Macieira • Martell Cordon Bleu • Martell Creation Grand Extra • Martell VS • Martell VSOP • Martell XO • Monnet le Club • Tinville

White Spirits

Gin Beefeater • De Kuyper Geneva Gin **Vodka** De Kuyper Vodka • Grand Duke • McGuinness Red Tassel • Moskovskaya • Polar Ice • Polar Ice Arctic Berry • Polar Ice Northern Maple • Stolichnaya • Stolichnaya Blueberi • Stolichnaya Razberi • Stolichnaya Vanil • Wyborowa • Wyborowa Exquisite **Rum** Black Diamond • Favell's London Dock • Havana Club Anejo Blanco • Havana Club Anejo Reserva • Havana Club 7 Year Old • Lamb's Navy • Lamb's Palm Breeze • Lamb's White • Lemon Hart • McGuinness White Rum • Ron Cabana **Tequila** Olmeca Blanco • Olmeca Gold

Liqueurs

Becherovka • Carolans Irish Cream • De Kuyper Liqueurs • Frangelico • Hiram Walker Liqueurs • Irish Mist • Kahlúa • Kahlúa Especial • Kahlúa French Vanilla • Kahlúa Hazelnut • Malibu • Malibu Mango • Malibu Passion Fruit • Malibu Pineapple • Malibu Tropical Banana • McGuinness Liqueurs • Meagher's Liqueurs • Pernod • Pernod Absinthe • Phillips Liqueurs • Ramazzotti • Ricard Pastis • Soho • Sour Puss Liqueurs • Tia Maria • Tequila Rose • Uphoria • Zen

Ready to Drink – Coolers

Black Russian • Kahlúa Drinks-to-Go • Long Island Iced Tea • Margarita Mix • Seagram Cocktails • Seagram Swirls • Seagram Vodka Spritzers • Seagram Wildberry

Wines

Arnaldo Etchart • Black Tower • Brancott • Café de Paris • Campo Viejo • Castillo de Molina • Dubonnet • Gato Negro • Graffigna • Jacob's Creek • Mumm Champagne • Mumm Napa • Perrier Joüet • Stoneleigh • Sangria Real • Wyndham Estate

Interviews with

Corby employees

Corby employees work with colleagues, customers and consumers in providing products and services that suit their needs, when and where they need them. The diverse set of employees below represents some of the teamwork and commitment found throughout the Company.

How do you measure success in your position at Corby?

Dave Smith,
Director, Supply Chain and Logistics – Toronto

I use a combination of methods, including surveys, operational metrics, and regular dialogue with customers and stakeholders, to stay close to expectations and, most importantly, to gather monthly feedback from our Corby Provincial Sales teams. After all, they are selling the cases, and my group's role is to ensure a constant and reliable network of supply so Sales can deliver. I am proud to say that our group regularly receives positive comments from both our suppliers and our brand owners, based on the success of our approach.

How do you translate Corby's corporate strategy into action?

Craig Anderson,
Manager, Financial Planning & Analysis – Toronto

The performance of Wiser's Canadian whisky in 2008 is a clear example. Working with Sales and Marketing, we were able to profitably grow Wiser's share in the Canadian whisky category through effective retail programming, particularly around Wiser's 150th anniversary celebrations. At the same time, an increased media spend contributed not only to performance this year, but also to building brand equity for the future. As a member of the Financial Planning and Analysis team, I experience a great sense of job satisfaction knowing that we are contributing analytical and decision-making support to a strategic plan that has buy-in across the organization.

What industry trends are most affecting your areas of responsibility?

Kevin Hanson,
BC Provincial Manager – Vancouver

The industry is changing rapidly, no question. As an example, the growing strength of international and premium brands in the domestic marketplace is a significant trend. This is certainly true within the vodka category, currently the largest spirit category in Canada and the category showing the highest growth rate. With a great portfolio of international and domestic brands, we are ahead of these trends and are benefiting from them. Likewise, trends in distribution mean that excellence in supply-chain management is vital. This is an area of particular strength for us in Western Canada, given the nature of our customer base here.

How has your customer base for luxury products changed?

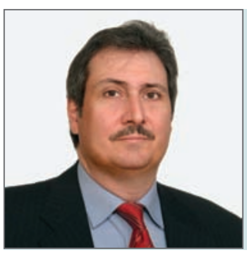
Tess Michelis,
Marketing Manager – Toronto

Using Martell cognac as an example, it appeals to many discerning consumers, but up to a few years ago it had a relatively small base among Chinese-Canadians. That was partly because the brand lacked image and status in Canada. Consequently, over the last year, we focused on expanding the appeal of Martell cognac to this community in particular by leveraging the brand's luxury credentials. It is now a premium brand within the Chinese community and is the second most popular cognac at LCBO Vintages stores in our largest domestic market.

What do you think the future looks like for Corby?

Blair MacNeil,
Customer Marketing Director – Toronto

Our focus on value and on cross-functional cooperation puts us in a very strong position to serve our customers and to build shareholder value. That focus is clear at the top of the organization and is shared at all levels. This will undoubtedly strengthen our position well into the future.



What are your top three priorities over the next 12-18 months?

Phil Tieman,
Brand Director, Coolers – Montreal

We are squarely focused on increasing customer attraction to, and retention within, the Ready-to-Drink beverage category. That means we will increase awareness and purchase consideration for Seagram Coolers and Cocktails, drive product trial among target groups, and develop a new line of Seagram refreshment beverages that appeal to men and women.

What are the intangibles of Corby that make this Company different?

Lavern Ralliford,
Manager, Advertising & Regulatory Affairs – Toronto

Corby differentiates itself by embracing an internal system governed by key values, while simultaneously managing the demands of running a business within a regulated industry. Our values, our people, our processes and our strategic objectives power the organization to win where we choose to compete.

Why do your customers do business with Corby?

Stéphane Côté,
Director of Sales, Ontario – Toronto

Our customers know that we take the time to understand their needs and to know what works for them specifically. Every customer is different, and mass-produced solutions will not work. That's all part of relationship building which is at the heart of what we do every day, and why we have the pleasure of not only working with long-standing customers, but also starting new relationships with new customers. We don't just talk about partnership. We live it, and for us, it is about relationships that deliver for both parties.

What does being affiliated with Pernod Ricard mean to you?

Gerry Cristiano,
Plant Manager – Montréal

I am very proud to be part of a world-class organization that owns so many high-quality and well-recognized brands, and that also supports and appreciates market diversity. For example, our plant in Montréal plays a valuable role in the Company's overall success, and we are happy to be part of a company that respects contribution and demonstrates commitment through its actions.

What are the intangibles of Corby that make this Company different?

Kimara Oram,
Marketing Manager,
Agency Spirits & Corby Sales Brands – Toronto

Our strong and loyal relationships with customers and agency brand owners is an intangible that makes us stand out as a leader among competitors, as well as Pernod Ricard's global affiliates. We take great pride in the continued growth and development of these relationships. For example, take our 23-year relationship with Cantrell & Cochrane Group, or the "Supplier of the Year" and "Partnership-Spirits" awards we won from the LCBO this year. Our business is about relationships, and these are some of our vital assets.

What changes have you seen in Corby over the last 2-3 years?

Dan Cote-Rosen,
Brand Manager – Toronto

The past few years at Corby have been marked by a significant amount of change, most notably in the areas of focus, prioritization and action orientation. We are at a point now where there is an impressive degree of alignment across our business units, including Production, Sales, Marketing, Finance, and Human Resources. We have the best people supporting the right brands with the right tools. Personally, I am excited for the future of Corby and my role in creating value for shareholders.

Domestic & International
Brand Review

Brand

Review

Unless otherwise noted, references to volumes and volume changes reflect over-the-counter sales in the domestic market as reported by the Association of Canadian Distillers.

Corby-Owned

Wiser's Canadian whisky continues to be Canada's best selling Canadian whisky family, surpassing 675,000 cases this year. The family has grown by over 225,000 cases since 2001 and has continued its strong performance in 2008, up 4%, in a category that showed flat growth. Wiser's continues to innovate within the category and was recognized by the LCBO with two of its prestigious Elsie awards, for Best On-Premise Program in support of Wiser's 150th anniversary, and Best New Product Launch – Spirits for J.P. Wiser's Red Letter Canadian whisky. In the US market, Wiser's export sales exceeded 55,000 cases, growing at 12%, compared to the previous year.

Polar Ice vodka, the third largest vodka brand in Canada, and now the 10th largest spirit brand overall, sold more than 300,000 cases this year. Polar Ice vodka has more than doubled in volume since 2001 and, in 2008, the brand continued its strong performance by outpacing the spirits category with 3% growth. In June 2008, Polar Ice launched two innovative initiatives: Polar Ice flavours, with new Northern Maple and Arctic Berry, as well as a special charity bottle in support of the Canadian AIDS Society. Polar Ice vodka volumes in the US market exceeded 80,000 cases in fiscal 2008, continuing to grow in the highly competitive imported vodka category.

Lamb's rum, the genuine Demerara rum, is the number three rum family in Canada, with approximately 500,000 cases sold. Lamb's Palm Breeze rum sold 242,000 cases in 2008 and maintained its market share position as the number two amber rum in Canada. In its largest market, Newfoundland and Labrador, Lamb's has been supported with sponsorship of the George St. Festival, out-of-home advertising, charitable community support behind Daffodil Place, and a partnership with *Downhome* magazine. Corby acquired the rights to Lamb's rum internationally in September 2006, adding in excess of 100,000 cases of Lamb's Navy rum to the portfolio, based primarily in the UK market. In the spring of 2007, Halewood International Ltd. of Liverpool became the UK and international distributor for the brand and, in its first full year of trading, realized a 4% growth in shipments compared to the previous year.

While the wet weather across Canada has dampened 2008 spirit cooler category sales, Seagram Coolers have continued to grow share and volume. Among major cooler suppliers, Seagram Coolers have demonstrated the second best category performance, being one of only two companies to post positive growth. This was accomplished through the continued sales success of the new Seagram Vodka Spritzer line of refreshment beverages, as well as the addition of new flavour line extensions for Wildberry and Seagram Swirls.

McGuinness liqueurs, the largest mixable liqueur family in Canada, sold more than 110,000 cases – more than double the largest competitor. The brand has experienced continued consumer interest in cocktail making with McGuinness Blue Curaçao, McGuinness Crème de Banane, McGuinness Cherry whisky and some of the popular flavours, driving the growth of the McGuinness liqueurs portfolio.

Agency

Malibu rum "got its island on" this year, reaching 152,000 cases. The brand grew 11% and has more than doubled its volume since June of 2002. Performance of the base Coconut remained strong, and the launch of Tropical Banana delivered incremental volume and shelf presence for the family. Summer remains Malibu's key season; however, a broader approach was taken in fiscal 2008, building presence in the winter and spring months, leading to dominance in the summer. An extended and integrated campaign for Malibu, themed "Get Your Island On" has helped to strengthen the continued success of the brand.

Kahlúa, the number one coffee liqueur in Canada, faced continued pressure in the marketplace during fiscal 2008. This year did, however, see the re-launch of this classic Mexican liqueur, with a bold new strategy and an invigorated plan for the brand. New packaging, advertising and a modern approach to Kahlúa cocktails have all helped to move the brand in a new direction. Additionally, the launch of two new Kahlúa flavours, Hazelnut and Vanilla, in key markets prompted renewed interest in the family and leaves the brand in a strong position for growth in upcoming years.

Jameson, the largest Irish whiskey in both Canada and the world, is nearing the 35,000 case mark in Canada. The brand has experienced outstanding growth of 8%, resulting in a 64% share for the brand within the category. The brand saw extensive support throughout the spring, including the re-launch of the Reserves range.

Havana Club rum, the authentic premium Cuban rum, had an impressive year in 2008, growing 35% and breaking the 50,000 case plateau. Havana Club Añejo Reserva was the fastest growing member of the family at +53%, the second-fastest growing brand in Canada. With the continuation of extensive bartender training, distribution building, in-bar events, a partnership with the Cuba Tourism Board and strong retail activity, the brand is gaining further momentum.

Stolichnaya vodka had another strong year with the brand breaking the 140,000 case mark as a family and achieving 12% growth. The base brand continued its strong growth and was supported by continued gains of the Stolichnaya flavours, +28%, driven by Blueberi.

The Glenlivet Scotch whisky, "The Single Malt That Started It All", saw sales grow a stellar 12%, surpassing 39,000 cases this year. This healthy, positive performance was assisted by an integrated, national multimedia partnership with *SCOREGOLF* magazine and television, as well as continued distribution of the core family range.

Chivas Regal Scotch whisky is one of the leaders in the deluxe blended scotch whisky category in Canada, with sales of more than 53,000 cases, despite increased pressure from key competitors this year. Total sales volume was even with last year, but was supported by a strong six-week national TV campaign (a first for Chivas in its recent marketing history in Canada) and extensive distribution in-bar. For fall 2008, further support has been planned to create more momentum behind this premium deluxe blended scotch and recapture its leadership position.

Jacob's Creek wine is one of the world's best-known wine brands, with approximately two million glasses enjoyed globally every day. Jacob's Creek wine completed fiscal 2008 at just more than 224,000 cases, a 20% increase compared to last year, and the outlook moving forward indicates a strong performance will continue. Building value in the Jacob's Creek wine family continues to go from strength to strength, and the Jacob's Creek Reserve range has shown solid double-digit growth. The new sponsorship of the Just For Laughs festival is building strong visibility for Jacob's Creek wines in key markets.

Wyndham Estate wine is one of the original Australian wine brands in Canada and has been enjoyed by consumers across the country for more than 20 years. Canada is the number one export market for Wyndham Estate wine and a key wine brand in the Corby portfolio. Wyndham Estate wine continues to grow steadily, now close to 183,000 cases, and has grown by 3% compared to last year. The new George Wyndham collection has received notable interest from the provincial liquor boards and will be an exciting news story from this award-winning winery.

Our new
Corporate Identity

Corby unveiled a new logo this year, helping to take the Company to a new stage in its 150-year history.

Designed in-house by Louis Calautti, RGD, Graphic Designer at Corby, the logo highlights our business focus, and also conveys tradition and modernity.

“The new design incorporates two elements,” said Louis in describing his work. “There is a new icon, and a new wordmark.”

“The icon is a stylized symbol divided into two parts – spirits and wine. Gold represents Corby’s premium spirits portfolio, while deep red represents our imported wine portfolio. Together, the colour palette is intense and energizing. Meanwhile, the arch at the bottom of the bottles is suggestive of forward motion, energy and global reach – fitting, given our position as a leader within Pernod Ricard’s global affiliates.”

“The semi-serif font of the wordmark reflects the varying widths of a traditional serif font but has the modern feel of a sans serif. Set in black, the wordmark is bold and powerful, connoting stability and strength. In short, it strides between a rich past and a bright future.”

Con Constandis, Corby’s President and CEO said, “Our new logo is a banner for the journey we are taking as a team, so I am proud that the inspiration came from one of our own employees.”

Management's
Discussion & Analysis
Financial Report

Corby Distilleries Limited

Management's Discussion & Analysis

For the fiscal year ended June 30, 2008

The following Management's Discussion & Analysis ("MD&A") dated August 19, 2008 should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended June 30, 2008, prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

This MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of Corby Distilleries Limited ("Corby" or the "Company"). Forward-looking statements typically are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including, but not limited to: the impact of competition; consumer confidence and spending preferences; regulatory changes; general economic conditions; and the Company's ability to attract and retain qualified employees and, as such, the Company's results could differ materially from those anticipated in these forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This document has been reviewed by the Audit Committee of Corby's Board of Directors and contains certain information that is current as of August 19, 2008. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Corby will provide updates to material forward-looking statements, including in subsequent news releases and its interim management's discussion & analyses filed with regulatory authorities as required under applicable law. Additional information regarding Corby, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

Unless otherwise indicated, all comparisons of results for the fourth quarter of fiscal 2008 (three months ended June 30, 2008) are against results for the fourth quarter of fiscal 2007 (three months ended June 30, 2007). All dollar amounts are in Canadian dollars unless otherwise stated.

Business Overview

Corby is a leading Canadian manufacturer and marketer of spirits and importer of wines. Corby's national leadership is sustained by a diverse brand portfolio which allows the Company to drive profitable organic growth with strong, consistent cash flows.

The Company derives its revenues from the sale of its owned-brands, as well as earning commission income from the representation of selected non-owned brands in the Canadian marketplace. Revenue from Corby's owned-brands are denoted as "Sales" on the consolidated statement of earnings and while it predominantly consists of sales made to each of the provincial liquor boards in Canada, it also includes sales to international markets. Commission income earned from the representation of non-owned brands is denoted as "Commissions" on the consolidated statement of earnings.

Corby's portfolio of owned-brands includes some of the most renowned brands in Canada, including Wiser's rye whiskies, Lamb's rum, Polar Ice vodka and Seagram Coolers. Through its affiliation with international wine and spirits company, Pernod Ricard, S.A. ("PR"), Corby also represents leading international brands such as Chivas Regal, The Glenlivet and Ballantine's scotches, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines. In addition to representing PR's brands in Canada, Corby also provides representation for certain selected unrelated third-party brands ("Agency brands") when they fit within the Company's strategic direction and thus complement Corby's existing brand portfolio.

Con Constandis, *President and Chief Executive Officer,* **Andy S. Alexander**, *Vice President, Sales,* **Colin R. Kavanagh**, *Vice President, Marketing,* **John A. Nicodemo**, *Chief Operating Officer and Chief Financial Officer,* **Marc A. Valencia**, *Vice President, General Counsel, Corporate Secretary and Chief Privacy Officer,* **Howard C. Kirke**, *Vice President, External Affairs,* **Paul G. Holub**, *Vice President, Human Resources*

Corby's voting shares are majority owned by Hiram Walker & Sons Limited ("HWSL") located in Windsor, Ontario. HWSL is a wholly-owned subsidiary of PR. Therefore, in this MD&A, Corby refers to HWSL as its parent, PR as its ultimate parent and subsidiaries of PR as its affiliates.

On September 29, 2006, Corby completed a transaction with PR which provided the Company the exclusive right to represent PR's brands in the Canadian market for a 15-year period, expiring in 2021. In addition to acquiring these rights, Corby also purchased the international rights to Lamb's rum (excluding the Canadian rights, which the Company already owned) and the Canadian rights to Seagram Coolers. Corby satisfied the purchase price by selling its 45% owned equity investment in the Tia Maria Group ("TMG") and by making a cash payment to PR. Revenue earned from the representation of PR's brands in Canada is presented in the consolidated statement of earnings as "Commissions", whereas revenue earned on the sale of Lamb's rum and Seagram Coolers is presented as "Sales". This transaction allowed Corby to unlock the value of a non-strategic equity investment in TMG, while providing the Company with a long-term income stream for which management has direct control. In addition, the transaction effectively converted the non-cash TMG equity earnings into a new long-term cash based income stream for the Company and ultimately its shareholders.

The Company sources approximately 72% of its spirits production requirements from HWSL at its production facilities in Windsor, Ontario, while another 24% of Corby's spirits production is sourced from the Company's owned plant in Montréal, Québec. The remaining 4% is sourced through an affiliated company located in Scotland, which manufactures Lamb's rum for the international market ("Lamb's International"). However, plans are underway to move all production requirements for Lamb's International to Corby's owned plant in Montréal, Québec. Essentially all of Corby's cooler production requirements are outsourced to an unrelated third-party located in Dorval, Québec.

Corby's operations are typically subject to seasonal fluctuations in that the retail holiday season generally results in an increase in consumer purchases over the course of October, November and December. Further, the summer months traditionally result in higher consumer purchases of spirits as compared to the winter and spring months. As a result, the Company's first and second quarter of each fiscal year tend to typically reflect the impact of seasonal fluctuations in that more shipments are typically made during those quarters.

Strategies and Outlook

Corby's business strategies are designed to maximize value growth, and thus deliver exceptional profit to shareholders while continuing to produce strong and consistent cash flows from operating activities. The Company's portfolio of owned and represented brands provides an excellent platform to achieve its current and long-term objectives moving forward.

The Company believes that having a focused brand-prioritization strategy will permit it to capture value in those segments and markets where consumers continue to demonstrate their willingness to trade up to premium brands. Therefore, the Company's strategy is to focus its investments and leverage the long-term growth potential of its key brands, while placing less emphasis on smaller and less-profitable brands. As a result, Corby will continue to invest behind its brands to promote its premium offerings where it makes the most sense and drives the most value for shareholders.

Brand prioritization requires an honest evaluation of each brand's potential to deliver upon this strategy. Particular focus has been given to evaluating the strategic importance of the Company's representation of third-party brands, and as a result, Corby has permitted certain of its representation contracts to expire, thus allowing Corby's marketing and sales teams to focus on maximizing value creation within the brand-prioritization strategy. The Company believes that effective execution of its strategy will result in value creation for shareholders.

The Company is a strong advocate of social responsibility, especially with respect to its sales and promotional activities. Corby will continue to promote responsible consumption of its products in all its activities. The Company stresses its core values throughout its organization, including that of value creation, social responsibility, tradition, substance over style, and character above all.

Non-GAAP Financial Measures

Corby defines "EBITDA" as net earnings before equity earnings, foreign exchange, interest income, income taxes, depreciation and amortization. This non-GAAP financial measure has been included in this MD&A as it is a measure which management believes is useful in evaluating and measuring the Company's operating performance. EBITDA is also a common measure used by investors, financial analysts and rating agencies. These groups may use EBITDA and other non-GAAP financial measures to value the Company and assess its performance.

However, EBITDA is not a measure recognized by GAAP, and it does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings as determined in accordance with GAAP as an indicator of performance.

A reconciliation of EBITDA to the most directly comparable GAAP measure can be found under "Results of Operations – Fiscal 2008" in this MD&A.

Overall Financial Performance

The following table provides a summary of certain selected consolidated financial information for the Company. This information has been prepared in accordance with Canadian GAAP.

(in millions of Canadian dollars, except per share amounts)	**Year Ended June 30, 2008**	Year Ended June 30, 2007	Ten Months Ended June 30, 2006[1]
Operating revenue	**$ 163.3**	$ 153.6	$ 110.8
EBITDA[2]	**50.5**	44.0	29.2
EBITDA per common share	**1.77**	1.55	0.99
Net earnings	**31.7**	100.4	28.0
Basic earnings per share	**1.11**	3.53	0.99
Diluted earnings per share	**1.11**	3.53	0.99
Total assets	**249.9**	238.0	180.3
Total liabilities	**30.7**	34.5	22.0
Dividends paid per share	**0.56**	2.06	0.41

[1] *The Company changed its fiscal year from August 31 to June 30, effective as of June 30, 2006.*

[2] *EBITDA for the year ended June 30, 2007 excludes the gain on sale of the Company's investment in TMG.*

Key operating and financial metrics for the year ended June 30, 2008

- 6% increase in operating revenue;
- 15% increase in EBITDA;
- 10% increase in net earnings, after excluding the gain on disposition of TMG in 2007.

Brand Performance Review

Corby's portfolio of owned-brands typically accounts for more than 80% of the Company's total operating revenue. Included in this portfolio are its key brands Wiser's Canadian whisky, Lamb's rum, Polar Ice vodka and Seagram Coolers. The sales performance of these key brands significantly impacts Corby's net earnings and therefore understanding sales at the retail store level in Canada provides insight into the current performance of each key brand. The following chart summarizes market data provided by the Association of Canadian Distillers. It should be noted that the retail sales information depicted below does not include international retail sales of Corby owned-brands as this information is not readily available.

Retail Sales for Canadian Market Only[1]

	Retail Volumes (in 000s of 9L cases) Year Ended June 30,			**Retail Value** (in millions of dollars) Year Ended June 30,		
	2008	2007	% Change	**2008**	2007	% Change
Corby owned-brands						
Wiser's Canadian whisky	**677**	650	4%	**$ 187.4**	$ 175.3	7%
Lamb's rum	**498**	511	(3%)	**126.8**	130.1	(3%)
Polar Ice vodka	**309**	300	3%	**79.8**	75.7	5%
Seagram Coolers	**395**	394	0%	**23.9**	22.4	7%
Sub-total	**1,879**	1,855	1%	**417.9**	403.5	4%
All other Corby owned-brands	**792**	838	(5%)	**190.3**	200.6	(5%)
Total	**2,671**	2,693	(1%)	**$ 608.2**	$ 604.1	1%

[1] *Refers to sales at the retail store level in Canada, as provided by the Association of Canadian Distillers.*

The sales performances in the chart above are in line with management's expectations, with the exception of Lamb's rum, which is discussed further below. As discussed in the "Strategies and Outlook" section of this MD&A, the Company's strategy is to focus its investments and leverage the long-term growth potential of its key brands, while placing less emphasis on smaller and less profitable brands.

Furthermore, the figures above also reflect Corby's strategy to have value growth exceed volume growth through focus on premium brands, in addition to continually seeking opportunities to increase prices in line with targeted competitive sets. The benefits of this strategy can be seen above as the growth in retail value of Corby's key brands, as measured by retail sales dollars, collectively increased by 4% compared with a collective volume increase of 1%.

Corby's flagship brand, Wiser's Canadian whisky, experienced a retail volume increase of 4%, with retail value growing by 7%. The Wiser's Canadian whisky brand's continued growth in both retail volume and retail value further solidifies its status as the largest selling brand family of rye whisky in Canada.

Significant investments were made in the Wiser's Canadian whisky brand over the past year in the form of a focused advertising and media campaign to commemorate its 150-year anniversary with the tag line *"Character above all",* reflective of the values held by the brand's original creator, J.P. Wiser. The media campaign capitalized on the rich history of the brand while also remaining contemporary. The Company also released a special limited edition variant entitled Wiser's Red Letter Canadian whisky, which retailed for $150 a bottle. Wiser's Red Letter received positive reviews and press attention, further contributing to the brand's leading reputation in the marketplace.

The Company has also recently released new packaging for Wiser's De Luxe and Wiser's Special Blend. The new labels convey all of the premium qualities of the whisky, featuring enhanced gold detailing and embossing, while maintaining the heritage and authenticity for which the brand has become famous.

Wiser's Canadian whisky's performance demonstrates the value of these investments as the brand has continued to outperform the rye whisky category during the year ended June 30, 2008. The brand is also benefiting from the trend among consumers to trade up to premium-quality spirits products.

Polar Ice vodka is now the third-largest vodka brand in Canada, as measured by retail value. Polar Ice vodka has experienced retail volume growth of 3%, and retail value grew by 5%. The success of the brand can be partially attributed to the strong growth of the vodka category in recent years as vodka has become the largest spirits category in Canada. In addition, Polar Ice vodka has been effective in its retail programming and in building strong on-premise distribution. The on-going sponsorship of Pride Week in Toronto is a key event in the brand's promotional calendar and one which is used to effectively communicate the brand's values of community and diversity.

The Lamb's rum brand experienced a 3% decline in retail volume, while retail value also declined 3%. The decline in Lamb's rum retail sales performance is mainly the result of competitive pricing pressures, particularly in the Ontario market. Management has been closely monitoring the competitive situation and has begun taking action through increased focus and some additional advertising and promotional spend aimed at retaining the brand's core consumers. Early signs are showing that the action plans implemented by the Company are yielding the intended results, as the brand's performance over the last quarter was significantly improved, with retail sales increasing by 3%.

As the Seagram Coolers brand is primarily targeted toward the warmer seasons, its success is typically more dependent on warm weather during the summer season than that of Corby's other key brands. As a result, the poor weather experienced at the start of the 2008 summer season in key markets such as Ontario negatively impacted the brand's performance during the final quarter of fiscal 2008.

Nonetheless, the Seagram Coolers brand outperformed its segment, experiencing a 7% increase in retail sales value, further demonstrating the value proposition inherent within the Company's brand-premiumization strategy. Prior to the effect of the cooler weather, the brand was experiencing great success largely attributed to the addition of new and innovative products launched during the spring of 2007, namely, Seagram Vodka Spritzers and Seagram Strawberry-Kiwi Swirl.

Results of Operations – Fiscal 2008

The following table presents a summary of certain selected consolidated financial information for the Company for the years ended June 30, 2008 and 2007:

(in millions of Canadian dollars, except per share amounts)	**2008**	2007	$ Change	% Change
Sales	**$ 147.9**	$ 139.4	$ 8.5	6%
Commissions[1]	**20.3**	17.7	2.6	15%
Operating revenue[1]	**168.2**	157.1	11.1	7%
Cost of sales	**75.1**	71.6	3.5	5%
Marketing, sales and administration	**42.6**	41.5	1.1	3%
EBITDA[2]	**50.5**	44.0	6.5	15%
Amortization[3]	**6.1**	4.8	1.3	27%
Earnings from operations	**44.4**	39.2	5.2	13%
Interest income	**2.4**	2.9	(0.5)	(17%)
Foreign exchange loss	**(0.3)**	0.0	(0.3)	–
Equity earnings from investment in TMG	**–**	2.1	(2.1)	(100%)
Gain from disposition of equity investment in TMG	**–**	72.6	(72.6)	(100%)
Earnings before income taxes	**46.5**	116.8	70.3	(60%)
Income taxes	**14.8**	16.4	(1.6)	(10%)
Net earnings	**$ 31.7**	$ 100.4	$ (68.7)	(68%)
Per common share				
Basic net earnings	**$ 1.11**	$ 3.53	$ (2.42)	(69%)
Diluted net earnings	**$ 1.11**	$ 3.53	$ (2.42)	(69%)

[1]*Amounts are presented gross of representation rights amortization of $4.9 (2007 – $3.5).*
[2]*Corby defines EBITDA as net earnings before equity earnings, foreign exchange, interest, taxes, depreciation, and amortization.*
[3]*Amounts include capital assets amortization of $1.2 (2007 – $1.3), and representation rights amortization of $4.9 (2007 – $3.5).*

Operating revenue

Corby's operating revenue, consisting of sales revenue and commission income, was $168.2 million compared to $157.1 million last year, representing an increase of 7% or $11.1 million. This increase is the combination of an $8.5 million, or 6%, increase in sales coupled with a $2.6 million, or 15%, increase in commissions.

Sales

Sales revenue grew by $8.5 million mainly as a result of a 4% increase in average selling prices in the Canadian spirits market. As previously mentioned, the growth in average selling prices is mainly the result of a focused effort to increase prices in line with targeted competitive sets along with improved product mix.

The sales growth experienced in the Canadian market has been partially offset by the negative impact of the appreciating Canadian Dollar on the Company's international business, which is mainly in the US and the UK. It is estimated that the change in foreign currencies had a negative impact of $1.1 million on Corby's revenues. Excluding this, sales revenue growth would have been 7% versus fiscal 2007.

Wiser's Canadian whisky in particular has shown excellent growth, as gross sales revenues of the brand in Canada grew by 8% when compared to last year. The 8% increase in gross sales was driven by a 4% increase in shipment volumes along with a 4% increase in average selling prices.

Another contributor to the increase in sales this year is Corby's prior year acquisitions of the Seagram Coolers and Lamb's International businesses. These two businesses account for $3.5 million of the sales increase, as this year's financial results include a full twelve-months' activity, whereas last year included only nine months, given these businesses were acquired at the end of the first quarter of 2007.

Commissions

The following table highlights the various components which comprise commissions:

(in millions of Canadian dollars)	**2008**	2007	$ Change	% Change
Commission from PR brands	**$ 14.3**	$ 12.8	$ 1.5	12%
Commission from Agency brands	**6.0**	4.9	1.1	22%
Commissions	**$ 20.3**	$ 17.7	$ 2.6	15%

Commissions for the year ended June 30, 2008 were $20.3 million, as compared to $17.7 million last year. Commissions from PR brands increased by 12%, led by double-digit growth in sales of brands such as Jacob's Creek and Wyndham Estates wines, Malibu rum, Havana Club rum, The Glenlivet single-malt scotch, Ballantine's scotch and Jameson Irish whiskey.

The majority of the increase in commission from Agency brands was the result of the Company earning a one-time lump sum of $0.9 million in commission income from an Agency brand that Corby ceased to represent on June 30, 2006. This commission was in lieu of earnings Corby would have otherwise received during the required notice period, as provided for under the relevant representation agreement.

Cost of sales

Cost of sales for year ended June 30, 2008 was $75.1 million, compared to $71.6 million last year. The increase in cost of sales was largely commensurate with the increase in sales. The impact of increased commodity prices was offset by the foreign exchange benefit of sourcing some production components from the US and UK. Despite these challenges, gross margin increased by 0.6% to 49.2% as at June 30, 2008, as compared with 48.6% at June 30, 2007.

Marketing, sales and administration

Marketing, sales and administration expenses were $42.6 million, as compared to $41.5 million last year. The increase was mainly the result of higher advertising and promotional ("A&P") spend on the Company's key brands, partially offset by the inclusion of a $2.0 million charge associated with a management reorganization in last year's financial results. The increase in A&P spend reflects promotional activity associated with the 150th anniversary of the Wiser's Canadian whisky brand, in addition to promotional spend associated with a full-year of Seagram Coolers and Lamb's International activity. The Company also increased promotional spending on Lamb's rum in Canada in an effort to turn around its performance after a softer than anticipated first half of the year.

Amortization

Amortization expense includes amortization of Corby's rights to represent PR's brands in Canada, in addition to amortization of the Company's capital assets as displayed in the following schedule:

(in millions of Canadian dollars)	**2008**	2007	$ Change	% Change
Representation rights amortization	**$ 4.9**	$ 3.5	$ 1.4	40%
Capital assets amortization	**1.2**	1.4	(0.2)	(14%)
Amortization	**$ 6.1**	$ 4.9	$ 1.2	24%

The increase in amortization reflects the fact that the current year results include an additional three months of representation rights amortization as compared to 2007. Since the PR transaction closed on September 29, 2006, the comparative period reflects only nine months of amortization expense.

Interest income

Interest income is earned on Corby's cash balances held at its financial institution. The $0.5 million decrease since prior year reflects the fact that the Company's average cash balance has declined as a result of paying a $42.7 million special dividend to shareholders on January 15, 2007.

Equity earnings from TMG/gain from disposition of equity investment in TMG

The Company disposed of its equity investment in TMG on September 29, 2006 as part of the transaction with PR which is described in detail in the "Business Overview" section of this MD&A.

Income taxes

Corby's effective tax rate was 32% for the year ended June 30, 2008, as compared with 14% last year. The current year's effective tax rate was lower than the statutory rate of 33% as the Government of Canada substantively enacted reductions in corporate income tax rates. The prior year's effective rate is substantially lower than the 35% statutory rate as the gain on sale of the Company's investment in TMG was largely free of tax through the use of Section 85 rollover provisions contained in the *Income Tax Act* (Canada).

The following table provides reconciliations between the effective and statutory rates of income tax for both the year ended June 30, 2008 and 2007:

	2008	2007
Combined basic federal and provincial tax rates	**33%**	35%
Impact of substantively enacted rate decreases	**(1%)**	0%
Income not subject to income tax	**0%**	(22%)
Equity in net earnings of companies subject to significant influence	**0%**	(1%)
Other	**0%**	(2%)
	32%	14%

Net earnings/earnings per share

Net earnings in the prior year included a one-time gain as a result of the Company's disposition of its equity investment in TMG. A schedule, removing the effects of this one-time event, is presented below:

(in millions of Canadian dollars, except per share amounts)	**2008**	2007	$ Change	% Change
Net earnings	**$ 31.7**	$ 100.4	$ (68.7)	(68%)
Normalization adjustments:				
Gain from disposition of TMG	**–**	(72.6)	72.6	(100%)
Tax effect of gain from disposition of TMG	**–**	1.1	(1.1)	(100%)
Normalized net earnings	**$ 31.7**	$ 28.9	$ 2.8	10%
Normalized earnings per share:				
Basic	**$ 1.11**	$ 1.01	$ 0.10	10%
Diluted	**$ 1.11**	$ 1.01	$ 0.10	10%

Balance Sheet Review

Working capital totalled $109.6 million as compared to $91.2 million at June 30, 2007. The $18.4 million increase is primarily the result of increased cash and inventories, decreased accounts payable and accrued liabilities, partially offset by a decrease in accounts receivable. Fluctuations in each of these balances are further described below.

Corby's cash balance of $58.6 million reflects an increase of $11.6 million since June 30, 2007. This increase is primarily the result of $31.2 million of cash being generated from operations offset by $15.9 million in regular dividend payments and $3.5 million in additions to capital assets.

Inventories were $47.3 million at June 30, 2008 compared to $43.0 million at June 30, 2007. The higher balance is being driven by two primary factors. The first is the result of $2.1 million of increased lay-downs of maturing bulk whisky which is necessary to ensure that an adequate future supply is available to support Corby's growing whisky brands. The second factor, which accounts for $1.3 million, is the result of the Company's strategic decision to shift the production of Lamb's International from its current location with an affiliate in the UK to Corby's own production facility in Montréal. In order to facilitate a smooth transition and avoid any disruption in operations, the Company has been building a level of inventory in the UK above normal levels. The shift in production locations is expected to increase product margins, mainly as a result of the Company's ability to benefit from manufacturing and production synergies available at its Montréal production facility.

The June 30, 2008 accounts receivable balance of $21.9 million has decreased $3.1 million since June 30, 2007. This is mainly due to the inclusion of a $2.1 million receivable (which was subsequently collected in July) associated with one of the Company's customers in the June 30, 2007 balance.

Accounts payable and accrued liabilities totalled $19.2 million, a decrease of $3.4 million since June 30, 2007. The decrease is the result of having higher than normal amounts owing to PR affiliates in the prior year offset by having built up $1.3 million of finished goods inventory at year-end to facilitate the move of the Lamb's International production from its current location in the UK to Corby's own production facility in Montréal.

Capital assets increased $2.3 million since June 30, 2007 and are explained by $3.5 million of asset additions less amortization expense of $1.2 million. The capital asset additions and amortization expense are comparable with prior-year amounts.

Employee future benefits were in a net asset position of $3.1 million, as compared to $3.2 million at June 30, 2007. The slight decrease is explained by $3.5 million of expense offset by pension plan funding and payments to retirees being made during the year equal to $3.4 million. The employee future benefits expense and contributions are comparable with prior-year amounts.

Goodwill remains unchanged since 2007 at $9.9 million, as goodwill balances have indefinite lives and thus are not amortized in accordance with current accounting standards, but are instead tested for impairment on an annual basis.

Corby's intangible asset balance of $90.1 million is comprised of long-term representation rights of $62.1 million and trademarks and licenses of $28 million. The balance decreased $4.9 million since the prior year and is primarily the result of normal amortization of the long-term representation rights balance over its 15-year useful life. The trademarks and licenses balance did not change, as they have indefinite lives and are not amortized in accordance with current accounting standards, but are instead tested for impairment on an annual basis.

Future income tax balances increased a net $0.2 million since June 30, 2007. The change is a combination of the normal reversal of temporary differences from year to year, offset by a decrease in substantively enacted corporate income tax rates during the year.

Shareholders' equity increased by $15.8 million to $249.9 million at June 30, 2008. The change since last year is the result of net earnings of $31.7 million less dividends being declared and paid in the amount of $15.9 million.

Cash Flow Review

Cash flows from operating activities

The Company has generated $31.2 million of cash from operating activities compared to $33.4 million last year, a decrease of $2.2 million. Year-over-year growth in EBITDA was offset by an investment in non-cash working capital balances, whereas in the prior year, the Company's investment in non-cash working capital balances declined. For further details on working capital changes, please refer to the "Balance Sheet Review" section of this MD&A.

Cash flows from investing activities

Cash flows used for investing activities was $3.5 million for the year, compared to a net inflow of cash of $3.9 million last year. The net decrease of $7.4 million reflects the impact of the aforementioned transaction with PR combined with $0.5 million of increased capital asset additions in the current year.

Cash flows from financing activities

Cash flows used in financing activities this year were $15.9 million compared with $58.3 million last year. The $42.4 million change is explained by the payment of a one-time $42.7 million special dividend in 2007.

Outstanding Share Data

As at June 30, 2008, Corby had 24,274,320 Voting Class A Common Shares and 4,194,536 Non-Voting Class B Common Shares outstanding. There are no options outstanding.

Liquidity and Funding Requirements

Corby's sources of liquidity are its cash balance of $58.6 million along with cash generated by operating activities. The Company believes that the available cash balance combined with its historically strong and consistent operational cash flows are sufficient to fund its operations, investing activities and commitments for the foreseeable future.

In recent months, the much publicized global liquidity crisis has been tumultuous for many companies, particularly for those entities holding short-term investments in asset-backed commercial paper ("ABCP"). Corby does not have exposure to this type of liquidity risk as the Company does not hold any investments in ABCP.

The Company's cash flows from operations are subject to fluctuation due to commodity, foreign exchange and interest rate risk. Corby does not actively manage these risks as they are believed to naturally be at an already acceptably low level. Please refer to the "Risks & Risk Management" section of this MD&A for further information.

Contractual Obligations

The following table presents a summary of the maturity periods of the Company's contractual obligations as at June 30, 2008:

(in millions of Canadian dollars)	Payments During 2009	Payments Due in 2010 and 2011	Payments Due in 2012 and 2013	Payments Due After 2013	Obligations With no Fixed Maturity	Total
Operating lease obligations	$ 1.2	$ 2.2	$ 1.4	$ 3.3	$ –	$ 8.1
Employee future benefits	–	–	–	–	12.8	12.8
	$ 1.2	$ 2.2	$ 1.4	$ 3.3	$ 12.8	$ 20.9

Operating lease obligations represent future minimum payments under long-term operating leases for premises and office equipment as at June 30, 2008. Employee future benefits represent the Company's unfunded pension and other post retirement benefit plan obligations as at June 30, 2008. Please refer to Note 8 of the consolidated financial statements for further information with respect to Corby's employee future benefit plans.

Related-Party Transactions

HWSL, an indirectly wholly-owned subsidiary of PR, owns in excess of 50% of the issued and outstanding Voting Class A Common Shares of Corby and is thereby considered to be the Company's parent. PR is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of PR.

Corby engages in a significant number of transactions with its parent company, its ultimate parent and various affiliates. Specifically, Corby renders services to its parent company, its ultimate parent, and affiliates for the marketing and sale of beverage alcohol products in Canada. Corby also sub-contracts the large majority of its distilling, maturing, storing, blending, bottling and related production activities to its parent company. A significant portion of Corby's bookkeeping, recordkeeping services, data processing and other administrative services are also outsourced to its parent company.

The companies are now operating under the terms of the agreements which became effective on September 29, 2006, as a result of the aforementioned transaction with PR. These agreements provide the Company with the exclusive right to represent PR's brands in the Canadian market until 2021, as well as provide for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario, until 2016. Corby also manages PR's business interests in Canada, including the Windsor production facility. Certain officers of Corby have been appointed as directors and officers of PR's Canadian entities, as approved by Corby's Board of Directors. All of these transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition to the transactions just described, Corby purchased and sold bulk whisky from/to HWSL at market prices, which was $2.70 per original litre of alcohol ("OLA"). The quantities of OLA and the related exchange amount for each type of transaction are listed in the following chart:

	2008		2007	
(Quantities stated in 000s of original litres of alcohol)	**Quantities**	**Exchange Amount**	Quantities	Exchange Amount
Sales	**407**	**$ 1.1**	339	$ 0.9
Purchases	**506**	**$ 1.4**	–	$ –

Approximately $1.0 million of bulk whisky purchased from HWSL remains in inventory at June 30, 2008.

Corby recently changed its financial institution to the Bank of Nova Scotia ("Scotiabank"). As a result, all of the Company's banking and cash management needs are addressed by Scotiabank and, under this arrangement, Corby participates in a Mirror Netting Service Agreement ("Mirror Agreement") with PR's other Canadian affiliates. The Mirror Agreement acts to aggregate each participant's net cash balance on a nightly basis for purposes of interest calculation. Corby earns interest income, which is settled on a monthly basis, from PR at market rates on its cash balances held at its financial institution.

Results of Operations – Fourth Quarter of Fiscal 2008

The following table presents a summary of certain selected consolidated financial information for the Company for the three-month periods ended June 30, 2008 and June 30, 2007:

(in millions of Canadian dollars, except per share amounts)	**3 Months Ended June 30, 2008**	3 Months Ended June 30, 2007	$ Change	% Change
Sales	**$ 36.4**	$ 36.4	$ –	–
Commissions[1]	**4.4**	4.9	(0.5)	(10%)
Operating revenue[1]	**40.8**	41.3	(0.5)	(1%)
Cost of sales	**19.5**	19.8	(0.3)	(2%)
Marketing, sales and administration	**11.4**	11.5	(0.1)	(1%)
EBITDA[2]	**9.9**	10.0	(0.1)	(1%)
Amortization[3]	**1.6**	1.9	(0.3)	(16%)
Earnings from operations	**8.3**	8.1	0.2	2%
Interest income	**0.4**	0.5	(0.1)	(20%)
Foreign exchange loss	**(0.1)**	(0.1)	–	–
Earnings before income taxes	**8.6**	8.5	0.1	1%
Income taxes	**2.7**	3.0	(0.3)	(10%)
Net earnings	**$ 5.9**	$ 5.5	$ 0.4	7%
Per common share				
Basic net earnings	**$ 0.21**	$ 0.20	$ 0.01	5%
Diluted net earnings	**$ 0.21**	$ 0.20	$ 0.01	5%

[1]*Amounts are presented gross of representation rights amortization of $1.2 (2007 – $1.2).*
[2]*Corby defines EBITDA as net earnings before equity earnings, foreign exhange, interest, taxes, depreciation and amortization.*
[3]*Amounts include capital assets amortization of $0.4 (2007 – $0.7) and representation rights amortization of $1.2 (2007 – $1.2).*

Operating revenue

Operating revenue, consisting of sales and commissions, was $40.8 million for the fourth quarter compared to $41.3 million in the same quarter last year, a decrease of $0.5 million or 1%. Sales remained steady quarter-over-quarter at $36.4 million, while commissions decreased $0.5 million to $4.4 million for the three-month period ended June 30, 2008.

Sales

Fourth quarter sales were consistent with the same quarter last year at $36.4 million, as increased average selling prices were offset by a 1% decline in quarter-over-quarter shipment volumes of spirits in addition to a 15% decline in shipment volumes for the Seagram Coolers brand. The slight decline in spirit volumes is mainly the result of overall market weakness over the final quarter in the Ontario market. The decline in shipment volumes for the Seagram Coolers brand was mainly the result of poor weather at the start of the 2008 summer season.

Commissions

The following table highlights the various components which comprise commissions:

(in millions of Canadian dollars)	**3 Months Ended June 30, 2008**	3 Months Ended June 30, 2007	$ Change	% Change
Commission from PR brands	**$ 3.4**	$ 3.4	$ –	–
Commission from Agency brands	**1.0**	1.6	(0.6)	(38%)
Commissions	**$ 4.4**	$ 5.0	$ (0.6)	(12%)

Commissions from PR brands remained consistent quarter-over-quarter while commissions from Agency brands decreased $0.6 million. The decrease in Agency brand commissions is mainly the result of timing of shipments related to imported brands, as more shipments were made earlier in the year in fiscal 2008.

Cost of sales

Cost of sales was $19.5 million compared to $19.8 million for the same quarter last year. The slight decrease of $0.3 million is in line with the Company's fourth quarter sales, which also remained consistent quarter-over-quarter. Gross margin was 46.5%, as compared with 45.6% for the same quarter last year. The fourth quarter's gross margin is lower than the margin realized in the full year results due to the higher proportion of Seagram Coolers sales, which traditionally earn a lower margin than that of the Company's spirit brands.

Marketing, sales and administration

Marketing, sales and administration expenses were $11.4 million, as compared to $11.5 million during the same quarter last year, and thus remained stable, showing a minimal $0.1 million decrease. The Company continues to invest behind its key brands to allow for long-term sustainable growth.

Amortization

Amortization expense includes amortization of Corby's rights to represent PR's brands in Canada in addition to amortization of the Company's capital assets as displayed in the following schedule:

(in millions of Canadian dollars)	**3 Months Ended June 30, 2008**	3 Months Ended June 30, 2007	$ Change	% Change
Representation rights amortization	**$ 1.2**	$ 1.2	$ –	–
Capital assets amortization	**0.4**	0.7	(0.3)	(43%)
Amortization	**$ 1.6**	$ 1.9	$ (0.3)	(16%)

Interest income

Interest income is earned on Corby's cash balances held at its financial institution. A slight decrease of $0.1 million was experienced this quarter versus the same quarter last year due to lower market interest rates.

Income taxes

Income tax expense decreased $0.3 million when compared with the same quarter last year. The decrease is the result of the Government of Canada's decision made in December 2007 to substantively enact reductions in corporate income tax rates.

Selected Quarterly Information

Summary of Quarterly Financial Results

(in millions of Canadian dollars except per share amounts)	**3 Months Ended June 30, 2008**	3 Months Ended Mar. 31, 2008	3 Months Ended Dec. 31, 2007	3 Months Ended Sept. 30, 2007	3 Months Ended June 30, 2007	3 Months Ended Mar. 31, 2007	3 Months Ended Dec. 31, 2006	3 Months Ended Sept. 30, 2006
Operating revenue	**$ 39.6**	$ 33.0	$ 48.8	$ 41.9	$ 40.1	$ 33.3	$ 43.1	$ 37.1
EBITDA[1]	**9.9**	9.6	15.8	15.2	10.0	7.3	14.5	12.2
Equity earnings from TMG	**–**	–	–	–	–	–	–	2.1
Gain from sale of TMG	**–**	–	–	–	–	–	–	72.6
Net earnings	**5.9**	5.9	10.5	9.4	5.5	4.3	8.7	81.9
EBITDA per share[1]	**0.35**	0.34	0.55	0.53	0.35	0.26	0.51	0.43
Basic EPS[2]	**0.21**	0.21	0.37	0.33	0.20	0.15	0.31	2.88
Diluted EPS[2]	**0.21**	0.21	0.37	0.33	0.20	0.15	0.31	2.88

[1] *EBITDA for the three months ended September 30, 2006 excludes the gain on sale of the Company's investment in TMG.*

[2] *Excluding the gain on sale of the Company's investment in TMG and related taxes of $1.1 million, Basic EPS and Diluted EPS for the three months ended September 30, 2006 were $0.37 and $0.37, respectively.*

Critical Accounting Estimates

The Company's consolidated financial statements are prepared in accordance with Canadian GAAP, which require management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and related disclosures as at the date of the consolidated financial statements. The Company bases its estimates, judgements and assumptions on historical experience, current trends and other factors that management believes to be important at the time the consolidated financial statements are prepared. The Company reviews its accounting policies and how they are applied on a regular basis. While the Company believes that the historical experience, current trends and other factors considered support the preparation of its consolidated financial statements in accordance with Canadian GAAP, actual results could differ from its estimates and such differences could be material.

The Company's significant accounting policies are discussed in Note 1 to the consolidated financial statements. The following accounting policies incorporate a higher degree of judgement and/or complexity and, accordingly, are considered to be critical accounting policies.

Goodwill and indefinite-lived intangible assets

The Company records as goodwill the excess amount of the purchase price of an acquired business over the fair value of the underlying net assets, including intangible assets, at the date of acquisition. Indefinite-lived intangible assets represent the value of trademarks and licenses acquired. Goodwill and indefinite-lived intangible assets account for a significant amount of the Company's total assets. These balances are evaluated for impairment annually. The process of evaluating these items for impairment involves the determination of fair value. Inherent in such fair value determinations are certain judgements and estimates including, but not limited to, projected future sales, earnings and capital investment, discount rates, and terminal growth rates. These judgements and estimates may change in the future due to uncertain competitive, market and general economic conditions, or as a result of changes in the business strategies and outlook of the Company.

An impairment loss would be recognized to the extent that the carrying value of the goodwill or trademarks and licenses exceeds the implied fair value. Any impairment would result in a reduction in the carrying value of these items on the consolidated balance sheet of the Company and the recognition of a non-cash impairment charge in net earnings. Based on the analyses performed, the Company has not identified any impairment.

Employee future benefits

The cost and accrued benefit plan obligations of the Company's defined benefit pension plans and other post-retirement benefit plan are accrued based on actuarial valuations which are dependent upon assumptions determined by management. These assumptions include the discount rate, the expected long-term rate of return on plan assets, the rate of compensation increases, retirement ages, mortality rates and the expected inflation rate of health care costs. These assumptions are reviewed annually by the Company's management and its actuaries. These assumptions may change in the future and may have a material impact on the accrued benefit obligations of the Company and the cost of these plans which is reflected in the Company's consolidated statement of earnings. In addition, the actual rate of return on plan assets and changes in interest rates could result in changes in the Company's funding requirements for its defined benefit pension plans.

Income and other taxes

The Company accounts for income taxes using the liability method of accounting. Under the liability method, future income tax assets and liabilities are determined based on differences between the carrying amounts of balance sheet items and their corresponding tax values. The determination of the income tax provision requires management to interpret regulatory requirements and to make certain judgements. While income, capital and commodity tax filings are subject to audits and reassessments, management believes that adequate provisions have been made for all income and other tax obligations. However, changes in the interpretations or judgements may result in an increase or decrease in the Company's income, capital or commodity tax provisions in the future. The amount of any such increase or decrease cannot be reasonably estimated.

Accounting Standards – Implemented in 2008

Financial instruments

In 2006, the Canadian Institute of Chartered Accountants ("CICA") issued new accounting standards concerning financial instruments: Financial Instruments – Recognition and Measurement ("Section 3855"); Financial Instruments – Disclosure and Presentation ("Section 3861"); Hedges ("Section 3865"); Comprehensive Income ("Section 1530"); and Equity ("Section 3251"). These standards require prospective application with the exception of the translation of self-sustaining foreign operations and were effective for the Company's first quarter of fiscal 2008. The Company applied the new accounting standards at the beginning of its current fiscal year and their implementation did not have a significant impact on the Company's results of operations or financial position.

Financial Assets and Liabilities

Section 3855 establishes standards for recognizing and measuring financial instruments. Under the new standards, all financial instruments are classified into one of the following five categories: held-for-trading; held-to-maturity investments; loans and receivables; available-for-sale financial assets; or other financial liabilities. It is this classification that will drive the future basis of measurement and the accounting treatment in the financial statements (see Note 2 to the accompanying consolidated financial statements of the Company).

Future Accounting Standards

International financial reporting standards

In 2006, the Accounting Standards Board announced that Canadian GAAP for publicly accountable enterprises will be replaced with International Financial Reporting Standards ("IFRS") over a five-year transitional period. As the changeover is effective for fiscal years beginning on or after January 1, 2011, Corby will change over on July 1, 2011. The Company has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion to IFRS on its financial statements.

Inventories

In June 2007, the CICA issued new accounting standard Section 3031 "Inventories", which replaces CICA section 3030 "Inventories". The new standard provides the Canadian equivalent to International Financial Reporting Standard IAS 2 "Inventories". Section 3031 prescribes measurement of inventories at the lower of cost and net realizable value. It provides guidance on the determination of cost, including allocation of overheads and other costs to inventories, prohibits the use of the last-in, first-out (LIFO) method, and requires the reversal of previous writedowns when there is a subsequent increase in the value of inventories. It also requires greater disclosure regarding inventories and cost of sales. As this new standard is effective for fiscal years beginning on or after January 1, 2008, Corby will implement it in the first quarter of fiscal 2009. The Company is currently assessing the impact of this new standard on its consolidated financial statements.

Financial instruments – disclosure and presentation

In December 2006, the Accounting Standards Board issued two new accounting standards, Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments – Presentation". These standards will replace existing Section 3861 "Financial Instruments – Disclosure and Presentation". These new standards are harmonized with IFRS. Section 3862 requires increased disclosures regarding the risks associated with financial instruments and how these risks are managed. Section 3863 carries forward the presentation standards for financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. As these new standards are effective for fiscal years beginning on or after October 1, 2007, Corby will implement them in the first quarter of fiscal 2009.

Capital disclosures

In December 2006, the Accounting Standards Board issued a new accounting standard, Section 1535 "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. As this new standard is effective for fiscal years beginning on or after October 1, 2007, Corby will implement it in the first quarter of fiscal 2009.

Goodwill and intangible assets

In February 2008, the Accounting Standards Board issued a new accounting standard, Section 3064 "Goodwill and Intangible Assets", to replace current Section 3062 "Goodwill and Other Intangible Assets". The new standard prescribes new methods for recognizing, measuring, presenting and disclosing goodwill and intangible assets. As this new standard is effective for fiscal years beginning on or after October 1, 2008, Corby will implement it in the first quarter of fiscal 2010.

Disclosure Controls and Procedures

The Company maintains a system of disclosure controls and procedures that has been designed to provide reasonable assurance that information required to be disclosed by the Company in its public filings is recorded, processed, summarized and reported within required time periods and includes controls and procedures designed to ensure that all relevant information is accumulated and communicated to senior management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), to allow timely decisions regarding required disclosure.

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in the Rules of the Canadian Securities Administrators) as at June 30, 2008 and has concluded that such disclosure controls and procedures are effective based upon such evaluation.

Internal Controls Over Financial Reporting

In addition, the CEO and CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be designed effectively can provide only reasonable assurance with respect to financial reporting and financial statement preparation.

There were no changes in internal control over financial reporting during the Company's most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risks & Risk Management

The Company is exposed to a number of risks in the normal course of its business that have the potential to affect its operating and financial performance.

Industry and regulatory

The beverage alcohol industry in Canada is subject to government policy, extensive regulatory requirements and significant rates of taxation at both the federal and provincial levels. As a result, changes in the government policy, regulatory and/or taxation environments within the beverage alcohol industry may affect Corby's business operations, including changes in market dynamics or changes in consumer consumption patterns. The Company continuously monitors the potential risk associated with any proposed changes in its government policy, regulatory and taxation environments and, as an industry leader, actively participates in trade association discussions relating to new developments.

Consumer opinion and supply chain interruption

Beverage alcohol companies are susceptible to risks relating to changes in consumer consumption patterns, product quality and availability, including manufacturing or inventory disruption. Corby offers a solid portfolio of products, which complements consumer desires and offers exciting innovation. The Company adheres to a comprehensive suite of quality programs and proactively manages production and supply chains to mitigate any potential risk to consumer safety or Corby's reputation and profitability.

Environmental compliance

Environmental liabilities may potentially arise when companies are in the business of manufacturing products, and thus are required to handle potentially hazardous materials. As Corby outsources the majority of its production, including all of its storage and handling of maturing alcohol, the risk of environmental liabilities has been reduced to an acceptably low level. In addition, Corby's owned-production facility follows strict industry guidelines for proper use and/or disposal of hazardous materials to further reduce environmental risks. Corby currently has no significant recorded or unrecorded environmental liabilities.

Industry consolidation

In recent years, the global beverage alcohol industry has experienced a significant amount of consolidation. On July 24, 2008, Corby's majority shareholder, Pernod Ricard S.A., announced that it had closed its acquisition of 100% of Vin & Sprit Group, the owner of Absolut vodka, from the Kingdom of Sweden. The Absolut vodka brand is currently represented in Canada by another organization until September 30, 2008 and the Company is not in a position to comment on the possibility of Corby representing the brand. Nonetheless, management believes that the Company is well positioned to deal with this or other changes to the competitive landscape in Canada.

Competition

The Canadian beverage alcohol industry is also extremely competitive. Competitors may take actions to establish and sustain competitive advantage. They may also affect Corby's ability to attract and retain high-quality employees. The Company's long heritage attests to Corby's strong foundation and successful execution of its strategies. Being a leading Canadian beverage alcohol company helps facilitate recruitment efforts. Corby appreciates and invests in its employees to partner with them in achieving corporate objectives and creating value.

Exposure to interest rate fluctuations

The Company does not have any short- or long-term debt facilities. Interest rate risk exists as Corby earns market rates of interest on its cash balances. An active risk management program does not exist as management believes that changes in interest rates would not have a significant impact to Corby's earnings.

Exposure to commodity price fluctuations

Commodity risk exists as the manufacturing of Corby's products requires the procurement of several known commodities such as grains, sugar and natural gas. The Company strives to partially mitigate this risk through the use of longer-term procurement contracts where possible. Nonetheless, Corby's earnings over the long-term are subject to fluctuations from commodity price changes.

Foreign currency exchange risk

Foreign exchange risk exists as a relatively small proportion of Corby's total operating revenues are invoiced in a foreign currency, specifically the UK Pound Sterling and the US Dollar. Naturally mitigating this risk is the fact that the Company also purchases certain of its goods and services in the same foreign currencies.

Third-party service providers

The Company is reliant upon third-party service providers in respect of certain of its operations. It is possible that negative events affecting these third-party service providers could, in turn, negatively impact the Company. While the Company has no direct influence over how such third parties are managed, it has entered into contractual arrangements to formalize these relationships. In order to minimize operating risks, the Company actively monitors and manages its relationships with its third-party service providers.

Brand reputations

The Company promotes nationally branded, non-proprietary products, as well as proprietary products. Damage to the reputation of any of these brands, or to the reputation of any supplier or manufacturer of these brands, could negatively impact consumer opinion of the Company or the related products, which could have an adverse impact on the financial performance of the Company.

Employee future benefits

The Company has certain obligations under its registered and non-registered defined benefit pension plans and other post-retirement benefit plan. There is no assurance that the Company's benefit plans will be able to earn the assumed rate of return. New regulations and market-driven changes may result in changes in the discount rates and other variables, which would result in the Company being required to make contributions in the future that differ significantly from estimates. An extended period of depressed capital markets and low interest rates could require the Company to make contributions to these plans in excess of those currently contemplated, which, in turn, could have an adverse impact on the financial performance of the Company.

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of Corby Distilleries Limited (the "Company") were prepared by management in conformity with accounting principles generally accepted in Canada. The significant accounting policies, which management believes are appropriate for the Company, are described in the accompanying "Significant Accounting Policies". The financial information contained elsewhere in this Annual Report is consistent with that in the financial statements.

Management is responsible for the integrity and objectivity of the information contained in the financial statements and the Management's Discussion & Analysis, including that which is based on estimates and judgements when transactions affecting the current accounting period are dependent upon future events. Management has established systems of internal control that are designed to provide reasonable assurance that assets are safeguarded from losses or unauthorized use and to produce reliable accounting records for the preparation of financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board has constituted an Audit Committee of Directors (the "Committee") who are not members of management. The Committee meets periodically with management, the internal auditors and the external auditors to receive reports on internal accounting controls and audit results and to review accounting principles and practices. The Committee also reviews the financial statements and the external auditors' report thereon to the shareholders prior to submission to the Board of Directors for approval.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards and applicable laws and maintains proper standards of conduct for its activities.

Con Constandis
President and
Chief Executive Officer

John A. Nicodemo
Chief Operating Officer
and Chief Financial Officer

Toronto, Ontario
August 19, 2008

Auditors' Report

To the Shareholders of
Corby Distilleries Limited

We have audited the consolidated balance sheets of Corby Distilleries Limited (the "Company") as at June 30, 2008 and 2007 and the consolidated statements of earnings, comprehensive income, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licensed Public Accountants

Windsor, Ontario
August 19, 2008

Consolidated Balance Sheets

As at June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars)

	2008	2007
ASSETS		
Current		
Cash	**$ 58,553**	$ 46,989
Accounts receivable	**21,873**	24,964
Inventories (Note 6)	**47,302**	43,048
Prepaid expenses	**1,936**	1,013
Future income taxes (Note 10)	**164**	363
	129,828	116,377
Capital assets (Note 7)	**12,010**	9,669
Employee future benefits (Note 8)	**8,135**	7,142
Goodwill	**9,856**	9,856
Intangible assets (Note 9)	**90,103**	94,990
	$ 249,932	$ 238,034
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 19,248**	$ 22,605
Income and other taxes payable	**1,016**	2,601
	20,264	25,206
Employee future benefits (Note 8)	**5,023**	3,909
Future income taxes (Note 10)	**5,380**	5,400
	30,667	34,515
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	**14,304**	14,304
Accumulated other comprehensive income	**–**	–
Retained earnings	**204,961**	189,215
	219,265	203,519
	$ 249,932	$ 238,034

See accompanying notes to consolidated financial statements.

Approved by the Board of Directors:

George F. McCarthy
Director

Robert L. Llewellyn
Director

Consolidated Statements of Earnings

For the Years Ended June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars, except per share amounts)

		2008		2007
OPERATING REVENUE				
Sales	**$**	**147,916**	$	139,435
Commissions (net of amortization of $4,887; 2007 – $3,500)		**15,402**		14,161
		163,318		153,596
OPERATING COSTS				
Cost of sales		**75,096**		71,627
Marketing, sales and administration		**42,633**		41,454
Amortization		**1,199**		1,359
		118,928		114,440
EARNINGS FROM OPERATIONS		**44,390**		39,156
OTHER INCOME AND EXPENSE				
Equity in net earnings of companies subject to significant influence (Note 4)		**–**		2,091
Gain from disposition of investment in companies subject to significant influence (Note 4)		**–**		72,595
Foreign exhange loss		**(302)**		(9)
Interest income (Note 14)		**2,427**		2,968
		2,125		77,645
EARNINGS BEFORE INCOME TAXES		**46,515**		116,801
INCOME TAXES (Note 10)				
Current		**14,646**		15,027
Future		**179**		1,350
		14,825		16,377
NET EARNINGS	**$**	**31,690**	$	100,424
BASIC EARNINGS PER SHARE (NOTE 13)	**$**	**1.11**	$	3.53
DILUTED EARNINGS PER SHARE (NOTE 13)	**$**	**1.11**	$	3.53

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the Years Ended June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars)

		2008		2007
NET EARNINGS	**$**	**31,690**	$	100,424
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment recognized in net earnings (Note 2)		**–**		3,019
COMPREHENSIVE INCOME	**$**	**31,690**	$	103,443

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

For the Years Ended June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars)

	2008	2007
OPERATING ACTIVITIES		
Net earnings	**$ 31,690**	$ 100,424
Items not affecting cash		
Amortization	**6,086**	4,859
Future income taxes	**179**	1,350
Equity earnings from companies subject to significant influence	–	(2,091)
Gain on disposition of investment in companies subject to significant influence	–	(72,595)
Foreign exchange	**302**	9
Employee future benefits	**121**	(832)
	38,378	31,124
Net change in non-cash working capital balances (Note 15)	**(7,209)**	2,277
Cash flows from operating activities	**31,169**	33,401
INVESTING ACTIVITIES		
Dividends received from companies subject to significant influence (Note 4)	–	28,573
Acquisitions of businesses and long-term representation rights, net of disposal of long-term investments (Note 4)	–	(21,668)
Additions to capital assets	**(3,540)**	(3,020)
Cash flows (used in) provided from investing activities	**(3,540)**	3,885
FINANCING ACTIVITIES		
Dividends paid	**(15,944)**	(58,546)
Proceeds on issuance of capital stock	–	296
Cash flows used in financing activities	**(15,944)**	(58,250)
Effect of exchange rate changes on cash	**(121)**	266
NET CHANGE IN CASH	**11,564**	(20,698)
CASH, BEGINNING OF YEAR	**46,989**	67,687
CASH, END OF YEAR	**$ 58,553**	$ 46,989
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	**$ 2,381**	$ 3,033
Income taxes paid	**$ 15,512**	$ 14,044

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

For the Years Ended June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars)

		2008		2007
SHARE CAPITAL				
Balance, beginning of year	$	**14,304**	$	14,008
Transactions, net		–		296
Balance, end of year		**14,304**		14,304
RETAINED EARNINGS				
Balance, beginning of year	$	**189,215**	$	147,337
Net earnings		**31,690**		100,424
Dividends		**(15,944)**		(58,546)
Balance, end of year	$	**204,961**	$	189,215
CUMULATIVE TRANSLATION ADJUSTMENTS				
Balance, beginning of year	$	–	$	(3,019)
Transitional adjustment on adoption of new accounting policies (Note 2)		–		3,019
Balance, end of year	$	–	$	–
ACCUMULATED OTHER COMPREHENSIVE INCOME				
Balance, beginning of year	$	–	$	–
Transitional adjustment on adoption of new accounting policies (Note 2)		–		(3,019)
Other comprehensive income		–		3,019
Balance, end of year	$	–	$	–

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended June 30, 2008 and June 30, 2007
(in thousands of Canadian dollars, except share amounts)

1. Significant Accounting Policies

Description of business

Corby Distilleries Limited is a leading Canadian manufacturer and marketer of spirits and importer of wines. The Company's activities are comprised of the production of spirits, along with the distribution of owned and represented spirits, liqueurs, coolers and wines. Revenues predominately consist of sales made to each of the provincial liquor boards in Canada.

Basis of consolidation

The consolidated financial statements include the accounts of Corby Distilleries Limited and its subsidiaries, collectively referred to as "Corby" or the "Company". Up until September 29, 2006, Corby owned a 45% investment in Tia Maria Limited and Tia Maria International Limited (collectively referred to as the "Tia Maria Group") and accounted for this investment via the equity method. Corby disposed of its investment in the Tia Maria Group as part of a transaction with Pernod Ricard S.A. ("PR"), the Company's ultimate parent. Refer to Note 4 for further details on the PR transaction.

Revenue recognition

Sales and commissions are recognized when the price is fixed or determinable, collectability is reasonably assured, and title for goods passes to the customer. Sales are presented net of customer and consumer discounts and taxes. The large majority of the Company's sales are to government controlled liquor boards. As a result, collection of accounts receivable is reasonably assured.

Cash

Cash represents bank balances on hand at Corby's financial institutions adjusted for outstanding cheques and outstanding deposits. Corby earns market rates of interest on its cash balances from a related party via its participation in a Mirror Netting Service Agreement with its financial institution. Additional information is contained in Note 14 of these financial statements.

Inventories

Inventories are stated at average cost not exceeding net realizable value. Work-in-progress inventories include barrelled whiskies which will remain in storage over a period of years but are classified as current assets as there is a market for barrelled whiskies.

Capital assets

Buildings and machinery and equipment are recorded at cost, net of accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as indicated below. Half-year rates are applied in the year of acquisition.

Buildings	40 to 50 years
Machinery and equipment	3 to 12 years

Employee future benefits

The Company accrues its obligations under employee benefit plans and its related costs, net of plan assets, and recognizes the cost of retirement benefits and certain post-employment benefits over the periods in which employees render services to the Company in return for the benefits. Other post-employment benefits are recognized when the event that obligates the Company occurs.

The Company has the following policies:

- The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health-care costs.
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair values.
- Past service costs from plan amendments and the transitional asset are amortized on a straight-line basis over the average remaining service life of active members expected to receive benefits under the plan.
- Net actuarial gains or losses are amortized based on the corridor method. Under the corridor method, cumulative gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan.
- The measurement date of the plans' assets and obligations is June 30, 2008.

Long-lived assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate their carrying value exceeds the sum of the undiscounted cash flows expected from their use and eventual disposal. If estimated future undiscounted cash flows are not sufficient to recover the carrying value of the assets, an impairment charge is recorded for the amount by which the long-lived assets' carrying value exceeds fair value. Fair value is determined using appraisals, management estimates or discounted cash flow calculations.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net assets, including intangible assets, at the date of acquisition. Goodwill is deemed to have an indefinite life and therefore is not amortized. Goodwill is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the asset might be impaired. In the event of impairment, the excess of the carrying amount over the fair value of these assets would be charged to earnings.

Intangible assets

Intangible assets are comprised of long-term representation rights, and trademarks and licenses. Long-term representation rights represent the cost of the Company's exclusive right to represent PR's brands in Canada. These representation rights are carried at cost, less accumulated amortization. Amortization is provided for on a straight-line basis over the 15-year term of the agreement which began October 1, 2006.

1. **Significant Accounting Policies** (cont'd.)

Trademarks and licenses represent the value of trademarks and licenses of businesses acquired. These intangible assets are deemed to have an indefinite life and therefore are not amortized. Trademarks and licenses are tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the assets might be impaired. In the event of impairment, the excess of the carrying amount over the fair value of these assets would be charged to earnings.

Income taxes

Income taxes are accounted for using the asset and liability method. Under this method, future income tax assets and liabilities are recognized for temporary differences between financial statement carrying amounts of assets and liabilities and their respective income tax bases. A future income tax asset or liability is estimated for each temporary difference using substantively enacted income tax rates and laws expected to be in effect when the asset is realized or the liability is settled. A valuation allowance is established, if necessary, to reduce any future income tax asset to an amount that is more likely than not to be realized.

Foreign currency translation

The Tia Maria Group, in which the Company had an investment of a self-sustaining nature, had the UK Pound Sterling as its functional currency and translated its financial results to Canadian Dollars as follows: assets and liabilities at the exchange rates in effect at the balance sheet dates and the translation of revenues and expenses at the exchange rates prevailing on the transaction dates. Unrealized gains or losses on translation are recorded as accumulated other comprehensive income, which is a separate component in shareholders' equity. Corby disposed of its investment in the Tia Maria Group on September 29, 2006 as part of a transaction with PR as disclosed in Note 4.

The monetary assets and liabilities of the Company are translated at exchange rates in effect at the balance sheet dates. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. All exchange gains or losses are included in earnings.

Stock based compensation plans

The Company accounts for awards of stock-based compensation using the fair value method for all awards subsequent to September 1, 2002 that will be settled by the issuance of shares. Awards of stock based compensation prior to that date continue to be accounted for using the settlement basis. There have been no such awards of stock based compensation subsequent to September 1, 2002.

On September 8, 2006, the Company implemented a Restricted Share Units Plan replacing the previous long-term incentive plan. Through this plan, restricted share units ("RSUs") will be granted to certain officers and employees at a grant price equal to the market closing price of the Company's Voting Class A Common Shares on the last day prior to grant. RSUs vest at the end of the three-year term subject to the achievement of pre-determined corporate performance targets. The related compensation expense is recognized over this period. Unvested RSUs will attract dividend equivalent units whenever dividends are paid on the Voting Class A Common Shares of the Company and will be immediately reinvested into additional RSUs which will vest and become payable at the end of the three-year vesting period, subject to the same performance conditions as the original RSU award. On the date of vesting, the holder will be entitled to the cash value of the number of RSUs granted, plus any RSUs received from reinvested dividend equivalents. RSUs do not entitle participants to acquire any rights or entitlements as a shareholder of the Company.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year.

Estimates are used when accounting for items such as allowance for uncollectible accounts receivable, inventory obsolescence, allocating the fair value between goodwill and intangibles, amortization, employee future benefits, income taxes, accruals and contingencies and testing goodwill, intangible assets and long-lived assets for impairment. Changes in those estimates could materially affect the consolidated financial statements.

2. Changes in Accounting Policies

The CICA issued the following new accounting standards that apply to the Company as of the first day of Corby's 2008 fiscal year:

a. CICA Handbook Section 3855 "Financial Instruments – Recognition and Measurement";

b. CICA Handbook Section 3861 "Financial Instruments – Disclosure and Presentation";

c. CICA Handbook Section 3865 "Hedges";

d. CICA Handbook Section 1530 "Comprehensive Income"; and

e. CICA Handbook Section 3251 "Equity".

These accounting standards require retrospective adoption without restatement with the exception of the translation of self-sustaining foreign operations. Accordingly, the prior period cumulative foreign currency translation adjustments and accumulated other comprehensive income have been restated as described under Comprehensive Income and Equity.

Financial assets and liabilities

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Under the new standard, all financial instruments are classified into one of the following five categories: held-for-trading; held-to-maturity; loans and receivables; available-for-sale financial assets; and other financial liabilities.

All financial instruments are measured at fair value upon initial recognition. Transaction costs are included in the initial carrying amount of financial instruments, except for held-for-trading items in which case they are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets and liabilities classified as "held-for-trading" are subsequently measured at fair value with changes in fair value recognized in net income. Financial assets classified as "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax. Financial assets classified as either "held-to-maturity" or "loans and receivables", and financial liabilities classified as "other financial liabilities" are subsequently amortized using the effective interest rate method. Financial instruments that are derivative contracts are considered "held-for-trading" unless they are designated as a hedge.

Corby's financial assets and financial liabilities are classified and measured, as follows:

Asset or Liability	Category	Measurement
Cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost

The fair values of cash, accounts receivable and accounts payable approximate their carrying amount given the short-term maturity of these financial instruments.

The classification of financial assets and financial liabilities and resulting measurement basis did not have any impact on Corby's net earnings, basic or diluted earnings per share, nor its financial position.

Derivatives and hedge accounting

The Company does not utilize derivative financial instruments, nor does it have any embedded features in its contractual arrangements that require separate presentation from the related host contract. As a result, the implementation of these new accounting standards did not have any impact on Corby's net earnings, basic or diluted earnings per share, or its financial position.

The Company does not actively manage its exposure to foreign currency or interest rate risk as management believes these risks are already at an acceptably low level. The Company's exposure to credit risk is significantly reduced as its accounts receivable are substantially with the provincial liquor boards of Canada.

Comprehensive income and equity

Section 1530 introduces comprehensive income, which is comprised of net earnings and other comprehensive income ("OCI"). Comprehensive income comprises all changes in shareholders' equity from transactions and other events and circumstances from non-owner sources, and OCI includes unrealized gains and losses arising from the translation of the financial statements of self-sustaining foreign operations, unrealized gains and losses, net of tax, arising from changes in the fair value of available-for-sale financial assets, as well as the portion of gains or losses, net of tax, on the hedging item that is determined to be an effective cash flow hedge or hedge of net investments in self-sustaining foreign operations.

2. Changes in Accounting Policies (Cont'd.)

Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period. The main feature of this new standard is the requirement for an enterprise to present separately each of the changes in equity during the reporting period.

As a result of the implementation of these new standards, the financial statements include a consolidated statement of comprehensive income, with the cumulative amount of other comprehensive income presented as a new category of shareholders' equity in the consolidated balance sheets. In addition, the financial statements include a consolidated statement of shareholders' equity which presents separately each of the changes in equity during the period.

In addition to the changes just described, adoption of these standards required the prior period cumulative translation adjustments and accumulated other comprehensive income balances to be restated, as follows:

Increase (decrease)	As Previously Reported	Transitional Adjustment on Adoption of New Standards	As Restated
Cumulative translation adjustments – June 30, 2006	$ (3,019)	$ 3,019	$ –
Accumulated other comprehensive income – June 30, 2006	–	(3,019)	(3,019)
Cumulative translation adjustments – June 30, 2008	–	–	–
Accumulated other comprehensive income – June 30, 2007	–	–	–
Other comprehensive income – for the year ended June 30, 2007	–	3,019	3,019

Corby's foreign self-sustaining equity investments were disposed of as a result of the transaction with Pernod Ricard (Note 4) and therefore the related cumulative translation adjustment was recognized in earnings on September 29, 2006. Other than the presentation changes just described, these newly adopted standards did not have any impact on Corby's net earnings, basic or diluted earnings per share, or its financial position.

3. Future Accounting Standards

The CICA has recently issued or proposes to issue the following new accounting standards, however, they have not yet become effective as per the transitional guidelines contained within each standard:

International financial reporting standards

In 2006, the Accounting Standards Board announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced with International Financial Reporting Standards ("IFRS") over a five-year transitional period. As the changeover is effective for fiscal years beginning on or after January 1, 2011, Corby will change over on July 1, 2011. The Company has launched an internal initiative to govern the conversion process and is currently in the process of evaluating the potential impact of the conversion on its financial statements.

Inventories

In June 2007, the CICA issued new accounting standard Section 3031 "Inventories", which replaces CICA section 3030 "Inventories". The new standard provides the Canadian equivalent to International Financial Reporting Standard IAS 2 "Inventories". Section 3031 prescribes measurement of inventories at the lower of cost and net realizable value. It provides guidance on the determination of cost, including allocation of overheads and other costs to inventories, prohibits the use of the last-in, first-out (LIFO) method, and requires the reversal of previous writedowns when there is a subsequent increase in the value of inventories. It also requires greater disclosure regarding inventories and cost of sales. As this new standard is effective for fiscal years beginning on or after January 1, 2008, Corby will implement it in the first quarter of fiscal 2009. The Company is currently assessing the impact of this new standard on its consolidated financial statements.

Financial instruments – disclosure and presentation

In December 2006, the Accounting Standards Board issued two new accounting standards, Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments – Presentation". These standards will replace existing Section 3861 "Financial Instruments – Disclosure and Presentation". These new standards are harmonized with IFRS. Section 3862 requires increased disclosures regarding the risks associated with financial instruments and how these risks are managed. Section 3863 carries forward the presentation standards for financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. As these new standards are effective for fiscal years beginning on or after October 1, 2007, Corby will implement them in the first quarter of fiscal 2009.

Capital disclosures

In December 2006, the Accounting Standards Board issued a new accounting standard, Section 1535 "Capital Disclosures", which establishes standards for disclosing information about an entity's capital and how it is managed. As this new standard is effective for fiscal years beginning on or after October 1, 2007, Corby will implement it in the first quarter of fiscal 2009.

Goodwill and intangible assets

In February 2008, the Accounting Standards Board issued a new accounting standard, Section 3064 "Goodwill and Intangible Assets", to replace current Section 3062 "Goodwill and Other Intangible Assets". The new standard prescribes new methods for recognizing, measuring, presenting and disclosing goodwill and intangible assets. As this new standard is effective for fiscal years beginning on or after October 1, 2008, Corby will implement it in the first quarter of fiscal 2010.

4. Agreement with Pernod Ricard S.A.

On September 29, 2006, Corby closed its previously disclosed transaction with PR concerning the Canadian representation of PR's brands, production of Corby's owned-brands, an exchange of certain assets and a combined strategic approach to the Canadian market. PR owns 51% of the Voting Class A Common Shares (and 46% of the total equity) of Corby and is considered to be the Company's ultimate parent.

Under the agreement, Corby acquired the exclusive right to represent PR's brands in Canada for a 15-year period, expiring 2021. Furthermore, Corby also acquired the international rights to Lamb's rum (excluding the Canadian rights, which Corby already owned) and the Canadian rights to Seagram Coolers. Both Lamb's rum ("Lamb's International") and Seagram Coolers meet the definition of a business.

The companies also agreed upon the terms for the continuation of production of Corby's owned-brands by PR at its production facility in Windsor, Ontario, for a 10-year period, expiring 2016. The companies further agreed that Corby will manage PR's business interests in Canada, including the Windsor production facility.

The purchase consideration of $101,911 (long-term representation rights $70,440, Lamb's International $13,559, and Seagram Coolers $17,912) was satisfied by the sale of the Company's 45% interest in Tia Maria Group ("TMG") to PR, along with cash consideration of $21,668 including transaction-related costs.

The Company has not recognized the cost of an earn-out clause on Seagram Coolers since management cannot determine beyond a reasonable doubt that the amount will become payable to PR. The earn-out will become payable only in the event that the income (defined as sales, less cost of sales and advertising and promotional spend) derived from the brand over a four-year period exceeds $11,600. The maximum amount which may become payable is $2,200, subject to 5% interest compounded annually.

Corby received a dividend of $28,573 from TMG just prior to its disposition. The Company has reflected a gain of $72,595, net of cumulative translation adjustments of $3,019, associated with the disposition of TMG in its financial results for the year ended June 30, 2008. Also included in the financial results for the three months ended September 30, 2006 is $1,045 for withholding and other taxes related to the disposition of TMG. The transaction was not subject to further tax expense as a result of the use of Section 85 rollover provisions in the Canadian *Income Tax Act*. Corby has been indemnified for any further tax liabilities resulting from the disposition of TMG, should they occur, up to a maximum of $16,000.

As part of the above transaction, Corby has entered into agreements that contain features that may meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires the Company to make payments to the guaranteed party in certain situations. Conversely, the Company has also received indemnities or guarantees that contingently require another party to make payments to Corby in certain situations.

5. Acquisition of Businesses

As described in Note 4, the acquisition of Lamb's International gives Corby worldwide rights to the Lamb's business and assets in addition to the Canadian rights, which Corby already owned. The Company is entitled to intellectual property such as product specifications and the recipe for the Lamb's Navy Rum brand, and the "Alfred Lamb International Limited" trademark.

The large majority of the Lamb's International business occurs in the UK market, with several other countries contributing a small portion. The rum is currently being matured, blended and bottled in Scotland by the Chivas Brothers Co., an affiliate of Corby and a wholly-owned subsidiary of PR.

Corby also acquired the Canadian assets and business of Seagram Coolers (as described in Note 4). The Company is entitled to an irrevocable, perpetual, royalty free and transferable license for Canada for the intellectual property (such as product specifications and recipes) related to the use of the Seagram name in connection with the Seagram Coolers assets and business. Corby also acquired all of the inventory and other assets used in connection with the Seagram Coolers business in Canada in addition to acquiring all of PR's rights under applicable co-pack and other agreements.

Virtually all of the Seagram Coolers are produced by an unrelated third party located in Dorval, Québec, under a co-packing agreement that expires in December 2010. This agreement requires a minimum annual production volume of 300,000 cases and a maximum annual production volume of 1,005,000 cases. Management anticipates annual volumes to be within this contracted range.

The following values associated with the acquisition of the Seagram Coolers and Lamb's International businesses have been recognized:

Seagram Coolers	2007
Inventory	$ 1,281
Trademarks and licenses	16,250
Goodwill	3,970
Less: Future income tax liability	(3,589)
	$ 17,912

Lamb's International	2007
Inventory	$ 349
Trademarks and licenses	11,800
Goodwill	1,410
	$ 13,559

6. Inventories

	2008	2007
Raw materials	**$ 5,843**	$ 5,674
Work-in-progress	**28,906**	26,806
Finished goods	**12,553**	10,568
	$ 47,302	$ 43,048

7. Capital Assets

	2008			2007		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Land	**$ 638**	**$ –**	**$ 638**	$ 638	$ –	$ 638
Buildings	**7,288**	**4,457**	**2,831**	7,284	4,318	2,966
Machinery and equipment	**15,419**	**6,878**	**8,541**	14,195	8,130	6,065
	$ 23,345	**$ 11,335**	**$ 12,010**	$ 22,117	$ 12,448	$ 9,669

8. Employee Future Benefits

The Company has two defined benefit plans for executives and salaried employees, two supplementary executive retirement plans for retired and current senior executives of the Company, and a post retirement benefit plan covering retiree life insurance, health and dental care. Benefits under these plans are based on years of service and compensation levels. The latest valuations completed for these plans are dated December 31, 2007. The next required valuations must be completed with an effective date no later than December 31, 2010.

All pension plans other than the salaried employees' plan are in a funded deficit position. The aggregate fair value of plan assets and accrued benefit obligation for these deficit position plans as at June 30, 2008 are $34,163 and $37,001, respectively (2007 - $35,479 and $39,003).

Information about the Company's pension and other post retirement benefit plans is, as follows:

	2008		2007	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Fair value of plan assets				
Fair value of plan assets, beginning of year	**$ 42,843**	**$ –**	$ 37,941	$ –
Actual return on plan assets	**6**	**–**	4,278	–
Employer contributions	**2,765**	**641**	3,714	610
Employee contributions	**178**	**–**	162	–
Benefits paid	**(3,896)**	**(641)**	(3,523)	(610)
Net transfer in from Parent Company's pension plan	–	**–**	271	–
Fair value of plan assets, end of year	**$ 41,896**	**$ –**	$ 42,843	$ –
Accrued benefit obligation				
Benefit obligation, beginning of year	**$ 44,771**	**$ 11,574**	$ 43,144	$ 10,622
Actuarial loss, beginning of year	**–**	**–**	–	–
Service cost	**1,444**	**621**	1,260	496
Interest cost	**2,360**	**619**	2,392	592
Employee contributions	**177**	**–**	162	–
Actuarial loss (gain)	**(1,936)**	**(391)**	1,065	474
Benefits paid	**(3,896)**	**(641)**	(3,523)	(610)
Net transfer in from Parent Company's pension plan	–	**–**	271	–
Accrued benefit obligation, end of year	**$ 42,920**	**$ 11,782**	$ 44,771	$ 11,574
Funded status				
Funded status: plan deficit	**$ (1,024)**	**$ (11,782)**	$ (1,928)	$ (11,574)
Unamortized net transition obligation (asset)	**(2,468)**	**4,085**	(2,801)	4,488
Unamortized past service costs	**856**	**–**	937	–
Unamortized net actuarial loss	**10,771**	**2,674**	10,934	3,177
Accrued benefit asset (liability)	**$ 8,135**	**$ (5,023)**	$ 7,142	$ (3,909)

8. Employee Future Benefits (Cont'd.)

Significant actuarial assumptions adopted are, as follows:

	2008		2007	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Accrued benefit obligation, end of year				
Discount rate	**5.85%**	**5.85%**	5.50%	5.50%
Compensation increase	**3.50%**	**N/A**	4.00%	N/A
Benefit expense, for the year				
Discount rate	**5.50%**	**5.50%**	5.75%	5.75%
Expected long-term return on assets	**6.75%**	**N/A**	6.75%	N/A
Compensation increase	**4.00%**	**N/A**	4.00%	N/A

The medical cost trend rate used was 11.0% for 2008 and 2007, with 5.0% being the ultimate trend rate for years 2014 and thereafter. The dental cost rate used was 5.0% for 2008 and 2007.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects for 2008:

	Increase	Decrease
Service and interest cost	**$ 165**	$ (129)
Post retirement benefit obligation	**1,457**	(1,081)

Components of the Company's pension and other post-retirement benefit plans expense are, as follows:

	2008		2007	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Service cost (including provision for plan expenses)	**$ 1,444**	**$ 621**	$ 1,578	$ 496
Interest cost	**2,360**	**619**	2,392	592
Actual return on plan assets	**(6)**	**–**	(4,278)	–
Actuarial loss (gain)	**(1,936)**	**(391)**	1,065	474
Costs arising in the period	**1,862**	**849**	757	1,562
Difference between:				
Actual and expected return on plan assets	**(2,214)**	**–**	1,933	–
Actuarial gain or loss recognized for the year and actuarial gain or loss on accrued benefit obligation	**2,377**	**503**	(501)	(378)
Amortization of plan amendments and actual plan amendments	**80**	**–**	79	–
Amortization of transitional obligation (asset)	**(333)**	**403**	(333)	403
Net expense	**$ 1,772**	**$ 1,755**	$ 1,935	$ 1,587

Plan assets by category are, as follows:

	2008	2007
Equity	**48.7%**	54.2%
Fixed income	**40.3%**	37.1%
Other	**11.0%**	8.7%
	100.0%	100.0%

9. Intangible Assets

	2008			2007		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Long-term representation rights	**$ 70,440**	**$ 8,387**	**$ 62,053**	$ 70,440	$ 3,500	$ 66,940
Trademarks and licenses	**28,050**	–	**28,050**	28,050	–	28,050
	$ 98,490	**$ 8,387**	**$ 90,103**	$ 98,490	$ 3,500	$ 94,990

10. Income Taxes

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the future income tax assets and future income tax liabilities are presented below:

	2008	2007
Future income tax assets		
Current		
Bad debt and inventory reserves	**$ 107**	$ 171
Non-capital losses available for carry forward	**57**	–
Restructuring reserves	**–**	192
	$ 164	$ 363
Future income tax liabilities		
Long term		
Employee future benefits	**$ 902**	$ 1,039
Capital assets	**529**	482
Intangible assets and goodwill	**3,949**	3,879
	$ 5,380	$ 5,400

There are no net capital loss carry forwards available for tax purposes.

The effective tax rate of 32% for the year ended June 30, 2008 and 14% for the year ended June 30, 2007 differ from the basic Federal and Provincial rates due to the following:

	2008	2007
Combined basic Federal and Provincial tax rates	**33%**	35%
Impact of substantively enacted rate decreases	**(1%)**	0%
Equity in net earnings of companies subject to significant influence	**0%**	(1%)
Income not subject to tax	**0%**	(22%)
Other	**0%**	2%
	32%	14%

11. Share Capital

	2008		2007
Number of shares authorized:			
Voting Class A Common Shares – no par value	**Unlimited**		Unlimited
Non-voting Class B Common Shares – no par value	**Unlimited**		Unlimited
Number of shares issued and fully paid:			
Voting Class A Common Shares	**24,274,320**		24,274,320
Non-Voting Class B Common Shares, beginning of year	**4,194,536**		4,176,336
Non-Voting Class B Common Shares, issued during the year	–		18,200
Non-Voting Class B Common Shares, end of year	**4,194,536**		4,194,536
	28,468,856		28,468,856
Stated value	**$ 14,304**	$	14,304

In prior years, the Company established a Non-Voting Class B Common Share Option Plan ("Share Option Plan") and set aside 800,000 Non-Voting Class B Common Shares. Through the Share Option Plan, options were granted to certain officers and employees for the purchase of Non-Voting Class B Common Shares. Options were granted at prices equal to the closing market value on the last trading day prior to the grant and are exercisable from six to nine years from the date of vesting. Options vest from one to four years after the grant date. There were no options outstanding at any time during the year ended June 30, 2008. During the year ended June 30, 2007, the last remaining 18,200 options were exercised for total proceeds of $296. The last options granted through the Share Option Plan were granted on October 23, 2000.

A summary of the status of the Share Option Plan and changes during the year is presented below:

	2008		2007	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	**–**	**$ –**	18,200	$ 16.23
Exercised through the purchase option	**–**	**–**	(18,200)	16.23
Outstanding, end of year	**–**	**$ –**	–	$ –

12. Restricted Share Units Plan

	2008		2007	
	Restricted Share Units	**Weighted Average Grant Date Fair Value**	Restricted Share Units	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	**13,550**	**$ 24.92**	26,328	$ 24.90
Granted	**24,576**	**25.40**	–	–
Reinvested dividend equivalent units	**805**	**22.39**	959	25.57
Vested	**–**	**–**	–	–
Forfeited	**–**	**–**	(13,737)	24.93
Non-vested, end of year	**38,931**	**$ 25.17**	13,550	$ 24.92

Compensation expense related to this plan for the year ended June 30, 2008 was $156 (2007 - $111).

13. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

		2008		2007
Numerator:				
Net earnings	$	**31,690**	$	100,424
Denominator:				
Denominator for basic earnings per share:				
Weighted average shares outstanding		**28,468,856**		28,457,694
Effect of stock options		**–**		3,276
Denominator for diluted earnings per share		**28,468,856**		28,460,970

14. Interest Income

During the year ended June 30, 2008, Corby changed its financial institution to the Bank of Nova Scotia ("Scotiabank"). As a result, all of the Company's banking and cash management needs are addressed by Scotiabank and, under this arrangement, Corby participates in a Mirror Netting Service Agreement ("Mirror Agreement") with PR's other Canadian affiliates. The Mirror Agreement acts to aggregate each participant's net cash balance on a nightly basis for purposes of interest calculation. Corby earns interest income, which is settled on a monthly basis, from PR at market rates on its cash balances held at its financial institution.

15. Changes in Non-Cash Working Capital

		2008		2007
Increase (decrease)				
Accounts receivable	$	**2,910**	$	(1,851)
Inventories		**(4,254)**		(3,741)
Prepaid expenses		**(923)**		(218)
Deferred costs		**–**		680
Accounts payable and accrued liabilities		**(3,357)**		6,427
Income and other taxes payable		**(1,585)**		980
	$	**(7,209)**	$	2,277

16. Related-Party Transactions

Hiram Walker & Sons Limited ("HWSL"), a wholly-owned subsidiary of PR, owns in excess of 50% of the issued voting common shares of Corby and is thereby considered to be the Company's parent. PR is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of PR.

In addition to the information provided in Notes 4, 5 and 14, transactions and balances with parent and affiliated companies include the following:

16. Related-Party Transactions (Cont'd.)

	Nature of Transaction	Nature of Relationship	Financial Statement Classification	2008	2007
I	The Company renders blending and bottling services	Parent company	Sales, accounts receivable	**$ 847**	$ 868
II	The Company sells certain of its products for resale at an export level	Affiliated companies	Sales, accounts receivable	**$ 734**	$ 3,478
III	The Company renders services, as the sole and exclusive representative, for purposes of marketing and sales of beverage alcohol products in Canada	Parent company, companies subject to significant influence, ultimate parent company and affiliated companies	Commissions, accounts receivable	**$ 14,226**	$ 12,345
IV	The Company sub-contracts virtually all of its distilling, blending, bottling, storing and production activities	Parent company and an affiliated company	Cost of sales, inventories and accounts payable	**$ 25,161**	$ 24,206
V	The Company sub-contracts an important portion of its bookkeeping, record-keeping services, certain administrative services, related data processing and maintenance of data processing activities	Parent company	Marketing, sales and administration	**$ 2,168**	$ 2,100
VI	The Company purchases some of the inventory used in production activities	Parent company	Cost of sales, inventories and accounts payable	**$ 2,523**	$ 2,262

These transactions, which are settled the following month, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Transactions in sections III, IV, and V above are covered under the terms of agreements with related parties and are further described in Note 4. These agreements include a non-competition clause whereby the Company ceded its rights to sell beverage alcohol in bulk to third parties in favour of its parent company.

In addition to the transactions noted above, Corby purchased and sold bulk whisky from/to HWSL at market prices, which was $2.70 per original litre of alcohol ("OLA"). The quantities of OLA and the related exchange amount for each type of transaction are listed in the following chart:

	2008		2007	
(Quantities stated in 000s of original litres of alcohol)	**Quantities**	**Exchange Amount**	Quantities	Exchange Amount
Sales	**407**	**$ 1,100**	339	$ 915
Purchases	**506**	**$ 1,365**	–	$ –

Approximately $974 of bulk whisky purchased from HWSL remains in inventory at June 30, 2008.

16. Related-Party Transactions (Cont'd.)

Amounts included in accounts receivable and accounts payable with respect to Corby's affiliates, parent company, and ultimate parent company are, as follows:

		2008		2007
Accounts receivable – related parties	$	**5,072**	$	982
Accounts payable – related parties		**(3,997)**		(7,103)
Net amount receivable from (payable to) related parties	$	**1,075**	$	(6,121)

17. Segment Information

Corby has two reportable segments: "Case Goods" and "Commissions". Corby's Case Goods segment derives its revenue from the production and distribution of its owned beverage alcohol brands. Corby's portfolio of owned-brands includes some of the most renowned and respected brands in Canada, including Wiser's Canadian whiskies, Lamb's rum, and Polar Ice vodka. Corby's Commissions segment earns commission income from the representation of non-owned beverage alcohol brands in Canada. Corby represents leading international brands such as Chivas Regal, The Glenlivet and Ballantine's scotches, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines.

The Commissions segment has no assets or liabilities. Its financial results are fully reported as "commissions" on the consolidated statement of earnings. Therefore, a chart detailing operational results by segment has not been provided as no additional meaningful information would result.

Geographic information regarding the Company is, as follows:

2008	Canada	United States of America	United Kingdom	Rest of World	Total
Operating revenue	**$ 152,409**	**$ 5,372**	**$ 5,165**	**$ 372**	**$ 163,318**
Capital assets	**12,010**	**–**	**–**	**–**	**12,010**
Goodwill	**8,446**	**–**	**1,410**	**–**	**9,856**

2007	Canada	United States of America	United Kingdom	Rest of World	Total
Operating revenue	$ 143,509	$ 4,609	$ 4,487	$ 991	$ 153,596
Capital assets	9,669	–	–	–	9,669
Goodwill	8,446	–	1,410	–	9,856

In 2008, operating revenue to three major customers accounted for 29%, 17% and 13%, respectively (2007 – 31%, 16% and 13%).

18. Financial Instruments

Credit risk

The Company has credit risk associated with accounts receivable. The risk of collection has been mitigated since substantially all of these balances have been billed to government owned provincial liquor boards.

Liquidity risk

Corby's sources of liquidity are its cash balance of $58,553 along with cash generated by operating activities. The Company believes that the available cash balance combined with its historically strong and consistent cash flow from operations are sufficient to fund its operations, investing activities and commitments for the foreseeable future.

18. Financial Instruments (Cont'd.)

Interest rate risk

The Company does not have any short- or long-term debt facilities. Interest rate risk exists as Corby earns market rates of interest on its cash balances. The Company believes that changes in interest rates would not have a significant impact on its earnings and therefore does not utilize derivative instruments or other measures to manage this risk.

Fair values

The financial instruments used by the Company are limited to short-term financial assets and liabilities and loans to and from affiliates. Short-term financial assets are comprised of cash and accounts receivable. Short-term financial liabilities are comprised of accounts payable and accrued liabilities. The carrying amounts of these short-term assets, liabilities, and loans to and from affiliates are a reasonable estimate of the fair values, given the short-term maturity of those instruments.

19. Commitments

Future minimum payments under operating leases for premises and equipment for the next five years and thereafter are, as follows:

2009	$	**1,198**
2010		**1,176**
2011		**1,014**
2012		**808**
2013		**639**
Thereafter		**3,313**
	$	**8,148**

20. Guarantees

The Company may enter into agreements that may contain features that meet the definition of a guarantee. A guarantee is defined to be a contract (including an indemnity) that contingently requires the Company to make payments to the guaranteed party in certain situations.

In the ordinary course of business, the Company provides indemnification commitments to counterparties in transactions such as leasing and service arrangements. These indemnification agreements require the Company to compensate the counterparties for certain amounts and costs incurred as a result of litigation claims. The terms of the indemnification agreements will vary based on the contract and do not provide any limit on the maximum potential liability.

21. Contingencies

The Company is contingently liable with respect to pending litigation and claims arising in the normal course of business. Although the ultimate outcome of these matters is not presently determinable at this point in time, management believes that the resolution of all such pending matters will not have a material adverse effect on the Company's financial position or results of operations.

22. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in 2008.

Ten-Year
Review

	Year Ended June 30 2008	Year Ended June 30 2007	Ten Months Ended June 30, 2006[1]	2005	2004	2003	2002	2001	2000	1999	1998
				Year Ended August 31							
Results (in millions of dollars)											
Operating revenue	163.3	153.6	110.8	129.4	118.7	108.9	101.8	101.2	93.4	101.1	97.2
Earnings from operations	44.4	39.2	28.5	40.0	36.9	35.5	30.7	32.9	29.1	30.1	30.1
EBITDA[2]	50.5	44.0	29.2	40.8	37.7	36.4	31.6	34.1	30.2	31.0	30.9
Net earnings excluding after-tax restructuring costs	31.7	100.4	29.2	39.9	32.5	29.8	25.1	28.5	21.2	25.7	30.5
Net earnings	31.7	100.4	28.0	39.9	32.5	28.4	25.1	28.5	20.4	22.8	27.8
Cash provided from operations	31.2	33.4	21.5	28.4	36.2	39.0	23.2	24.4	21.8	17.2	32.0
Year-end position (in millions of dollars)											
Working capital	109.6	91.2	144.0	103.2	84.2	68.1	60.7	58.2	62.2	64.0	62.8
Total assets	249.9	238.0	180.3	313.2	295.3	277.0	261.9	254.8	94.2	107.4	101.7
Long-term debt	–	–	–	–	–	–	8.0	18.0	31.0	39.0	43.0
Shareholders' equity	219.3	203.5	158.3	142.7	119.9	99.8	86.5	72.9	57.3	53.1	44.8
Per common share[3] (in dollars)											
EBITDA	1.77	1.55	1.03	1.44	1.33	1.29	1.12	1.21	1.08	1.11	1.11
Net earnings excluding after-tax restructuring costs	1.11	3.53	1.03	1.41	1.15	1.05	0.89	1.00	0.76	0.92	1.09
Net earnings	1.11	3.53	0.99	1.41	1.15	1.01	0.89	1.02	0.73	0.81	1.00
Cash provided from operations	1.09	1.18	0.76	1.00	1.28	1.38	0.83	0.87	0.78	0.61	1.15
Shareholders' equity	7.70	7.15	5.57	5.03	4.23	3.53	3.06	2.59	2.04	1.90	1.60
Special dividend paid	–	1.50	–	–	–	–	–	–	–	–	4.13
Dividends paid	0.56	0.56	0.41	0.55	0.50	0.50	0.50	0.50	0.50	0.50	0.43
Market value per voting common share[3] (in dollars)											
High	27.00	28.40	28.00	20.46	17.50	16.13	17.50	16.88	21.00	22.00	19.13
Low	16.10	22.00	17.75	15.81	14.44	12.73	14.00	11.28	11.13	16.75	13.69
Close at end of year	17.80	24.50	22.90	18.13	16.50	14.69	15.04	16.01	12.45	17.50	18.25
Other statistics											
Working capital ratio	6.4	4.6	9.1	1.6	5.6	4.5	6.8	7.1	16.7	5.3	6.1
Pre-tax return on average capital employed	21.5	63.1	40.7	38.8	38.6	37.9	34.8	40.4	34.9	38.6	34.3
Return on average shareholders' equity	15.0	55.0	31.0	30.2	29.5	30.5	31.5	43.8	37.0	46.5	29.3
Number of shareholders	616	630	666	684	716	762	785	813	855	891	933
Number of shares outstanding ('000s)	28,469	28,469	28,451	28,414	28,332	28,324	28,268	28,140	28,080	28,024	27,956

[1] *Reflects a ten month period ended as the Company changed its fiscal year end from August 31 to June 30, effective as of June 30, 2006.*
[2] *Corby defines EBITDA as net earnings before equity earnings, foreign exchange, interest, taxes, depreciation, and amortization.*
[3] *References to per share figures have been restated to reflect the impact of the March 15, 2006 stock split.*

Corby Wishes to Thank All of Our People for Making

2008 Such a Successful Year!

ANDREW ALEXANDER • NANCY ALLEN • CRAIG ANDERSON • WILLIAM ATWOOD • KEVIN BENNER • ROBERT BLACK • GEORGE BOWDITCH • FAY BOYD • KIMBERLY BRADSHAW • LEANNE BRICK • TIM BRYAN • IAN BUCHANAN • KYLE BURROWES • ANGIE CALABRESE • LOUIS CALAUTTI • ROBERT CARRIERE • BERNANDINO CECCUCCI • IRINA CHEZAR • FARREL CHOW • TERRI-LYNN CLENDENNING • JULIE CLIEFF • CONSTANTINE CONSTANDIS • MICHAEL P. COSTELLO • STEPHANE COTE • DAN COTE-ROSEN • MARK CRUIKSHANK • KRISZTINA CSEH • ROY DACOSTA • ANTHONY D'APRILE • SANDRA DERKSEN • KIRSTEN DEVITT • GREGORY DIBIASE • RICK DMYTRYSHYN • JODY DRONFIELD • CYNTHIA DUFFY • DAVID ESTEPHAN • TIM FARRELL • CHANTALE FAULKNER • ILANA FINE • VALERIE FLEISCHHAKER • SCOTT FORREST • JENNIFER FORTIER • JEAN-FRANCOIS FORTIN • ANNIE FOURNIER • SUNIL GANDHI • KENNETH GAULT • GLENNA GAUTHIER • SEBASTIEN GIROUX • PHILIPPE GOUGEON • MARK GOWANLOCK • ILIT GRANOT • JOHN GRANT • ROBERT GRAY • NATALIE GRIMME • DONALD GUEST • KEN GUSTAFSON • RAYMOND G. HAJJAR • RODNEY HALLAM • DAVID HALUSKA • KEVIN HANSON • CARLA HART • EMMA HERLIHY • JAIME HO • RICHARD HOLLIHAN • PAUL G. HOLUB • ASHLEY HUBBARD • GERRY HURREL • SHERRI ISHERWOOD • KARL JOHANSON • BILL JOHNSTON • STEPHAN JOYAL • RON JUDSON • BRUCE KAHAN • TOM KARTOS • COLIN KAVANAGH • TRENT D. KELLY • DANIEL KHAN • PETER KINDRACHUK • ELISABETH KINKARTZ • HOWARD C. KIRKE • DOUG KREBES • JEAN-FRANCOIS LABBE • LISA LAUDINSKY • RICHARD LAURIN • MARIE-FRANCE LAVALLEE • RODROGUE LEBEL • TAYLOR LEBOE • CYNTHIA LEFEBVRE • DEBORAH LENNIE • HELENE LEPAGE • DANIEL LUNDBERG • ELYSABETH LUSSIER • MICHAEL LYALL • MIKE LYTLE • SUZANNE MACDONALD • ALANA MACLENNAN • FRASER MACLEOD • TAMRA MACMARTIN • J. BLAIR MACNEIL • ERIC MARCIL • STEPHEN MAUDEE • GEORGE MCFARLANE • CAROL MCKENZIE • MICHAEL MCPHAIL • TRACY MERCER • ANASTASIA MICHELIS • ANITA MIKAELIAN • ELISABETH MUIR • ALISON MURRAY • JOHN A. NICODEMO • AGNES OCHNIK • KIMARA ORAM • ENOY SOUSAKONG OUDOMSOUK • ROGER PAGES • JOANNE PAPINEAU • DEBORAH PARKER • MARGO PHELPS • COREY PICHE • MYRON PODLOSKI • RYAN POWELL • KATHARINE M. PRICE • TONI-RAE PRUSKY • JAMES QUIGG • NIMA RAFIZADEH • LAVERN M. RALLIFORD • JONATHAN RAY • DENVER READ • TRACIE REDMOND • WILLIAM ROBBINS • DANIELLE ROBERTS • DONALD ROBINSON • JAN ROLHEISER • BRENDA ROTA • SACHA ROYER • CHARLES SALVAS • JAMES SAMWAYS • JASON SANTOS • ANTHONY SEED • VALERIE SENGER • ADRIENNE SMITH • DAVID F. SMITH • PETER STRYSIO • ALAN SULLIVAN • JANICE SYKES • BOBBY TANG • FATIMA TAYLOR • MARK THORNE • PHILIP TIEMAN • FRANCOIS VAILLANCOURT • MARC VALENCIA • LAURA VANDENBOOGARD • ANDREA VENDITTELLI • FRANK VERRILLI • PIERINO VITTORI • ROBERT VUKIC • LORI WATSON • EWAN WEBSTER • LORI WELLS • KIMBERLY WILKIE • LARRY WILLARD • SUSAN WILLIAMS • IAN P. WINTERS • SHILA WOLLF • TRACY YOUNG • CARLO SAVILA • NATHALIE BEAUDIN • SYLVIE BEAUDIN • JASON BLACK • BRUNO BLAIN • DANIEL BRISEBOIS • MARC CASTONGUAY • BADRI CHEBLI • MARLENE CLOUTIER • GERRY CRISTIANO • ERIC DENIS • DIANE DESPATIS • JEAN DIAMOND • NICOLAS FIORAMORE • MATHIEU FORTIN • MICHEL FORTIN • MARIZULL GAINZA • ALAIN GARAND • ERIC E. GIRARD • NIKOLAS HOUTHOOFD • REMY HOUTHOOFD • CHANTALE JETTE • NGOC-TRINH LA • MARC LABONTE • LUC LACHARITE • FRANKLIN LAVERTY • GUY LAVIGNE • MINH LECONG • MAXINE LECARME • HUBERT LEMAY • PATRICE LIMOGES • THIERRY LINCHET-BLAIN • ROBERT MAILLE • JEAN-FRANCOIS MALLETTE • DANIEL MARCIL • ARTUR MARDANYAN • NANCY MARQUIS • XAVIER MUKEWO MONDO • ABDEL MURAD • SAYADANGANG • ANNIE NGUYEN • EVA OCANA ALDAZ • PARESH PATEL • MICHEL PANEUF • FRANCOIS PICARD • CECILIA PINEYRO • MARC PRONOVOST • SERGE PRONOVOST • YVAN ROY • LUC SAUVE • FIORENTINO SIMBOLI • DINA SMOLASH • JULIE SOUCY • PHILIPPE THIRION • ERIC TREMBLAY DALPE

Corby Also Wishes to Thank Jim Stanski and All Our Friends at

HIRAM WALKER & SONS LIMITED

Directors, Officers and
General Information

BOARD OF DIRECTORS

George F. McCarthy
Director and Chairman of the Board, Corby

Alain Barbet
Chairman and Chief Executive Officer, Pernod Ricard Americas

Claude Boulay
Director, Corby

Con Constandis
President and Chief Executive Officer, Corby

Robert L. Llewellyn
Director, Corby

John A. Nicodemo
Chief Operating Officer and Chief Financial Officer, Corby

Patricia L. Nielsen
President and Chief Executive Officer, Canadian Automobile Association, Niagara

William H. Sheffield
Director, Corby

Frédéric A. Villain
Chief Financial Officer, Pernod Ricard Americas

OFFICERS

George F. McCarthy
Chairman of the Board

Con Constandis
President and Chief Executive Officer

John A. Nicodemo
Chief Operating Officer and Chief Financial Officer

Marc A. Valencia
Vice-President, General Counsel, Corporate Secretary and Chief Privacy Officer

Howard C. Kirke
Vice-President, External Affairs

Andrew S. Alexander
Vice-President, Sales

Colin R. Kavanagh
Vice-President, Marketing

Paul G. Holub
Vice-President, Human Resources

COMMITTEES OF THE BOARD

Audit Committee
Robert L. Llewellyn (Chair)
George F. McCarthy
Patricia L. Nielsen
William H. Sheffield
Frédéric A. Villain

Management Resources Committee
Patricia L. Nielson (Chair)
Alain Barbet
Robert L. Llewellyn

Retirement Committee
Con Constandis (Chair)
Claude Boulay
Robert L. Llewellyn
John A. Nicodemo

Corporate Governance & Nominating Committee
William H. Sheffield (Chair)
Claude Boulay
Robert L. Llewellyn
George F. McCarthy
John A. Nicodemo

Independent Committee
Robert L. Llewellyn (Chair)
George F. McCarthy
Patricia A. Nielsen
William H. Sheffield

OFFICES

Executive Office
225 King Street West
Suite 1100
Toronto, Ontario M5V 3M2
(416) 479-2400

Sales Offices
102 Chain Lake Drive
Suite 209
Halifax, Nova Scotia B3S 1A7
(902) 445-0705

950 chemin des Moulins
Montréal, Québec H3C 3W5
(514) 871-9090

225 King Street West
Suite 1100
Toronto, Ontario M5V 3M2
(416) 479-2400

12th Street NE 3115
Suite 145
Calgary, Alberta T2E 7J2
(403) 291-2765

2825 Saskatchewan Drive
Unit 202
Regina, Saskatchewan S4T 1H3
(306) 586-6546

13353 Commerce Parkway
Unit 2168
Richmond, British Columbia V6V 3A1
(604) 276-8121

Registrar & Transfer Agent
Computershare Investor Services Inc.

Auditor
Deloitte & Touche LLP

Distilleries
Les Distilleries Corby Limitée
950 chemin des Moulins
Montréal, Québec H3C 3W5
(514) 878-4611

Hiram Walker & Sons Limited
A Pernod Ricard Company
2072 Riverside Drive East
Windsor, Ontario N8Y 4S5
(519) 254 5171

International Inquiries
Corby exports its trademarks to numerous international markets. Should you have enquiries about our brands in the following markets, please contact our distributor partners, as follows:

In the U.S.:
McCormick Distilling Co. Inc.
Weston, Missouri 64098
USA
1 800-470-2313
www.mccormickdistilling.com

In the U.K., Europe, Asia and Africa:
Halewood International Ltd.
Wilson Road Huyton Business Park
Liverpool, England
L36 6AD
0151 480 8800
www.halewood-int.com

TWO NEW FLAVOURS, ONE DISTINCTIVE VODKA.

Polar Ice® Northern Maple & Arctic Berry

DISTINCTLY CANADIAN. CLEARLY DISTILLED.

Please enjoy our products responsibly.

FPO

FSC

Printed on ChorusArt (recycled) paper. It is *Forest Stewardship Council* (FSC) certified, guaranteeing that the standards of the FSC are respected and that the pulp the paper is made of consists of a mixture of fibres from certified forests and post-consumer recycling processes from controlled sources. 50 per cent recycled, 25 per cent post consumer waste, FSC certified and Elemental Chlorine Free.

CORBY

Corby Distilleries Limited
A Leading Canadian Manufacturer & Marketer
of Spirits and Importer of Wines Since 1859

Affiliated with Pernod Ricard