2009
ANNUAL REPORT
For the year ended June 30, 2009

CORBY
Corby Distilleries Limited

Celebrating 150 Years

Affiliated with Pernod Ricard

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Overview

Corby Distilleries Limited ("Corby") 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 ABSOLUT vodka, Chivas Regal, The Glenlivet and Ballantine's Scotch whiskies, Jameson Irish whiskey, Beefeater gin, Havana Club and Malibu rums, Kahlúa liqueur, Mumm champagne, and Jacob's Creek and Wyndham Estate wines.

Corby has about a 26 percent share of spirit sales in Canada, representing more than 4,300,000 cases of spirits sold annually. Corby owns or represents eight 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.

Henry Corby established his distillery on the banks of the Moira River in what was soon to be known as Corbyville, Ontario, in 1859. His commitment to quality established his reputation as a purveyor of fine spirits and, through acquisitions and distribution agreements, the facility became the production home of the Wiser's family of Canadian whiskies and Lamb's rum in the ensuing decades. After 132 years of continuous operation, the Corbyville production site closed in 1989 with all production activities being transferred to Hiram Walker & Sons Limited in Windsor, Ontario.

Celebrating
150
Years
1859 -2009

Key Financial Results

Comparing Corby's overall financial results for the year ended June 30, 2009, with those of the prior year demonstrates the resilience of Corby's business, even during times of economic decline. Specifically, Corby experienced sales growth from the sale of its owned-brands of 3%, which reflects the benefits of a strong and diverse brand portfolio along with a solid business strategy that is focused on delivering value. The Company earned an additional $1.3 million in commissions this year compared with last year, primarily due to Corby having added the iconic ABSOLUT vodka brand to its portfolio of represented brands on October 1, 2008.

While the underlying performance of the business was strong, net earnings were not immune from market forces experienced in Canada and around the world this year, as unfavourable changes in foreign currency and interest rates contributed to decreases in EBITDA[1] and net earnings on a year-over-year comparison basis. Specifically, EBITDA declined 2% and net earnings and earnings per share experienced a decrease of 5% this year versus last.

Financial Highlights

CORBY

For the year ended June 30, 2009
(in thousands of dollars, except per share amounts)

Results		**Per Common Share**	
Operating revenue	$ 169,286	EBITDA	$ 1.74
EBITDA	49,544	Net earnings	1.07
Earnings before income taxes	44,449	Dividends declared and paid	0.56
Net earnings	30,381	Shareholders' equity	8.30
Cash flows from operating activities	23,939		

Financial Position at Balance Sheet Date		**Financial Ratios**	
Working capital	$ 128,548	Working capital	7.3
Total assets	270,175	Return on average shareholders' equity	13.3
Shareholders' equity	236,231	Pre-tax return on average capital employed	18.9

Annual General Meeting of Shareholders will be held on Thursday, November 12, 2009, at 11:00 a.m. (Toronto time), at the TSX Broadcast Centre, The Exchange Tower, 130 King Street West, 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.

[1] *Corby defines EBITDA as net earnings before equity earnings, foreign exchange, interest income, income taxes, depreciation, and amortization. For more details see the "Non-GAAP Financial Measures" section of the Management's Discussion and Analysis.*

CORBY

Letter from the former President and Chief Executive Officer

To affirm is to move forward with confidence. In the case of Corby, there have been countless affirmations over the past year of a sound strategy and a strong company. Therefore, in this letter to shareholders, my last as CEO of this great company, I want to highlight aspects of our strategy and company underpinning the confidence we have going forward as a leading Canadian manufacturer, marketer and importer in Canada.

A few years ago, our senior management set out a corporate strategy designed to take Corby to a new level in a very competitive industry. As I wrote last year, we carefully assessed our portfolio and our people. We set priorities, focused on execution and checked the strategy's success against the complex context in which we operate. That context included challenging economic conditions that affected virtually every aspect of the global economy in the last half of 2008 and the early part of 2009.

Our portfolio of owned and represented brands provides an excellent platform to achieve our current and long-term objectives. We believe that having a focused brand prioritization strategy permits us to capture value in those segments and markets where consumers continue to demonstrate their willingness to trade up to premium brands. Therefore, our strategy is to focus our investments and leverage the long-term growth potential of our key brands, while emphasizing less on smaller and less profitable brands. As a result, Corby continues to invest behind its brands to promote its premium offerings where it makes the most sense, and where it drives the most value for shareholders.

That focus on key brands also drove an innovative marketing campaign for our flagship brand, Wiser's Canadian whisky. The campaign, called "The Wiserhood", has been a tremendous success in raising awareness and sales of Wiser's, especially among male consumers. Working with a Canadian-based agency, "The Wiserhood" won two Gold awards for best Single Television and Television Campaign in the prestigious BESSIE Awards earlier this year and won three 2009 Marketing Magazine awards (Silver for 30sec TV Single and Bronze for each of TV Campaign and Collateral). This is another great chapter in the story of a great product.

Wiser's continues to lead its category, with retail volumes in Canada growing by 1% and retail value increasing by 3% in the past fiscal year. Such performance was delivered in a category that saw market-wide declines of 2% in retail volumes and only 1% growth in retail value. A similar story is told with Polar Ice vodka, which is among the top three largest vodka brands in Canada. Polar Ice vodka grew by 4% in retail volumes and 6% in retail value in fiscal 2009. Both of these key Polar Ice performance numbers closely tracked the overall vodka category growth, which saw increases of 4% and 7%, respectively. Vodka is the largest and fastest growing spirits category in Canada, therefore, Polar Ice vodka's present success is testament to the efficacy of our strategy. Our exclusive agreement with Pernod Ricard to represent the ABSOLUT vodka brand in Canada bolsters our strong position in vodka, as does our five-year extension to represent Stolichnaya vodka in Canada.

We are very proud of our leadership in these segments and intend to maintain it for years to come. We're also very proud to have Wiser's Canadian whisky and Polar Ice vodka represented in Superbrands Canada – the only spirits brands in this celebration of leading brands across the country.

Our success with Wiser's and Polar Ice is echoed in recognition found elsewhere. To quote from the LCBO's official media release on its annual awards ceremony, "Corby Distilleries Limited walked away with an impressive five awards" at the 15th annual ELSIE Awards. We won top honours for Social Responsibility, Partnership – Spirits, Partnership – Retail, Partnership – Supply Chain and Best Image Program – Spirits. With those, Corby has now won an unprecedented 10 ELSIE Awards in two years. That sort of affirmation in our largest domestic market is very gratifying.

While being recognized by external stakeholders for our commitment to excellence, so too were we recognized by Pernod Ricard. Corby is seen by colleagues throughout Pernod Ricard as a large, deep talent pool. We draw on our experience in this country, take it to other markets around the world, blend that with local knowledge and talent, and forge stronger and mutually beneficial trade links. That's what I intend to do in China in my new responsibilities as Managing Director of Pernod Ricard China; and that's what John Nicodemo, Corby's former COO and CFO, is doing in his new role as COO of Pernod Ricard Korea.

Patrick O'Driscoll continues that tradition. Patrick comes to Corby as the new CEO with more than 25 years of industry experience, most recently as the President and CEO of Malibu-Kahlúa International, a division of Pernod Ricard USA. It's a similar situation with the new CFO, Thierry Pourchet, who, like Patrick, brings a wide range of industry experience to Corby. Other members of the strong executive team provided continuity by helping Patrick and Thierry transition into Corby, another commitment by all involved to building Corby's market leadership and to making Corby a great place to work.

Taking social responsibility seriously is, in equal measures, part of the fabric of Corby. We believe that our company, our customers and our industry all benefit from strong corporate citizenship. This includes support for a variety of responsible consumption initiatives, as well as a focus on our overall environmental impact, the health and safety of our employees, and our involvement in communities where our employees live and work.

In fiscal 2009, we created another special edition bottle of Polar Ice vodka in support of the Canadian AIDS Society to help raise money and awareness across the country. This initiative brought employees together for a great cause. It also won the Social Responsibility Award at the recent LCBO ELSIE Awards, as mentioned above. That recognition extended beyond the domestic stage when Pernod Ricard featured this Polar Ice vodka initiative in its Best Practice submission to the United Nations Global Compact.

In my time as CEO, and indeed throughout my career with the company, I have been consistently impressed by the commitment demonstrated by Corby employees. That commitment pushed me to be a better leader within an incredible company. It influenced me in what I did, and will, no doubt, influence Patrick in his leadership of Corby.

In helping to deliver another strong performance, I extend my sincere gratitude to all our employees, our customers, my Board of Directors, and as always, you, the shareholders. As your company celebrates its 150th anniversary, it does so on a strong footing as an industry leader. I can affirm that with great confidence.

Sincerely,
Con Constandis

Letter from the President and Chief Executive Officer

It is with great pleasure that I am able to write to the shareholders for the first time. As Con notes in his letter, I am coming to Corby with a range of global experience that I am sure will complement the tremendous experience and talent already residing in Corby.

During my career, three things have always been of key importance regardless of the role or circumstances. Firstly, to build and develop high performing teams. Secondly, to achieve clarity in the mission, objective and goals amongst all stakeholders. And finally, to take personal responsibility for ensuring top-class execution to achieve results. I am delighted to note that I see all these elements already present in the Corby organization during my first days on the job.

Although an annual report is primarily about looking back on results and achievements, you can imagine that my focus is very much on the future. Like any CEO in transition, I will use these first few weeks and months to listen to what our customers, employees and shareholders have to say about the company, and use this along with the momentum of our brands and the motivation and engagement of our team, to take Corby to the next level.

I am very honoured to be in the position, and I look forward to working with all stakeholders in the months and years to come.

Sincerely,
R. Patrick O'Driscoll

Domestic & International
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 682,000 cases this fiscal year. Wiser's DeLuxe, the flagship brand of the family, performed very impressively, growing at +4%, while the category decreased by -2%. That the Wiser's family growth is being driven by Wiser's DeLuxe is an excellent example of Corby's dedication to the promotion and support of the most profitable brands within its portfolio, in order to achieve maximum value/margin driven results. The launch of Wiser's Small Batch gives the Wiser's family and the Corby sales force another great tool, especially within the on-premise environment. In October 2008, the *Welcome to the Wiserhood* television advertising campaign and website were launched, to critical and popular acclaim, and industry recognition in the form of two BESSIE gold awards and three Marketing Magazine awards. In the US market, Wiser's export sales exceeded 65,000 cases, growing at +10%, 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 320,000 cases this fiscal year. Polar Ice vodka has more than doubled in volume since 2001 and continued its strong performance matching category growth trends with 4% volume growth. Since June 2008, Polar Ice launched two innovative initiatives of Polar Ice flavours, as well as two special charity bottles in support of the Canadian AIDS Society. Polar Ice vodka volumes in the US market approached 70,000 cases in fiscal 2009, in the highly competitive imported vodka category.

Lamb's rum, the unpretentious rum choice, is the number three rum family in Canada with sales at more than 486,000 cases. This year, Lamb's Palm Breeze rum sales grew to more than 242,000 cases and maintained its market share position as the number two amber rum in Canada. In its largest market, Newfoundland and Labrador, Lamb's Palm Breeze outsells the closest competitor 4 to 1 and is the number one spirit in the province. The brand has been supported with sponsorship of the George St. Festival, consumer promotions, out-of-home advertising, charitable community support behind Daffodil Place, and a partnership with Downhome magazine. Last year, we turned the *"Shed on its Head"* and re-invented one of Newfoundland and Labrador's cultural phenomenons with the *"Pimp My Shed"* promotion. In the UK, we created much buzz and news around the brand, with new packaging and new consumer and trade advertising on our iconic Lamb's Navy rum and introduced Lamb's Spiced rum representing a major step in product development for the brand. It is the first major diversification in the UK of the core Lamb's Navy rum brand which has existed since 1849 and currently is the number two selling dark rum in that market. The 70cl sku size is currently growing at 19% and is the largest branded dark rum sku. Halewood International took on the distribution of Lamb's for the UK and all other markets apart from the US and Canada in 2007 and has worked closely with Corby ever since.

McGuinness liqueurs is the largest mixable liqueur family in Canada, with sales at more than 108,000 cases, more than double the largest competitor. Despite a challenging year for the liqueurs category, 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 other popular flavours, driving the growth of the McGuinness liqueurs portfolio. This year, we introduced two new McGuinness Exotic flavours, namely, Pomegranate and Blueberry; stylish and modern liqueurs made with all natural exotic fruit flavours. Their vibrant colour, superior mixability and fruit flavours and aromas will give consumers endless delicious cocktail possibilities.

Across Canada, the cooler category is growing slightly. The category is both highly competitive and highly fragmented. It is also heavily dependant on a strong summer season. The 2009 fiscal year did not result in a strong finish for the Seagram Coolers portfolio; although, there have been some successful results on the new 2009 launch products, such as Yumberry Tangelo Vodka Spritzer, Wildberry Lemonade and Classic Blueberry Swirl. The innovation pipeline for 2010 is strong, and we hope to re-gain strength in the portfolio.

Agency

ABSOLUT vodka, a new brand to the Pernod Ricard family, greatly exceeded expectations delivering 342,000 cases over a nine-month period. As the second largest vodka family in Canada, value growth exceeded +11%, outperforming vodka category growth at 7%. ABSOLUT is now also the second largest premium spirit family in Canada. Key contributing factors, while integrating ABSOLUT into the Corby portfolio included a strong focus on distribution, commercial retail strategy and targeted marketing activity (including, a successful multi-faceted holiday campaign with limited edition bottle) serving to lay the groundwork for continued future growth.

Malibu rum faced pressure this fiscal year, driven by a challenging commercial environment, resulting in a performance decline for the brand. In response, going into the key spring/summer period, strong presence for the brand was established via an exciting winter promotion at ski resorts across Canada. This was followed up with the launch of a new flavour variant, Malibu Island Melon – in June 2009, and a summer advertising and promotional campaign, leveraging multiple digital tools, including Facebook.

As a result of recessionary pressures, the liqueurs category faced challenges and experienced declines in fiscal 2009. Kahlúa, the number one coffee liqueur in Canada, was also impacted by these pressures and experienced soft performance. Following up on the re-launch of the brand last fiscal year, the brand experienced continued strong support in multiple channels. This included bartender education, consumer promotions and brand activation during the key holiday season.

Jameson, the largest Irish whiskey in both Canada and the world, surpassed the 41,000 case mark this year. The brand has experienced outstanding growth of +17%, resulting in over 65% share for the brand within the category. The brand saw extensive support throughout the year, starting with a national promotion linked to the global brand promotion supporting St. Patrick's Day. Jameson is also a supporter of film globally with the Toronto International Film Festival (TIFF) a clear focus in September.

Havana Club rum, the authentic premium Cuban rum from Havana, had another impressive year in 2009, growing +27% and breaking the 65,000 case plateau. Havana Club Añejo Reserva was the fastest growing member of the family at +33%. This fiscal year marked the launch of the Toronto Havana Cultura festival and the brand continued to be supported with bartender training,distribution building, in-bar events, and strong retail activity, ensuring continued momentum.

Stolichnaya vodka, the number two premium vodka family in Canada, had another strong year with the brand breaking 148,000 cases as a family and achieving +4% growth. The base brand lead Stoli's continued growth at +7%, and was supported by Stolichnaya flavours. Key visibility investments in the on-premise channel helped to continue to establish Stoli's position in the marketplace and set itself for continued growth in fiscal 2010.

Chivas Regal is the number one deluxe blended scotch in Canada.The brand has continued to grow this year, with volumes reaching 55,500 cases despite a difficult economy and an overall decline in the blended scotch category. The new Chivas *Live with Chivalry* television campaign assisted in the brand's performance, and the partnership with Alpine Canada Alpin (Men's and Women's Downhill Ski Team) allowed opportunities for the brand to drive trial, build awareness and differentiate itself from key competitors.

The Glenlivet family saw excellent growth this year (+8%), with volumes reaching 42,650 cases. Performance was strong across all marques, with the 15 YO and 18 YO showing very positive growth over the year. The brand has performed particularly well in the on-premise, thanks to listing gains and increased on-premise promotional activity. This year also saw the expansion of The Glenlivet's golf communications platform, including a long-term agreement to become the *Official Spirit* of the men's and women's Canadian Open.

Jacob's Creek wine is one of the world's best known wine brands, with around two million glasses enjoyed globally every day. Jacob's Creek wine completed fiscal 2009 at 275,000 cases, a 12% increase, compared to last year, and the outlook remains positive. Building value, the Jacob's Creek wine family continues to go from strength to strength, driven by the Jacob's Creek Classic range. The sponsorship of the *Just For Laughs* festival continues to build strong visibility for Jacob's Creek in the key markets of Québec and Ontario with activation extending to Western Canada this fall.

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 show growth despite the challenging market conditions and is now at 182,000 cases, consistent with last year. The new line extensions from the Wyndham Estate Bin range, namely, Bin 515 and Bin 525, have received a great response, both from industry leaders and consumers.

Cross-Country Sponsorships, Events and Awards

Alberta

Rocky Mountain Food & Wine Show in Calgary

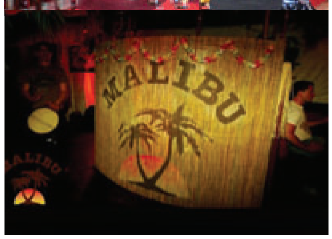
In October 2008, more than 15,000 consumers attended the Show, which featured spirits, wine and beer. Corby featured Wiser's Small Batch, Polar Ice flavours and Jacob's Creek Reserve Wine.

Edmonton's Festival of Beers

In June 2009, more than 4,000 consumers attended this festival. Corby featured the new Lamb's Black Sheep and Sour Puss flavours.

Malibu Summer Kick Off in Sylvan Lake

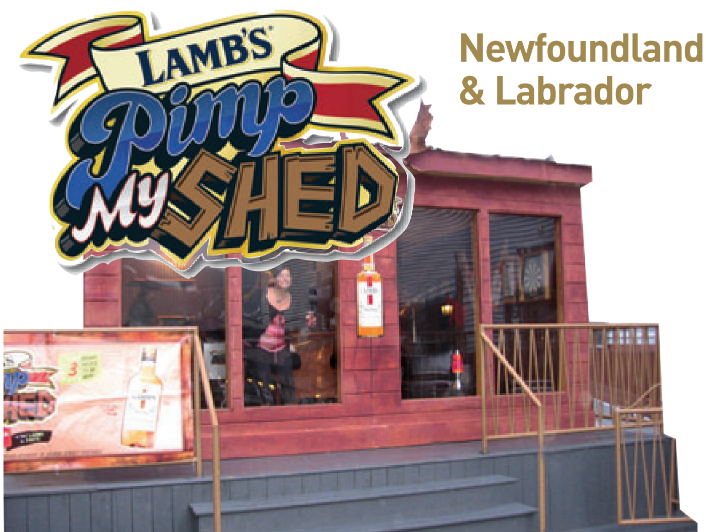
In June 2009, more than 300 consumers kicked off the summer with the Malibu sampling team in Sylvan Lake.



British Columbia

ABSOLUT Back Bar

In fiscal 2009, Corby's British Columbia office hosted various events, including Chivas Ski Sampling in Whistler; Malibu Winter Promotion at Garfinkles in Whistler; Jameson sampling at Commodore Ballroom in Vancouver; and the "in an ABSOLUT World DJ Series" at Republic on Granville Street in Vancouver.



Newfoundland & Labrador

Sheds are typically where Newfoundlanders socialize with friends and family. Fun environments that relate to the Lamb's family of rum. Sheds, though festive, social and comfortable environments are garage style structures. The *Lamb's Pimp My Shed* promotion was designed to re-invent one of Newfoundland and Labrador's most unique cultural phenomena and further cemented itself as Newfoundland and Labrador's number one rum. *Lamb's Pimp My Shed* strengthens the support of our core consumer while attracting new, younger adult drinkers to the brand. Sales of Lamb's improved by 8% over the promotional period and further improved Corby's leadership position in a market of strength.

On November 15, 2008, Lamb's rum presented an exclusive VIP concert by the GREAT BIG SEA for 500 lucky VIP contest winners. The GREAT BIG SEA, another local cultural phenomenon making a connection with Lamb's rum, fuses Newfoundland traditional music with modern pop formulating melodies that are both heartfelt and vital. A pure force of nature – much like the ocean surge they take their name from.

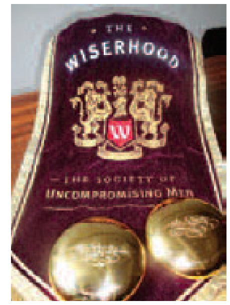
Ontario

ELSIE Awards 2009

Equaling last year's unprecedented five ELSIE Awards, Corby was again recognized by the Liquor Control Board of Ontario at its annual ELSIE Awards for the industry this past June with another five ELSIEs. Corby received the Partnership Award in each of the Spirits, Retail and Supply Chain categories, the Social Responsibility Award and the Best IMAGE Program Award in the Spirits category. As the Ontario market accounts for such a significant amount of the national business, these are the Canadian beverage alcohol industry's most prestigious awards. Such recognition is an important affirmation of Corby's strategic execution and front-line teams' hard work over short-cuts.

Wiser's Wins Golds

Wiser's won gold medals for TV Single and TV Campaign



Since 1963, Television Bureau of Canada in conjunction with the Broadcast Executives Society has been awarding BESSIEs to recognize the finest in Canadian television advertising. A BESSIE gold is reserved for only the best of Canadian television advertising and *The Wiserhood* had a stellar showing, taking home two golds in both the TV Single category for "SWEATER", and TV Campaign category for two 15 second spots ("SIX WORDS", "MOUSTACHE") and two 30 second spots ("TURKEY CARVER" and "SWEATER").

In addition to the three Marketing Magazine awards, which Wiser's also won, the BESSIE golds are a tremendous accomplishment considering the volume of Canadian TV advertising in the marketplace and some fairly stiff competition coming from other nominees. Since the launch of the campaign, Wiser's has become the number one whisky family in Canada, in value.

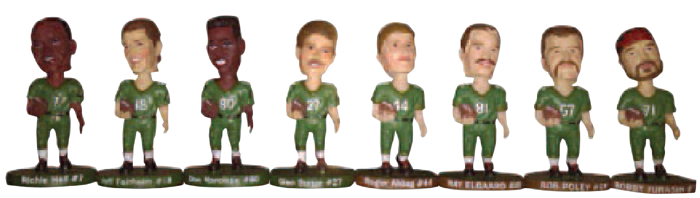
Quebec and Ontario

Just For Laughs

Since 2008, Jacob's Creek has been the official wine of *Just For Laughs* and a major sponsor of the *Just For Laughs* festivals in both Montréal and Toronto. The world's largest comedy festival, *Just For Laughs*, features top international comedians and draws ever-increasing numbers of spectators. With their easygoing, friendly style, Jacob's Creek wines are the perfect match for the festivals' atmosphere.

Saskatchewan

Wiser's/1989 Saskatchewan Grey Cup Champions Bobble-head promotion, an enormous success



This promotion started on May 1, 2009 and continued until the end of August 2009. The Bobble-head promotion celebrated the Saskatchewan Rough Riders 1989 Grey Cup Champions with the top eight players of 1989 selected, including, Bob Poley, Ray Elgaard, Bobby Jurasin, Roger Aldag, Glen Suitor, Don Narcisse, Richie Hall and Jeff Fairholm. More than 100,000 units of the figures were on-packed with Wiser's DeLuxe and Wiser's Special Blend which were distributed from the Saskatchewan Liquor and Gaming Association.

Corby Distilleries Limited
Officers

The executives are from left, front row:
R. Patrick O'Driscoll
(President and Chief Executive Officer),
Thierry R.J.M. Pourchet
(Vice-President and Chief Financial Officer),
Andrew S. Alexander
(Vice-President, Sales),
Howard C. Kirke
(Vice-President, External Affairs)

From left, back row:
Marc A. Valencia
(Vice-President, General Counsel, Corporate Secretary and Chief Privacy Officer),
Colin R. Kavanagh
(Vice-President, Marketing),
Paul G. Holub
(Vice-President, Human Resources).

A Milestone Celebration

On Tuesday, February 3, 2009, Corby opened the market to commemorate 40 years of trading on the Toronto Stock Exchange. Corby trades under the stock symbols CDL.A and CDL.B.

Corporate Social Responsibility

Our Definition of Corporate Social Responsibility

We believe that corporate social responsibility implies more than compliance with the laws, regulations and industry practices of the jurisdictions in which we operate. Through our actions, we aspire to demonstrate social leadership in a number of areas. Here are just a few examples:

1. Responsible Use

- **Responsible Consumption**
  While Corby believes that most people drink sensibly, enjoyably and safely, we play an active part in ensuring that our consumers are aware of the benefits of moderate consumption and the risk to health and society from excess or inappropriate consumption. We take our responsibility to our consumers and employees seriously and have clear policies for the advertising, marketing and promotion of our brands to individuals of legal drinking age.

- **Corby Marketing Code**
  Our code requires strict adherence to policies governing all messaging that reaches the consumer. By ensuring that our messages reach an age appropriate audience, incorporate tasteful and responsible imagery and meet the approval of regulatory bodies, we endeavour to set standards for our industry.

2. Environmental Stewardship

Corby strives to conduct its commercial activities in ways that conserve natural resources and respect the environment. This commitment means using the best techniques available, improving energy efficiency, promoting recycling and limiting production of waste and pollution. Corby-owned and managed facilities in Canada have undertaken numerous initiatives in recent times to reduce our environmental footprint.

3. Local Community Involvement

Our Canadian businesses recognize the importance of giving back to the communities in which we operate and those that support the well-being of our employees. Equally, we believe we have a responsibility to our employees, customers and consumers to demonstrate leadership in areas of social commitment.

Canadian AIDS Foundation Initiative

Following up on last year's successful special edition bottle, Corby has partnered again with the Canadian AIDS Society. The new special edition bottle was designed exclusively for Polar Ice vodka by Québec artist, Shayo. From her collection entitled *Ensemble*, which recognizes HIV/AIDS, this piece depicts a hopeful image of everyone living together in harmony. A total of 50,000 bottles hit store shelves in June 2009 nationally, with $1 from each bottle sold being proudly donated to the Canadian AIDS Society. Shayo says of her involvement in this campaign; "It was a pleasure for me to participate in the creation of the 2009 Polar Ice vodka bottle. It offered a terrific opportunity to express a message important to me in demystifying people living with HIV/AIDS".

❶ Habitat for Humanity

During the fall of 2008, over 30 Corby head office employees gave back to their local community by volunteering at local Toronto build sites in support of Habitat for Humanity. Providing labour and donations in excess of $15,000 to this organization was one way that Corby employees were able to help those who are less fortunate.

❷ George Brown College

As Canada's largest educational facility focusing on the hospitality industry, George Brown College is at the forefront in providing the next generation of skilled labour to this sector. Corby has embarked upon a five-year partnership with George Brown College that involves product education during classroom sessions held in the McGuinness Liqueur Mixology laboratory and the Jacob's Creek Sommelier laboratory.

❸ Ride for Juvenile Diabetes Research

In September 2008, a total of 50 riders from Corby head office and Ontario sales raised in excess of $25,000 for the annual Ride for Research held at Toronto City Hall. Corby's team joined over 1,600 riders at the event and lead all fundraising in the hospitality and restaurant sector.

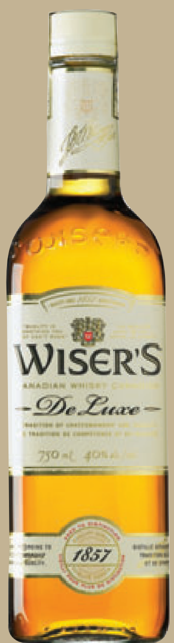
❹ Daffodil Place

Over the 2008 holiday season, Corby partnered with the Newfoundland and Labrador Liquor Corporation to give back to the local community in St John's. A total of $60,000 has been raised for The Daffodil Place Campaign through sales of Lamb's Palm Breeze amber rum, Newfoundland's number one selling spirit brand.

In support of . . .
Daffodil PLACE

Portfolio of Excellence

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



Brown Spirits

Canadian Meaghers 1878 • Royal Reserve • Royal Reserve Gold • McGuinness Silk Tassel • Wiser's DeLuxe • Wiser's Small Batch • Wiser's Special Blend • Wiser's (18) • Wiser's Red Letter • Hiram Walker Special Old • Bonded Stock • **Scotch** Ballantine's • Chivas Regal (12, 18, 25) • Royal Salute • Queen Anne • **Single Malt** Aberlour • The Glenlivet (12, 15, 18, Nadurra) • Scapa • Longmorn • Strathisla • Tormore • **Irish** Jameson • Jameson Reserves (12, Gold, 18, RVR) • Redbreast • Midleton Very Rare • **Cognac and Brandy** d'Eaubonne • Martell VS • Martell VSOP • Martell XO • Martell Cordon Bleu • Martell Creation Grand Extra • Barclay's

White Spirits

Gin Beefeater • Beefeater 24 • De Kuyper Geneva Gin • Plymouth Gin • **Vodka** Absolut • Absolut Flavours (Apeach, Citron, Mandarin, Mango, Pears, Raspberri, Ruby Red, 100) • Level • Polar Ice • Polar Ice Flavours (Northern Maple, Arctic Berry) • Stolichnaya • Stolichnaya Flavours (Razberi, Vanil, Blueberi) • Elit • Wyborowa • Wyborowa Exquisite • Moskovskaya • McGuinness Red Tassel • De Kuyper Vodka • Grand Duke • **Rum** Havana Club Añejo Blanco • Havana Club Añejo Reserva • Havana Club 7 Year Old • Havana Club Cuban Barrel Proof • Lamb's White • Lamb's Navy • Lamb's Palm Breeze • Lamb's Black Sheep • Lemon Hart • Ron Cabana • Black Diamond • McGuinness White Rum • Favell's London Dock • **Tequila** Olmeca Gold • Olmeca Blanco • Olmeca Tezón • Olemca Extra Aged

Liqueurs

Kahlúa • Kahlúa Especial • Kahlúa Flavours (French Vanilla, Hazelnut) • Tia Maria • Malibu • Malibu Flavours (Mango, Passion Fruit, Pineapple, Tropical Banana, Island Melon) • Soho • Carolans Irish Cream • Sour Puss Liqueurs • Ramazzotti • Ricard Pastis • Pernod • Pernod Absinthe • Becherovka • Hiram Walker Liqueurs • McGuinness Liqueurs • Meaghers Liqueurs • De Kuyper Liqueurs • Midori • Zen • Phillips Liqueurs • Tequila Rose • Uphoria

Ready to Drink – Coolers

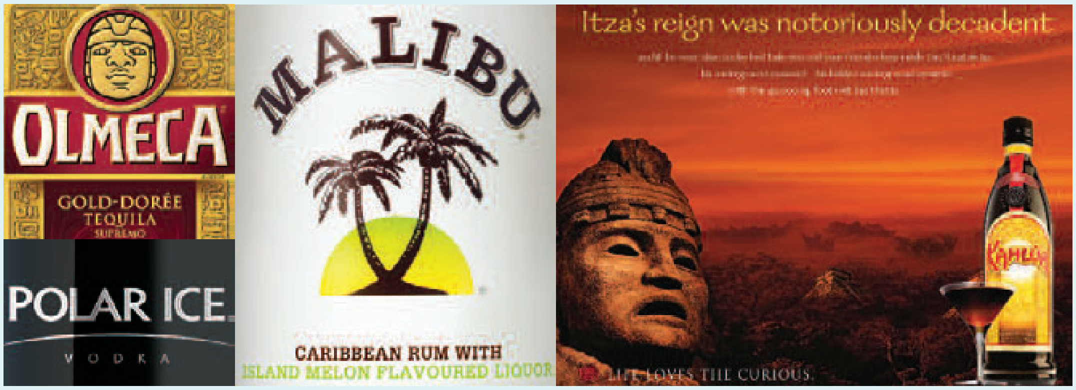
Seagram Swirls • Seagram Wildberry • Seagram Spritzers • Seagram Cocktails • Kahlúa Drinks-to-Go • McGuinness Margarita Mix • McGuinness Long Island Iced Tea • McGuinness Black Russian

Champagnes, Wines and Aperitifs

G.H. Mumm Champagne • Perrier Jouët • Café de Paris • Mumm Napa • Jacob's Creek • Wyndham Estate • Stoneleigh • Brancott • Campo Viejo • Reál Sangria • Etchart • Graffigna • Black Tower • Dubonnet • Lillet

Corby Distilleries Limited

FINANCIAL REPORT
Management's Discussion and Analysis
For the fiscal year ended June 30, 2009



The following Management's Discussion and Analysis ("MD&A") dated August 26, 2009 should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended June 30, 2009 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These factors are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted elsewhere in this MD&A.

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 26, 2009. 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 and 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 2009 (three months ended June 30, 2009) are against results for the fourth quarter of fiscal 2008 (three months ended June 30, 2008). 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. Corby is a publicly-traded company, with its shares listed on the Toronto Stock Exchange under the symbols "CDL.A" (Voting Class A Common Shares) and "CDL.B" (Non-Voting Class B Common Shares). Corby's Voting Class A Common Shares are majority-owned by Hiram Walker & Sons Limited (a private company) located in Windsor, Ontario. Hiram Walker & Sons Limited ("HWSL") is a wholly-owned subsidiary of international spirits and wine company, Pernod Ricard S.A. (a French public limited company) which is headquartered in Paris, France. Therefore, throughout the remainder of this MD&A, Corby refers to HWSL as its parent, and Pernod Ricard S.A. ("PR") as its ultimate parent. Affiliated companies are those that are also subsidiaries of PR.

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. International sales are primarily to the United States and United Kingdom markets and, typically, account for less than 10% of Corby's total operating revenue. 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 include some of the most renowned brands in Canada, including Wiser's rye whiskies, Lamb's rum, Polar Ice vodka, McGuinness liqueurs and Seagram Coolers. Through its affiliation with PR, Corby also represents leading international brands such as ABSOLUT vodka, 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.

In September 2006, PR and Corby agreed upon terms for the continuation of production of Corby's owned-brands by PR at HWSL's production facility in Windsor, Ontario, for the next ten years, expiring September 2016. Corby and PR further agreed that Corby will manage PR's business interests in Canada, including HWSL's production facility, during that same ten year period.

The Company sources approximately 73% of its spirits production requirements from HWSL's production facility in Windsor, Ontario, with the balance of Corby's spirits production being sourced from the Company'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 quarters 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 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 emphasizing less 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 evaluate 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 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.

Significant Events

Corby announces management changes

On March 26, 2009, Corby's Board of Directors announced that Mr. Con Constandis, President and Chief Executive Officer of Corby, would leave the Company effective June 30, 2009, to assume the role of Managing Director of Pernod Ricard China. On May 7, 2009, Corby announced that Mr. R. Patrick O'Driscoll was appointed as President and Chief Executive Officer of Corby effective July 1, 2009.

Mr. O'Driscoll is a native of the United Kingdom and holds a Bachelor of Science in Environmental Biology from the University of London. He has over 25 years of industry experience in North America, Europe and Asia, both with PR and previously International Distillers & Vintners. Mr. O'Driscoll brings invaluable commercial and marketing experience to Corby, having served in various executive capacities. Prior to joining Corby, he served as President and Chief Executive Officer of Malibu-Kahlúa International, an affiliate of PR, based in New York.

On June 5, 2009, Corby's Board of Directors also announced that Mr. John A. Nicodemo, Chief Operating Officer and Chief Financial Officer of Corby, would leave the Company effective June 30, 2009, to assume the role of Chief Operating Officer of Pernod Ricard Korea. Mr. Thierry R.J.M. Pourchet has been appointed as his successor as Vice-President and Chief Financial Officer of Corby.

A native of France, Mr. Pourchet graduated from Ecole de Management de Lyon (France). He has more than 16 years of industry experience in North America and Europe with several PR affiliates. Mr. Pourchet brings extensive financial and operational experience to Corby, having served in various executive capacities. Prior to joining Corby, he served as Chief Operating Officer of Malibu-Kahlúa International, based in New York.

Alberta Gaming and Liquor Commission announces cancellation of significant increase in provincial mark-up applied to beverage alcohol products

On April 7, 2009, the Alberta Gaming and Liquor Commission announced a 30% increase in the provincial mark-up applied to beverage alcohol products. This increase, which became effective on April 8, 2009, resulted in higher retail prices for the consumer. However, on July 7, 2009, Alberta Premier, Ed Stelmach, announced the cancellation of the aforementioned increase in the Alberta mark-up applied to beverage alcohol products.

Since the increased mark-up was only in effect for a relatively short period of time, it is not possible to know what effect the increased retail prices would have had on overall consumer consumption in the long-term. However, it should be noted that sales of Corby's spirit products in Alberta declined by 5% during the three-month period in which the increased mark-up was in effect.

The Government of Ontario announces its 2009 budget

On March 26, 2009, the Government of Ontario announced its 2009 budget which among other things, outlined proposed cuts to its corporate income tax rates, and its intention to join a framework agreement for federal collection of a single value-added sales tax.

Specifically, the budget proposes to cut provincial income tax rates on manufacturing and processing businesses by 2%, beginning July 1, 2010. While Corby's current income tax expense will benefit from these reduced rates beginning in fiscal 2010, the Company has not yet recognized the impact of the decreased rates on its future income tax expense as the proposed decreases have yet to be substantively enacted.

Also beginning on July 1, 2010, the Ontario Retail Sales Tax will be converted to a value added tax structure and combined with the federal GST to create a federally administered single sales tax with a rate of 13%, which is the same as the combined rate currently in effect. However, differences in application will exist as the new single sales tax will generally use the same rules and tax base as the federal GST. The effect of this change on Corby's business is currently being assessed; however, it is not anticipated that it will have a material impact on the Company's financial results.

Corby obtains right to represent ABSOLUT vodka

On September 26, 2008, Corby entered into an agreement with its ultimate parent company, PR. The agreement provides Corby the exclusive right to represent the ABSOLUT vodka brand in Canada effective October 1, 2008 for five years to September 30, 2013. As part of this agreement, Corby also received the exclusive right to represent the Plymouth gin and Level vodka brands. The distribution of ABSOLUT vodka is expected to add approximately $2.5 million annually to Corby's commission income and about $1.2 million annually to net earnings in the first full year.

Corby signs agreement to continue representation of Stolichnaya vodka

On March 5, 2009, Corby entered into an agreement with S.P.I. Spirits (Cyprus) Limited to continue representing the Stolichnaya ("Stoli") and Moskovskya vodka brands in Canada. Under the terms of the agreement, Corby will continue to represent Stoli and Moskovskya for an additional period of five years.

PR sells Tia Maria brand

On July 27, 2009, PR announced the sale of the coffee liqueur brand, Tia Maria, to an unrelated third party for 125 million Euros (equivalent to approximately $192.5 million Canadian dollars).

Corby previously owned a 45% non-controlling interest of Tia Maria but sold its interests to PR on September 29, 2006. The purchase and sale agreement between Corby and PR contained a purchase price adjustment clause, which would allow for the Company to share in any after-tax profits (as per a defined formula in the agreement) earned by PR in the event they sold 100% of Tia Maria within three years of buying the minority interest from Corby.

While the Tia Maria brand was sold within the three-year timeframe as outlined above, PR's net after-tax proceeds on an equivalent 45% basis are approximately $72 million, which is less than Corby's after-tax proceeds of $79.8 million. As a result, there will be no additional proceeds paid to Corby as an adjustment to the original purchase price agreed to between Corby and PR.

Current Market Environment

Recent market events and the resultant tightening of credit have reduced available liquidity and overall economic activity. Governments around the world have taken unprecedented actions to limit the impact of these events, but it is still too early to assess the severity and duration of this economic slowdown. Over the past several years, the Company has strengthened its operations and financial position, which should allow it to better face an economic downturn.

Of particular consideration are the following factors:

- Corby has no long-term debt and, therefore, no financial or other covenants;
- The Company has significant sources of liquidity via its $62.7 million currently on deposit in a cash management pool with PR's other Canadian affiliates;
- Corby's largest customers are government-controlled liquor boards in each province, thus, greatly reducing risk associated with collection of accounts receivable;
- The Company has an exceptionally diverse and strong brand portfolio, which is well positioned to meet consumer tastes across spirit categories at a wide range of price points; and
- Corby is a leader in the Canadian spirits market and has a long history of profitability and uninterrupted dividends.

The spirits business in Canada has historically been less affected by economic slowdowns than other consumer and manufacturing businesses. However, no business is completely immune to a slowdown in the economy. As a result, Corby closely monitors its exposure to the following potential risks, which could impact future profitability and cash flows, so it can be in a position to proactively respond should any of the following materialize:

- Long-term decline in the level of spirits consumption by consumers;
- Deteriorating financial health of key suppliers;
- Valuation of goodwill and intangible assets; and
- Higher pension funding requirements.

None of the above items have had a meaningful impact on Corby's year-to-date financial position or financial results. However, the economic slowdown is a reality both in Canada and globally, and, as such, the Company will continue to monitor the situation closely and take proactive measures, as necessary.

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 "Financial and Operating Results – Fiscal 2009" in this MD&A.

Three-Year Review of Selected Financial Information

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)	**2009**	2008[1]	2007[1]
Operating revenue – net	**$ 169.3**	$ 163.3	$ 153.6
EBITDA[2]	**49.6**	50.8	44.0
EBITDA per common share	**1.74**	1.78	1.55
Net earnings	**30.4**	31.9	100.4
Basic earnings per share	**1.07**	1.12	3.53
Diluted earnings per share	**1.07**	1.12	3.53
Total assets	**270.2**	253.5	238.0
Total liabilities	**33.9**	31.7	34.5
Dividends paid per share	**0.56**	0.56	2.06

[1] *The 2008 figures have been restated for adoption of CICA HB 3031 – Inventories, as required by the CICA. The 2007 figures have not been restated as the information required to calculate the restatement is not readily available.*

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

The Company fared relatively well in light of the economic downturn experienced in Canada, and throughout the world. Operating revenue has increased $15.7 million since 2007 (representing an average annual growth rate of 5%), and was buoyed by strong performances from the Company's key brands. In addition to a solid performance by Corby's owned-brands, the growth in operating revenue also reflects the benefits of agreements with PR, which provided the Company with the exclusive right to represent PR's brands in Canada. Corby's representation of these brands accounted for $2.5 million of the Company's operating revenue growth since 2007. Growth in operating revenue was also derived from Corby's acquisition of the Lamb's rum international ("Lamb's International") and Seagram Coolers Canada businesses on September 29, 2006. The addition of these businesses has combined for $1.7 million of the growth in operating revenues since 2007.

EBITDA has increased $5.6 million since 2007 (representing an average annual growth rate of 6%). The increase since 2007 is largely driven by the same factors which drove operating revenue higher during that same period. The slight decrease in EBITDA in 2009 from 2008 results can largely be attributed to adverse foreign currency movements experienced this year versus last, as the Canadian dollar declined sharply relative to the US dollar, thereby increasing the Company's raw material costs in 2009.

Net earnings in 2007 included a one-time gain recognized on the sale of the Tia Maria Group to PR. After removing the effect of this one-time gain, net earnings has increased $1.6 million since 2007 (representing an average annual growth rate of 3%). The increase since 2007 is consistent with the aforementioned reasons outlined in the EBITDA discussion above, with additional downward pressure on net earnings coming from decreased interest income on the Company's deposits in cash management pools. This was due to the significant decline in market rates of interest over the past year directly attributable to the global economic recession, as governments around the world drastically reduced interest rates in the hopes of encouraging consumer spending.

The Company continued to strengthen an already strong 2007 balance sheet by increasing its total assets by $32.2 million over a three-year span, while total liabilities have declined by $0.6 million over that same period. Such performance was achieved while the Company maintained consistent regular dividend payments and continued to increase its investments in advertising and promotional activities behind its key brands.

Significant increases in assets relate primarily to the Company having increased deposits in cash management pools, accounts receivable and inventories. The increase in these balances can be largely attributed to the aforementioned growth in sales since 2007. The growth in inventories has outpaced the increase in sales, which is the result of a specific focus to increase 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, specifically Wiser's Canadian whisky. In addition, the Company also increased its lay-downs of maturing rum, as a result of its decision to move Lamb's International production from a PR affiliate located in the UK, to Corby's production facility located in Montréal, Québec. The production move was successfully completed in January 2009.

Brand Performance Review

Corby's portfolio of owned-brands 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, Corby's mixable liqueur brands, and Seagram Coolers. The sales performance of these key brands significantly impacts Corby's net earnings and, therefore, understanding each key brand is essential to understanding the Company's overall performance.

Shipment volume and sales value performance

The following chart summarizes the performance of Corby's owned-brands in terms of both shipment volume (as measured by shipments to customers in equivalent nine litre cases) and sales value (as measured by the change in sales revenue). The chart below includes results for sales in both Canada and international markets. Specifically, the brands, Wiser's, Lamb's and Polar Ice, are also sold to international markets, particularly, in the US and UK. International sales typically account for less than 10% of Corby's total annual sales.

Brand Performance Chart – Includes Both Canadian and International Shipments

	Three Months Ended				Year Ended			
Volumes (in 000's of 9L cases)	**June 30, 2009**	June 30, 2008	Shipment % Volume Change	Sales % Value Change	**June 30, 2009**	June 30, 2008	Shipment % Volume Change	Sales % Value Change
Brand								
Wiser's Canadian whisky	**183**	173	6%	15%	**760**	747	2%	9%
Lamb's rum	**133**	143	(7%)	(4%)	**620**	628	(1%)	3%
Polar Ice vodka	**92**	103	(11%)	0%	**396**	391	1%	11%
Mixable liqueurs	**54**	51	6%	5%	**231**	235	(2%)	0%
Seagram Coolers	**129**	145	(11%)	(12%)	**320**	388	(18%)	(19%)
Total Key Brands	**591**	615	(4%)	3%	**2,327**	2,389	(3%)	4%
All other Corby owned-brands	**133**	134	(1%)	2%	**568**	583	(3%)	2%
Total	**724**	749	(3%)	3%	**2,895**	2,972	(3%)	4%

As previously discussed in the "Strategies and Outlook" section of this MD&A, the Company has implemented a strategy which requires focused investments on key brands and in key markets, with the long-term objective of maximizing value growth. This strategy is designed to leverage the long-term growth potential of Corby's key brands, while emphasizing less on smaller and less profitable brands.

The brand performance chart demonstrates that, overall, Corby's brands have delivered strong value growth in both the Canadian and international markets. This is demonstrated by the fact that sales value grew significantly in excess of shipment volumes on both a quarter-over-quarter, and year-over-year basis. Sales value growth was achieved through higher average selling prices and favourable product mix, as growth in Corby's larger brands (such as Wiser's), outweighed volume declines in brands such as Seagram Coolers (which generally earn lower gross margins).

The decline in Corby's shipment volumes for the quarter ended June 30, 2009 was primarily attributable to lower shipments of the Seagram Coolers brand. Consistent with the year-over-year results, the Seagram Coolers brand continued to struggle within the highly competitive ready-to-drink segment, as is further discussed below in the "Summary of Key Brands" section.

Excluding Seagram Coolers, shipment volumes in the final quarter were consistent with last year. This reflects the benefit of additional sales at LCBO locations in Ontario as a result of the threat of a labour disruption, offset by lower sales volumes in Alberta and a change in the timing of orders received from another liquor board.

Retail volume and retail value performance

It is of critical importance to understand the performance of Corby's brands at the retail level in Canada. Analysis of performance at the retail level provides insight with regards to consumers' current purchasing patterns and trends. Retail sales data, as provided by the Association of Canadian Distillers ("ACD"), is set out in the following chart. It should be noted that the retail sales information depicted does not include international retail sales of Corby owned-brands, as this information is not readily available. International sales typically account for less than 10% of Corby's total annual sales.

Retail Sales for the Canadian Market Only[1]

Volumes (in 000's of 9L cases)	Three Months Ended				Year Ended			
	June 30, 2009	June 30, 2008	% Retail Volume Change	% Retail Value Change	**June 30, 2009**	June 30, 2008	% Retail Volume Change	% Retail Value Change
Brand								
Wiser's Canadian whisky	**150**	148	1%	3%	**683**	677	1%	3%
Lamb's rum	**113**	117	(3%)	1%	**487**	500	(3%)	0%
Polar Ice vodka	**69**	74	(7%)	(1%)	**320**	309	4%	6%
Mixable liqueurs	**42**	43	(2%)	(3%)	**206**	213	(3%)	(3%)
Seagram Coolers	**90**	111	(19%)	(14%)	**317**	394	(20%)	(17%)
Total Key Brands	**464**	493	(6%)	0%	**2,013**	2,093	(4%)	1%
All other Corby owned-brands	**121**	127	(5%)	2%	**526**	549	(4%)	(2%)
Total	**585**	620	(6%)	1%	**2,539**	2,642	(4%)	0%

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

The spirits business in Canada has historically not been as affected by economic slowdowns as other consumer and manufacturing businesses. However, no business is completely immune to a slowdown in the economy and while consumer purchases of spirits in Canada have continued to grow, they are doing so at a slower pace than in previous years.

Recent trends also show a shift in consumption patterns as consumers are purchasing fewer products from certain discretionary spirit categories, such as liqueurs, but have continued to purchase spirit staples such as vodka, whisky, and rum. Furthermore, the overall decline in consumer spending has resulted in more at home consumption as consumers are trending away from consumption at licensed establishments, such as bars and restaurants.

Corby's own portfolio of brands reflects this shift in consumer consumption patterns, as evidenced by the performance of its mixable liqueurs brands, while the Company's vodka and whisky brands continue to deliver strong growth from both a retail volume and retail value perspective. While the industry's rum category is showing growth as a whole, the performance of Corby's Lamb's rum brand reflects the impact of increased competition in certain key markets, which is discussed further in the following "Summary of Corby's Key Brands" section of this MD&A.

Summary of Corby's key brands

Wiser's Canadian whisky

Corby's flagship brand and Canada's best selling whisky family, Wiser's Canadian whisky, delivered a solid performance this year, as demonstrated by 2% growth in shipment volumes and a 9% increase in sales value. Sales value growth exceeded shipment volume growth as a result of better product mix, as the more premium Wiser's DeLuxe grew at a faster pace than Wiser's Special Blend (the entry level variant), in addition to higher average selling prices across the brand family in both Canada and the US. The higher selling prices were the result of strategic price increases, which were implemented over the past year.

Wiser's continues to lead its competitive segment, with retail volumes in Canada growing by 1% and retail value growing by 3%. In comparison, retail volumes for the Canadian whisky category as a whole declined by 2%, with retail value remaining relatively flat compared to the prior year. Corby's flagship brand continues to increase its market share in Canada, continuing the trend exhibited over the past several years.

These results reflect an aggressive advertising and promotional platform, combined with continued support from a loyal consumer base. The Company invested in a new media campaign entitled "Welcome to the Wiserhood" and also launched a new variant to the Wiser's family, entitled Wiser's Small Batch. While Wiser's Small Batch is still in the early days of the product life cycle, early indicators are very positive.

Lamb's rum

Lamb's rum, one of the top selling rum families in Canada, saw its shipment volumes for the year decline slightly against the prior year, while during the same period experiencing an increase in sales value of 3%.

The brand is currently performing very well in the UK and Newfoundland and Labrador markets, while experiencing competitive challenges in the Ontario and Alberta markets. Corby management has taken action to recover market share, such as launching new environmentally friendly packaging of Lamb's Palm Breeze in key markets and also increasing its level of investment in the brand's critical Newfoundland and Labrador market. Corby recently launched a Lamb's spiced variant in the UK and Canadian markets (entitled "Lamb's Spiced" and "Lamb's Black Sheep", respectively), as the Company looks to capitalize on the growing consumer demand in the spiced rum segment.

Polar Ice vodka

Polar Ice vodka, which is among the top three largest vodka brands in Canada, experienced a 1% increase in shipment volumes and 11% growth from a sales value perspective during the year ended June 30, 2009. The volume growth was due to increased sales in the Canadian market, partially offset by a decline in volumes sold in the US due to difficult market conditions. However, value growth significantly exceeded volume growth, driven by the positive impact of price increases implemented over the past year coupled with the effect of a stronger US dollar on sales in the US market.

The Polar Ice vodka brand has effectively capitalized on the dynamism of the vodka category in general, which is the largest spirits category in Canada, and has managed to grow into the 3rd largest vodka in the Canadian market. Building upon several years of strong consistent growth, retail volumes of Polar Ice in Canada for the year grew 4%, which is consistent with the growth rate experienced by the vodka category as a whole.

Mixable liqueurs

Corby's portfolio of mixable liqueur brands consists of McGuinness liqueurs (which is Canada's largest mixable liqueur brand family), Meaghers liqueurs, and De Kuyper liqueurs. The recent performance of Corby's mixable liqueur brands mirrors the challenges experienced by the overall liqueur category in the Canadian market, as consumer purchases of these products have declined by 4% in recent months. The liqueur segment as a whole has been negatively impacted by the decline in consumer spending, particularly as it relates to consumption at licensed establishments, such as bars and restaurants.

It should be noted that shipment volumes in the final quarter benefitted from the launch of two new liqueur products (McGuinness Exotics Blueberry and McGuinness Exotics Pomegranate) in addition to the aforementioned increase in LCBO sales in Ontario due to the threat of a labour disruption.

Despite the challenges in the market, Corby management is highly focused on maintaining its leadership position in the liqueur category and, as such, the Company is working on new initiatives to modernize and strengthen these brands' positions in the Canadian marketplace.

Seagram Coolers

With retail volumes declining by 20% for the year ended June 30, 2009, Seagram Coolers has clearly had disappointing results this year. This was partially due to adverse summer weather in both 2008 and 2009 that was experienced in the brand's key markets. However, the brand also significantly underperformed relative to its segment and key competitors. Management is in the process of evaluating several strategic options to improve the performance of this brand going forward.

Financial and Operating Results – Fiscal 2009

The following table presents a summary of certain selected consolidated financial information for the Company for the years ended June 30, 2009 and 2008:

(in millions of Canadian dollars, except per share amounts)	**2009**	2008[1]	$ Change	% Change
Sales	**$ 152.6**	$ 147.9	$ 4.7	3%
Commissions[2]	**21.4**	20.3	1.1	5%
Operating revenue[2]	**174.0**	168.2	5.8	3%
Cost of sales	**79.6**	76.5	3.1	4%
Marketing, sales and administration	**44.8**	40.9	3.9	10%
EBITDA	**49.6**	50.8	(1.2)	(2%)
Amortization[3]	**6.2**	6.1	0.1	2%
Earnings from operations	**43.4**	44.7	(1.3)	(3%)
Interest income	**1.7**	2.4	(0.7)	(29%)
Foreign exchange loss	**(0.8)**	(0.3)	(0.5)	167%
Gain on disposal of capital assets	**0.2**	–	0.2	n/a
Earnings before income taxes	**44.5**	46.8	(2.3)	(5%)
Income taxes	**14.1**	14.9	(0.8)	(5%)
Net earnings	**$ 30.4**	$ 31.9	$ (1.5)	(5%)
Per common share				
Basic net earnings	**$ 1.07**	$ 1.12	$(0.05)	(5%)
Diluted net earnings	**$ 1.07**	$ 1.12	$(0.05)	(5%)

[1] *The 2008 figures have been restated for adoption of CICA HB 3031 – Inventories, as required by the CICA.*

[2] *Amounts are presented gross of representation rights amortization of $4.7 (2008 – $4.9).*

[3] *Amounts include capital assets amortization of $1.5 (2008 – $1.2) and representation rights amortization of $4.7 (2008 – $4.9).*

Overall financial results

Comparing Corby's overall financial results for the year ended June 30, 2009 with those of the prior year demonstrates the resilience of Corby's business, even during times of economic decline. After excluding the impact of some non-recurring items having occurred in 2008 (see below for further details), Corby experienced sales growth of 3%, which reflects the benefits of a strong and diverse brand portfolio along with a solid business strategy that is focused on delivering value.

However, it should be noted that the comparability of net earnings has been negatively skewed by the inclusion of some non-recurring items in the 2008 financial results, in addition to the impact of changes in foreign exchange and interest rates compared to the prior year. The impact of all these items is outlined below.

The results of the prior year included the following non-recurring items:

- $0.9 million (impact to net earnings of $0.6 million) in commission income which represented a one-time lump sum payment received as a settlement in lieu of a contractually required notice period for an Agency brand no longer represented by the Company.
- $1.1 million (impact to net earnings of $0.5 million) in non-recurring sales of bulk whisky to Corby's parent company.
- $0.5 million in reduced income tax expense as a result of changes to long-term federal income tax rates, as enacted by the government during the fall of 2007.

Furthermore, Corby's financial results for the year ended June 30, 2009 have been negatively impacted by the significant decline in the average value of the Canadian dollar relative to the US dollar, in addition to the dramatic fall in market interest rates as governments around the world continue to drop base lending rates in hopes of stimulating consumer spending. The quantified impacts of these two factors on Corby's financial results are discussed in more detail below:

1. The Canadian dollar depreciated 15% relative to the US dollar in fiscal 2009 when compared to fiscal 2008. As the Company's purchases from US based suppliers typically exceed its revenue sources to US based customers, a decline in the Canadian dollar versus the US dollar can have a negative impact on the Company's financial results (and vice-versa).

The initial decline of the Canadian dollar occurred during the Company's peak production period and, thus, had a pronounced impact on Corby's fiscal 2009 results through higher "Cost of sales" and "Foreign exchange loss", which mainly reflects the impact of foreign exchange fluctuations between the date from when transactions are entered into and the date of actual settlement, in addition to the impact of applying current rates to foreign denominated assets and liabilities.

Changes in foreign exchange rates negatively impacted Corby's net earnings by approximately $1.6 million on a year-over-year comparison basis.

2. Corby's substantial deposits in cash management pools earn income based upon the market LIBOR interest rate. The average LIBOR rate for the year just ended was 1.95%, as compared to 4.21% last year. This decline in market interest rates had the effect of reducing Corby's net earnings by approximately $0.8 million in 2009.

Excluding the impact of all of the above items, net earnings for the year ended June 30, 2009 would have increased by 7% when compared with last year.

As mentioned previously, the underlying operating results of the Company were strong, especially in light of the current economic downturn, and are reflective of a solid performance by Corby's spirit brands. The Company has also managed to maintain, and in some cases, increase the level of advertising and promotional investment behind its key brands.

Operating revenue

Operating revenue, which is comprised of sales and commissions, increased 3% when compared with last year. Sales revenue represents revenue earned from the sale of Corby owned-brands, while commissions are earned from the representation of PR brands in the Canadian market, and to a lesser extent, through the representation of a select number of Agency brands.

As previously discussed, operating revenue growth was diminished by the aforementioned sale of bulk whisky to Corby's parent company and the lump-sum termination settlement in the prior year. Excluding the effect of these non-recurring transactions, operating revenue grew by 5% on a year-over-year basis.

Based upon analysis of retail sales data provided by the ACD, Corby's key brands performed well against the competition in many key categories. The increased sales were driven by an increase in average selling prices, resulting from strategic price increases implemented over the past year, combined with improved product mix. Price increases were in-line with targeted competitive sets, and reflect the Company's continued focus on value creation through the premiumization of its key brands.

The following table highlights the various components which comprise commissions:

(in millions of Canadian dollars)	**2009**	2008	$ Change	% Change
Commission from PR brands	**$ 16.8**	$ 14.3	$ 2.5	17%
Commission from Agency brands	**4.6**	6.0	(1.4)	(23%)
Commissions	**$ 21.4**	$ 20.3	$ 1.1	5%

As the above chart demonstrates, Corby's commission from PR brands increased 17% this year versus last. The increase is primarily the result of Corby having begun to represent PR's newest brand, ABSOLUT vodka, on October 1, 2008.

The majority of the decrease in commission from Agency brands was the result of the Company earning a one-time lump sum of $0.9 million in the comparative period from an Agency brand Corby ceased to represent on June 30, 2006. The lump-sum commission was in lieu of earnings Corby would have otherwise received during the required notice period, as provided for under the relevant representation agreement. The remaining amount of the decrease was the result of Corby ceasing to represent other smaller brands which were considered to be non-strategic to the Company's portfolio.

Cost of sales

Cost of sales for the year ended June 30, 2009 increased $3.1 million or 4% when compared with last year. The increase in cost of sales is mainly due to the previously mentioned impact of the significant fluctuations in foreign exchange rates. After excluding the impact of exchange rates, cost of sales would have increased by 2% on a year-over-year basis, which reflects increased input costs and inflation.

Marketing, sales and administration

Marketing, sales and administration expenses increased 10% to $44.8 million in fiscal 2009, as compared to $40.9 million last year. The increase partially reflects higher levels of advertising and promotional activity being invested behind the Company's key brands, as well as additional costs associated with the recent move of the Company's head office location. The Company also incurred additional administrative expenses in conjunction with its representation of PR's ABSOLUT vodka brand, which Corby began to represent in Canada effective October 1, 2008.

The aforementioned increase in advertising and promotional spend includes the costs associated with the production of a series of new television commercials for the Wiser's Canadian whisky brand, entitled "Welcome to the Wiserhood", which began airing in October, a new integrated promotion for Lamb's rum targeted for the brand's critical Newfoundland and Labrador market, and spend in support of the launch of new flavours for Polar Ice vodka in both the US and Canada.

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)	**2009**	2008	$ Change	% Change
Representation rights amortization	**$ 4.7**	$ 4.9	$ (0.2)	(4%)
Capital assets amortization	**1.5**	1.2	0.3	25%
Amortization	**$ 6.2**	$ 6.1	$ 0.1	2%

Income taxes

Corby's effective rate of income tax in 2009 of 32% (2008 – 32%) closely approximates the Company's current statutory rate of income tax of 32% (2008 – 33%). Corporate income tax rates in Canada are generally decreasing, and Corby expects further reduced rates in the future when the Ontario government's recently announced corporate income tax rate reductions become effective beginning July 1, 2010. The Ontario government's announced rate reductions have not been recognized in these financial statements as they have yet to become substantively enacted.

Liquidity and Capital Resources

Corby's sources of liquidity are its deposits in cash management pools of $62.7 million as at June 30, 2009, and its cash generated from operating activities. Corby's total contractual maturities are represented by its accounts payable and accrued liabilities balances, which totaled $20.4 million as at June 30, 2009, and are all due to be paid within one year.

The Company also has funding obligations related to its employee future benefit plans, which include defined benefit pension plans. As at June 30, 2009, certain of the Company's defined benefit plans were in a deficit position. Of those plans in a funded deficit position, the unfunded accrued benefit obligation totaled $1.8 million.

The Company has identified the area of employee future benefits as a "critical accounting estimate" in that accounting policies related to this area include various assumptions which incorporate a high degree of judgement and complexity. 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 statements 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.

As a result of the recent turmoil in capital markets, the fair value of plan assets within these pension funds has declined. Somewhat mitigating the impact of this market decline is the fact that the Company monitors its pension plan assets closely and follows strict guidelines to ensure pension fund investment portfolios are diversified in line with industry best practices. Nonetheless, pension fund assets are not immune to market fluctuations and as a result, the Company may be required to make additional cash contributions in the future.

Corby's next actuarial valuation is not required to be completed until December 31, 2010 and, therefore, the Company's contribution levels leading up to December 31, 2010 are not expected to change by a material amount. However, in the event that an extended period of depressed capital markets and low interest rates were to continue, the Company could be required 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. It should be noted, however, that current pension regulations permit special funding payments relating to deficiencies to be amortized over a period of five to ten years, further reducing the likelihood of a material funding change to impact Corby in any one particular fiscal year. (See Note 7 of the consolidated financial statements for more information on the Company's employee future benefit plans.)

The Company believes that its deposits in cash management pools, combined with its historically strong operational cash flows, provide for sufficient liquidity to fund its operations, investing activities and commitments for the foreseeable future. The Company's cash flows from operations are subject to fluctuation due to commodity, foreign exchange and interest rate risks. Please refer to the "Risks and Risk Management" section of this MD&A for further information.

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 direct exposure to this type of liquidity risk, as the Company does not hold any investments in ABCP.

Cash flows

(in millions of Canadian dollars)	**2009**	2008[1]	Change
Operating activities			
Net earnings, adjusted for non-cash items	**$ 34.8**	$ 38.3	$ (3.5)
Net change in non-cash working capital	**(10.9)**	(7.3)	(3.6)
	23.9	31.0	(7.1)
Investing activities			
Additions to capital assets	**(4.4)**	(3.5)	(0.9)
Proceeds from disposition of capital assets	**0.6**	–	0.6
Deposits in cash management pools	**(4.2)**	(11.6)	7.4
	(8.0)	(15.1)	7.1
Financing activities			
Dividends paid	**(15.9)**	(15.9)	–
Net change in cash	**$ –**	$ –	$ –

[1] *The comparative figures have been restated for the adoption of CICA HB Section 3031 - Inventories, as required by the CICA, as well as for a change in accounting policy related to deposits in cash management pools.*

Operating activities

Cash flows from operating activities were $23.9 million in 2009, compared to $31.0 million in the prior year. This decline is the combined result of having decreased net earnings, adjusted for non-cash items, along with an increased investment in non-cash working capital balances in 2009 when compared with 2008. Growth in accounts receivable comprised the bulk of this investment, and was the result of several factors. The most significant factors included an exceptionally high sales performance in June 2009 versus June 2008, in addition to the fact that Corby's balance sheet now includes accounts receivable balances related to its newly represented brand, ABSOLUT vodka, which it began representing on October 1, 2008. (See Note 13 to the consolidated financial statements of the Company.)

Investing activities

After excluding deposits in cash management pools, the Company invested $3.8 million in the acquisition of capital assets. Capital additions were on account of the Company relocating its head office, in addition to increased purchases of oak barrels used in the whisky maturation process.

Deposits made to cash management pools represent cash on deposit with The Bank of Nova Scotia via Corby's Mirror Netting Services Agreement with PR. Corby has daily access to these funds and earns a market rate of interest from PR on balances contained within. The change in the amount deposited into the cash management pool is a function of the cash remaining from operations after financing and investing activities. For more information on the cash management pooling arrangement, refer to the "Related Party Transactions" section of this MD&A.

Financing activities

Cash used for financing activities was $15.9 million and is consistent with the amounts used last year. The payments reflect regular dividends being paid to shareholders on a quarterly basis.

Outstanding Share Data

As at August 26, 2009, Corby had 24,274,320 Voting Class A Common Shares and 4,194,536 Non-Voting Class B Common Shares outstanding. The Company does not have a stock option plan, and therefore, there are no options outstanding.

Contractual Obligations

The following table presents a summary of the maturity periods of the Company's contractual obligations as at June 30, 2009:

	Payments During 2010	Payments Due in 2011 and 2012	Payments Due in 2013 and 2014	Payments Due After 2014	Obligations With no Fixed Maturity	Total
Operating lease obligations	$ 1.4	$ 2.4	$ 1.5	$ 2.9	$ –	$ 8.2
Employee future benefits	–	–	–	–	10.1	10.1
	$ 1.4	$ 2.4	$ 1.5	$ 2.9	$ 10.1	$18.3

Operating lease obligations represent future minimum payments under long-term operating leases for premises and office equipment as at June 30, 2009. Employee future benefits represent the Company's unfunded pension and other post retirement benefit plan obligations as at June 30, 2009. Please refer to Note 7 of the consolidated financial statements for further information with respect to Corby's employee future benefit plans.

Related Party Transactions

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. Furthermore, Corby 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 operate under the terms of agreements which became effective on September 29, 2006 (excluding the agreement signed on September 26, 2008, which is described separately below). These agreements provide the Company with the exclusive right to represent PR's brands in the Canadian market for 15 years, as well as providing for the continuing production of certain Corby brands by PR at its production facility in Windsor, Ontario, for 10 years. 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 aforementioned related party transactions, the Company also participated in the following activities with related parties:

ABSOLUT vodka representation agreement

On September 26, 2008, Corby entered into an agreement with its ultimate parent company, PR. The agreement provides Corby with the exclusive right to represent the ABSOLUT vodka brand in Canada effective October 1, 2008 for the next five years. As part of this agreement, Corby also received the exclusive right to represent the Plymouth gin and Level vodka brands.The distribution of ABSOLUT vodka is expected to add approximately $2.5 million annually to Corby's commission income and about $1.2 million annually to net earnings in the first full year. Corby has also agreed to continue to participate in the existing cash management pooling arrangement (the Mirror Netting Service Agreement) with PR's wholly-owned Canadian subsidiaries for the next three years to October 1, 2011, unless earlier terminated by Corby. Further, during the next three years to October 1, 2011, Corby will not declare any special dividends, repurchase shares or make acquisitions or capital investments outside the normal course of business without PR's prior approval. Corby also agreed that, barring any unanticipated developments, regular dividends will be paid quarterly, on the basis of an annual amount equal to the greater of 50% of net earnings per share in the preceding fiscal year ended June 30, and $0.56 per share.

Deposits in cash management pools

As previously discussed, Corby participates in a cash management pooling arrangement under a Mirror Netting Service Agreement ("Mirror Agreement") together with PR's other Canadian affiliates, the terms of which are administered by The Bank of Nova Scotia. The Mirror Agreement acts to aggregate each participant's net cash balance for purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby. As a result of Corby's participation in this agreement, Corby's credit risk associated with its deposits in cash management pools is dependent upon PR's credit rating. PR's credit rating as at September 26, 2008, as published by Standard & Poor's and Moody's, was BB+ and Ba1, respectively. PR compensates Corby for the benefit it receives from having the Company participate in the Mirror Agreement, by paying interest to Corby based upon the 30-day LIBOR rate, plus 0.40%. Corby has the right to terminate its participation in the Mirror Agreement at any time, subject to five days' written notice.

Sales and purchases of bulk whisky

During the year ended June 30, 2008, Corby sold three-year old bulk whisky to HWSL at market prices for $1.1 million. There were no such sales made during the year ended June 30, 2009. Furthermore, during the year ended June 30, 2008, Corby purchased $1.4 million of three-year old bulk whisky from HWSL, also at market prices. There were no such purchases made during the year ended June 30, 2009. For further details related to the sale and purchase of bulk whisky from HWSL refer to Note 14 of the consolidated financial statements.

Results of Operations – Fourth Quarter of Fiscal 2009

The following table presents a summary of certain selected consolidated financial information for the Company for the three-month periods ended June 30, 2009 and 2008:

	Three Months Ended			
(in millions of Canadian dollars, except per share amounts)	**June 30, 2009**	June 30, 2008[1]	$ Change	% Change
Sales	**$ 36.9**	$ 36.4	$ 0.5	1%
Commissions[2]	**5.7**	4.4	1.3	30%
Operating revenue[2]	**42.6**	40.8	1.8	4%
Cost of sales	**20.0**	19.8	0.2	1%
Marketing, sales and administration	**10.9**	11.0	(0.1)	(1%)
EBITDA	**11.7**	10.0	1.7	17%
Amortization[3]	**1.6**	1.6	–	0%
Earnings from operations	**10.1**	8.4	1.7	20%
Interest income	**0.2**	0.4	(0.2)	(50%)
Foreign exchange loss	**(0.1)**	(0.1)	–	0%
Earnings before income taxes	**10.2**	8.7	1.5	17%
Income taxes	**2.8**	2.7	0.1	4%
Net earnings	**$ 7.4**	$ 6.0	$ 1.4	23%
Per common share				
Basic net earnings	**$ 0.26**	$ 0.21	$ 0.05	24%
Diluted net earnings	**$ 0.26**	$ 0.21	$ 0.05	24%

[1] *The 2008 figures have been restated for adoption of CICA HB 3031 – Inventories, as required by the CICA.*

[2] *Amounts are presented gross of representation rights amortization of $1.2 (2008 – $1.2).*

[3] *Amounts include capital assets amortization of $0.4 (2008 – $0.4) and representation rights amortization of $1.2 (2008 – $1.2).*

Overall results for the quarter

Comparing the Company's overall financial results for the quarter versus the same period last year, saw a significant increase in EBITDA of 17%, which translated to an increase of 23% in net earnings. These results relate primarily to the increased level of commissions this quarter over last, due primarily to Corby's new representation of the ABSOLUT vodka brand, which commenced October 1, 2008. Also of importance to achievement of these results was the Company's ability to maintain costs consistent with levels experienced in the comparative quarter, in addition to a lower effective rate of income tax.

Operating revenue

Operating revenue, consisting of sales and commissions, was $42.6 million for the fourth quarter compared to $40.8 million in the same quarter last year, an increase of $1.8 million or 4%. Sales increased 1% quarter-over-quarter totalling $36.9 million, while commissions increased $1.3 million, or 30%, to $5.7 million for the three-month period ended June 30, 2009.

Sales

Fourth quarter sales increased 1% when compared to the same quarter last year. This was the result of increased average selling prices and positive mix being partially offset by a 1% decline in quarter-over-quarter shipment volumes of spirits, in addition to a 11% decline in shipment volumes for the Seagram Coolers brand. The quarter-over-quarter decline in shipment volumes of spirits, reflects lower sales volumes in Alberta and a change in the timing of orders received from another liquor board, offset by the benefit of additional sales at LCBO locations in Ontario as a result of the threat of a labour disruption. The decline in shipment volumes for the Seagram Coolers brand reflect the increased competitive environment in the segment, and is consistent with the challenges the Company experienced with the brand throughout 2009.

Commissions

The following table highlights the various components which comprise commissions:

	Three Months Ended			
(in millions of Canadian dollars)	**June 30, 2009**	June 30, 2008	$ Change	% Change
Commission from PR brands	**$ 4.6**	$ 3.4	$ 1.2	35%
Commission from Agency brands	**1.1**	1.0	0.1	10%
Commissions	**$ 5.7**	$ 4.4	$ 1.3	30%

Commissions from PR brands increased $1.2 million quarter-over-quarter while commissions from Agency brands increased only slightly when compared with the same quarter last year. As previously discussed, the increased commission from PR brands is primarily the result of Corby having begun to represent PR's newest brand, ABSOLUT vodka, beginning October 1, 2008.

Cost of sales

Cost of sales was $20.0 million compared to $19.8 million for the same quarter last year. The slight increase in costs were in-line with the Company's fourth quarter sales, which also remained relatively consistent quarter-over-quarter. Gross margin was 45.8%, as compared with 45.6% for the same quarter last year.

Marketing, sales and administration

Marketing, sales and administration expenses were $10.9 million, as compared to $11.0 million during the same quarter last year as lower advertising and promotional expenses served to offset higher general and administrative costs. The decrease in advertising and promotion expenses reflect a shift in the timing of expenditures (note the increase in advertising and promotional expenditures for the year in total) while the increase in general and administrative costs is reflective of full year trends.

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:

	Three Months Ended			
(in millions of Canadian dollars)	**June 30, 2009**	June 30, 2008	$ Change	% Change
Representation rights amortization	**$ 1.2**	$ 1.2	$ –	0%
Capital assets amortization	**0.4**	0.4	–	0%
Amortization	**$ 1.6**	$ 1.6	$ –	0%

Interest income

Interest income is earned on Corby's deposits in cash management pools. These deposits earn interest based on the Canadian LIBOR market rate. As a result of the recent economic situation in Canada and in the rest of the world, market rates of interest have been at historic lows, thus explaining the decrease this quarter when compared to the same quarter last year.

Income taxes

Income tax expense increased only $0.1 million when compared with the same quarter last year, even though, earnings before income tax increased $1.5 million over the same period. The decreased effective income tax rate was primarily the result of a favourable change in estimate being recognized in the quarter in combination with the Company being subject to lower corporate income tax rates.

Selected Quarterly Information

Summary of Quarterly Financial Results[1]

(in millions of Canadian dollars, except per share amounts)	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Operating revenue – net	**$ 41.4**	$ 34.0	$ 47.8	$ 46.1	$ 39.6	$ 33.0	$ 48.8	$ 41.9
EBITDA	**11.7**	8.8	13.4	15.7	10.0	9.7	15.9	15.2
Net earnings	**7.4**	5.1	8.1	9.8	6.0	6.0	10.7	9.3
EBITDA per share	**0.41**	0.31	0.47	0.55	0.35	0.34	0.56	0.53
Basic EPS	**0.26**	0.18	0.28	0.35	0.21	0.21	0.37	0.33
Diluted EPS	**0.26**	0.18	0.28	0.35	0.21	0.21	0.37	0.33

[1] *2008 quarterly results have been restated for adoption of CICA HB 3031-Inventories, as required by the CICA.*

The above chart demonstrates the seasonality of Corby's business, as sales are typically strong in the first and second quarters, while third quarter sales (i.e., January, February and March) typically decline after the end of the retail holiday season. Fourth quarter sales typically increase again with the onset of warmer weather, as consumers tend to increase their consumption levels during the summer season.

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 accounts 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 actuary. 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. (See Note 7 of the consolidated financial statements for detailed information regarding the major assumptions utilized.)

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 2009

Deposits in cash management pools

Corby reviewed its presentation of cash flow and its cash and cash equivalent balances on its balance sheet. As a result of this review, Corby determined that it would change its accounting policy defining cash and cash equivalents and correspondingly reclassify its balance sheet and cash flow presentation. The new policy classifies cash associated with the Mirror Agreement, which was previously included in cash and cash equivalents, as "Deposits in cash management pools" and reflects cash flows arising from deposits in, and withdrawals from, such cash pools as cash flows from investing activities. Although none of the agreements or conditions governing these deposits has changed since the inception of the cash management arrangements, Corby decided to change its presentation of such deposits to show them as a separate investment and not as a component of cash and cash equivalents. Corby continues to have the contractual right to withdraw these funds or terminate these cash management arrangements upon providing five days' written notice, and Corby continues to access funds deposited in these accounts on a daily basis.

This change in accounting policy had no impact on Corby's consolidated statement of earnings or earnings per share figures. For more information regarding the Mirror Agreement, please refer to the "Related Party Transactions" section of this MD&A.

Inventories

Effective July 1, 2008 (the first day of the Company's 2009 fiscal year), the Company implemented, on a retrospective basis with restatement, the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031 "Inventories", which is effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2008.

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 write-downs when there is a subsequent increase in the value of inventories. It also required greater disclosure regarding inventories and cost of sales in the notes to the consolidated financial statements.

The Company's new policy to correspond with the new inventory standard is as follows:

Inventories are measured at the lower of cost (acquisition cost and cost of production, including indirect production overheads) and net realizable value. Net realizable value is the selling price less the estimated cost of completion and sale of the inventories. Most inventories are valued using the average cost method. The cost of long-cycle inventories is calculated using a single method which includes distilling and ageing maturing costs but excludes finance costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing maturing process used for certain spirits.

As a result of the retrospective implementation of this new standard, the cumulative impact on previously reported balances for the year ended June 30, 2008 is, as follows:

(stated in millions of Canadian dollars, except per share amounts)	As Previously Reported	Change In Accounting Policy	As Currently Reported
Retained earnings, beginning of year	$ 189.2	$ 2.4	$ 191.6
Retained earnings, end of year	205.0	2.5	207.5
Inventories	47.3	3.6	50.9
Future income tax liability	5.4	1.0	6.4
Cost of sales	75.1	1.5	76.6
Marketing, sales and administration	42.6	(1.7)	40.9
Future income tax expense	0.2	0.1	0.2
Net earnings	31.7	0.2	31.9
Earnings per share:			
Basic	$ 1.11	$ 0.01	$ 1.12
Diluted	1.11	0.01	1.12

Financial instruments

Effective July 1, 2008, the Company implemented the new CICA Handbook Section 3862 "Financial Instruments – Disclosures" and CICA Handbook Section 3863 "Financial Instruments – Presentation", which is effective for fiscal years beginning on or after October 1, 2007. These standards replace the existing CICA Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". These new standards are harmonized with International Financial Reporting Standards ("IFRS").

CICA Handbook 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. The adoption of these new standards did not require any changes to the Company's accounting, however, required additional disclosure in the notes to the consolidated financial statements.

Capital disclosures

Effective July 1, 2008, the Company implemented the new CICA Handbook Section 1535 "Capital Disclosures", which is effective for fiscal years beginning on or after October 1, 2007. The new standard requires entities to disclose information about their objectives, policies and processes for managing capital, as well as their compliance with any externally imposed capital requirements. The adoption of this standard did not require any changes to the Company's accounting, however, did require additional disclosure in the notes to the consolidated financial statements.

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 February 2008, the Accounting Standards Board of the CICA ("AcSB") confirmed that Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP; however, there are significant differences on recognition, measurement, and disclosures. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of fiscal 2012 for which current and comparative information will be prepared under IFRS.

In response, the Company created a transition plan and established a timeline for the execution and completion of the conversion project to guide Corby toward its reporting deadlines. The transition plan included a high-level assessment of the key areas where conversion to IFRS may have a significant impact or present a significant challenge. The key areas identified included inventories, employee future benefits, impairment analysis, IFRS 1 choices, capital assets, income taxes, and financial statement presentation and disclosure. Initial findings indicate that changes in accounting policies will be required and are likely to materially impact the Company's consolidated financial statements. As described in the "Accounting Standards – Implemented in 2009" section of this MD&A, the conversion of inventories has already been implemented in this year's financial statements. The impact on other business activities, disclosure controls and procedures and internal controls over financial reporting will be assessed once the impacts of the standards as a whole are identified.

To date the Company has engaged an external advisor and established a working team, held an IFRS training session tailored specifically to Corby for key members of management and the Audit Committee. The IFRS team has performed detailed assessments on certain key areas identified and continues to report its progress and results to the Audit Committee on a quarterly basis.

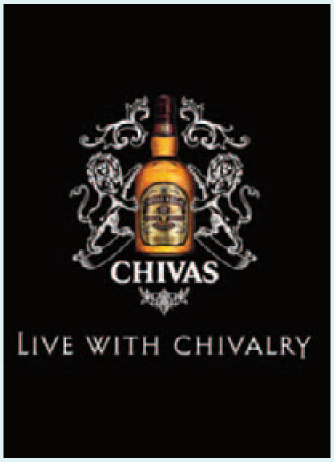
The Company will continue to execute the transition in accordance with its plan, and also continue to provide training to its key employees and monitor standards development as issued by the International Accounting Standards Board and the AcSB, as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.

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. The Company is currently assessing the impact of this new standard on its consolidated financial statements.

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 National Instrument 52-109) as at June 30, 2009 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 Canadian GAAP. Internal controls 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.

Management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's internal control over financial reporting as at June 30, 2009 and has concluded that internal control over financial reporting is designed and operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management's assessment was based on the framework established in *Internal Control – Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission.

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

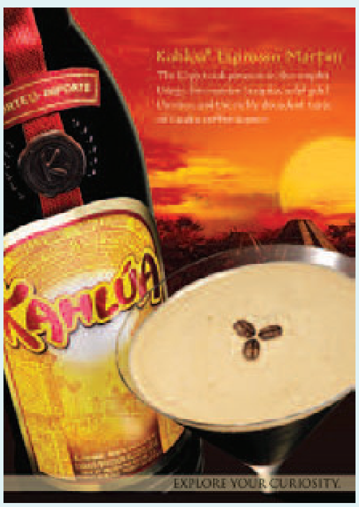
The beverage alcohol industry in Canada is subject to government policy, extensive regulatory requirements and significant rates of taxation at both the federal and provincial levels. As a result, changes in the government policy, regulatory and/or taxation environments within the beverage alcohol industry may affect Corby's business operations, including changes in market dynamics or changes in consumer consumption patterns.

A specific example of such a situation is the previously mentioned increase in provincial mark-up applied to beverage alcohol products sold in Alberta, as announced by the Alberta Gaming and Liquor Commission. However, three months later, the Alberta Premier reversed this decision. Please see the "Significant Events" section of this MD&A for further details.

In addition, certain Canadian whiskies are subject to an increased rate of excise duty effective July 1, 2009. This increase is the result of legislation passed by the federal government on May 2, 2006, which served to increase the rate of excise duty on spirits by 5.7%. It is estimated that the application of these higher excise duty rates will reduce Corby's annual sales by $1.3 million, and translate to a reduction of net earnings of $0.9 million. It is not anticipated that these higher excise rates can be passed on to consumers through higher prices in the near term.

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 consumption patterns



Beverage alcohol companies are susceptible to risks relating to changes in consumer consumption patterns. Consumer consumption patterns are affected by many external influences, not the least of which is the current economic outlook and overall consumer confidence in the stability of the economy as a whole. The overall decline in consumer spending has resulted in more at home consumption, as consumers are trending away from consumption at licensed establishments, such as bars and restaurants. As a result, the industry is experiencing declines in product categories which tend to have a higher consumption rate at these establishments, such as liqueurs. Corby offers a diverse portfolio of products across all major spirit categories and various price points, which complements consumer desires and offers exciting innovation.

Distribution/supply chain interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution in Canada is largely accomplished through the government owned provincial liquor boards, and therefore an interruption (e.g., labour strike) for any length of time may have a significant impact on the Company's ability to sell its products in a particular province and or market.

Supply chain interruptions could impact product quality and availability, including manufacturing or inventory disruption. 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. Industry consolidation can have varying degrees of impact, and in some cases may even create exceptional opportunities. Either way, 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.

Credit risk

Credit risk arises from deposits in cash management pools held with PR via Corby's participation in the Mirror Agreement (as previously described in the "Related Party Transactions" section of this MD&A), as well as credit exposure to customers, including outstanding accounts receivable.The maximum exposure to credit risk is equal to the carrying value of the Company's financial assets.The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of its counter-parties, taking into account their financial position, past experience and other factors. As the large majority of Corby's accounts receivable balances are collectable from government controlled liquor boards, management believes the Company's credit risk relating to accounts receivable is at an acceptably low level.

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 deposits in cash management pools. An active risk management program does not exist as management believes that changes in interest rates would not have a material impact to Corby's financial position over the long-term.

Exposure to commodity price fluctuations

Commodity risk exists as the manufacture 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. In addition, subject to competitive conditions, the Company may pass on commodity price changes to consumers via pricing over the long-term.

Foreign currency exchange risk

Foreign currency risk exists as the Company sources a proportion of its production requirements in foreign currencies, specifically the US dollar. Partially mitigating this risk is the fact that the Company also sells certain of its goods in the same foreign currencies. As purchases from US based suppliers typically exceed revenues from US based customers, a decline in the Canadian dollar versus the US dollar can have a negative impact on the Company's financial results. In addition, and subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long-term.

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 relationship 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.

Valuation of goodwill and intangible assets

Goodwill and intangible assets account for a significant amount of the Company's total assets. Goodwill and intangible assets are subject to impairment tests which involve 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 changes in the business strategies and outlook of the Company. Given the current state of the economy, certain of the aforementioned factors affecting the determination of fair value may be impacted, and as a result the Company's financial results may be adversely affected.

The following chart summarizes Corby's goodwill and intangible assets and details the amounts associated with each brand (or basket of brands) and market:

		Values as at June 30, 2009		
Associated Brand	Associated Market	Goodwill	Intangibles	Total
Various PR brands	Canada	$ –	$ 57.3	$ 57.3
Seagram Coolers	Canada	4.0	16.3	20.3
Lamb's rum	United Kingdom	1.4	11.8	13.2
Meaghers and De Kuyper liqueurs	Canada	4.5	–	4.5
		$ 9.9	$ 85.4	$ 95.3

Therefore, economic factors (such as consumer consumption patterns) specific to these brands and markets, are primary drivers of the risk associated with their respective goodwill and intangible asset valuations.

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 could 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. For further discussion of the potential liquidity risk associated with Corby's defined benefit pension plans, refer to the "Liquidity and Capital Resources" section of this MD&A.

Management's Responsibility for 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 notes to the consolidated financial statements. The financial information contained elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

Management is responsible for the integrity and objectivity of the information contained in the consolidated financial statements and Management's Discussion and 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 fulfils 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 Company's internal auditors and the Company's independent auditors, Deloitte & Touche LLP, to review reports on internal accounting controls and audit results and to review accounting principles and practices. The Committee also reviews the consolidated financial statements and the independent 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.

R. Patrick O'Driscoll
President and
Chief Executive Officer

Thierry R.J.M. Pourchet
Vice-President and
Chief Financial Officer

August 26, 2009

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, 2009 and 2008 and the consolidated statements of earnings, comprehensive income, shareholders' equity and cash flow 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, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

August 26, 2009

Consolidated Balance Sheets

As at June 30, 2009 and 2008

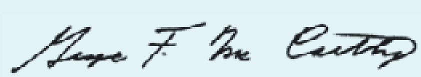
(in thousands of Canadian dollars)

	2009	2008[1]
ASSETS		
Current		
Deposits in cash management pools (Note 2)	**$ 62,726**	$ 58,553
Accounts receivable	**28,640**	21,873
Income and other taxes recoverable	**1,478**	–
Inventories (Note 4)	**53,987**	50,876
Prepaid expenses	**1,582**	1,936
Future income taxes (Note 5)	**551**	164
	148,964	133,402
Capital assets (Note 6)	**14,553**	12,010
Employee future benefits (Note 7)	**11,382**	8,135
Goodwill (Note 8)	**9,856**	9,856
Intangible assets (Note 9)	**85,420**	90,103
	$ 270,175	$ 253,506
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 20,416**	$ 19,248
Income and other taxes payable	**–**	1,016
	20,416	20,264
Employee future benefits (Note 7)	**5,923**	5,023
Future income taxes (Note 5)	**7,605**	6,425
	33,944	31,712
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	**14,304**	14,304
Retained earnings	**221,927**	207,490
	236,231	221,974
	$ 270,175	$ 253,506

[1] *Refer to Note 2 for impact of new accounting policies*

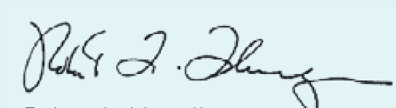
See accompanying notes to consolidated financial statements.

Approved by the Board of Directors:



George F. McCarthy

Director



Robert L. Llewellyn

Director

Consolidated Statements of Earnings

For the Years Ended June 30, 2009 and 2008
(in thousands of Canadian dollars, except per share amounts)

	2009	2008[1]
OPERATING REVENUE		
Sales	**$ 152,592**	$ 147,916
Commissions (net of amortization of $4,683; 2008 – $4,887)	**16,694**	15,402
	169,286	163,318
OPERATING COSTS		
Cost of sales	**79,638**	76,560
Marketing, sales and administration	**44,786**	40,934
Amortization	**1,457**	1,199
	125,881	118,693
EARNINGS FROM OPERATIONS	**43,405**	44,625
OTHER INCOME AND EXPENSES		
Interest income	**1,649**	2,427
Foreign exhange loss	**(783)**	(302)
Gain on disposal of capital assets	**178**	–
	1,044	2,125
EARNINGS BEFORE INCOME TAXES	**44,449**	46,750
INCOME TAXES (Note 5)		
Current	**13,275**	14,646
Future	**793**	248
	14,068	14,894
NET EARNINGS	**$ 30,381**	$ 31,856
BASIC EARNINGS PER SHARE (NOTE 12)	**$ 1.07**	$ 1.12
DILUTED EARNINGS PER SHARE (NOTE 12)	**$ 1.07**	$ 1.12

[1] *Refer to Note 2 for impact of new accounting policies*

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the Years Ended June 30, 2009 and 2008
(in thousands of Canadian dollars)

	2009	2008[1]
NET EARNINGS	**$ 30,381**	$ 31,856
OTHER COMPREHENSIVE INCOME	**–**	–
COMPREHENSIVE INCOME	**$ 30,381**	$ 31,856

[1] *Refer to Note 2 for impact of new accounting policies*

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

For the Years Ended June 30, 2009 and 2008

(in thousands of Canadian dollars)

	2009	2008[1]
OPERATING ACTIVITIES		
Net earnings	**$ 30,381**	$ 31,856
Items not affecting cash		
Amortization	**6,140**	6,086
Gain on disposal of capital assets	**(178)**	–
Future income taxes	**793**	248
Employee future benefits	**(2,347)**	121
	34,789	38,311
Net change in non-cash working capital balances (Note 13)	**(10,850)**	(7,263)
Cash flows provided by operating activities	**23,939**	31,048
INVESTING ACTIVITIES		
Additions to capital assets	**(4,403)**	(3,540)
Proceeds from disposal of capital assets	**581**	–
Deposits in cash management pools	**(4,173)**	(11,564)
Cash flows used in investing activities	**(7,995)**	(15,104)
FINANCING ACTIVITY		
Dividends paid	**(15,944)**	(15,944)
Cash flows used in financing activity	**(15,944)**	(15,944)
NET CHANGE IN CASH	**–**	–
CASH, BEGINNING OF YEAR	**–**	–
CASH, END OF YEAR	**$ –**	$ –
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	**$ 1,649**	$ 2,381
Income taxes paid	**$ 16,203**	$ 15,512

[1] *Refer to Note 2 for impact of new accounting policies*

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

For the Years Ended June 30, 2009 and 2008

(in thousands of Canadian dollars)

	2009	2008[1]
SHARE CAPITAL		
Balance, beginning of year	**$ 14,304**	$ 14,304
Transactions, net	**–**	–
Balance, end of year	**$ 14,304**	$ 14,304
RETAINED EARNINGS		
Balance, beginning of year as previously reported	**$ 204,961**	$ 189,215
Impact of adoption of new accounting standard (Note 2)	**2,529**	2,363
Retained earnings, beginning of year as restated	**$ 207,490**	$ 191,578
Net earnings	**30,381**	31,856
Dividends	**(15,944)**	(15,944)
Balance, end of year	**$ 221,927**	$ 207,490
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	**$ –**	$ –
Other comprehensive income for the year	**–**	–
Balance, end of year	**$ –**	$ –

[1] *Refer to Note 2 for impact of new accounting policies*

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended June 30, 2009 and June 30, 2008
(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 derives its revenues from the sale of its owned-brands in Canada and other international markets, as well as earning commissions from the representation of selected non-owned brands in the Canadian marketplace. Revenues predominately consist of sales made to each of the provincial liquor boards in Canada.

Corby Distilleries Limited is controlled by Hiram Walker & Sons Limited ("HWSL"), a wholly-owned subsidiary of Pernod Ricard, S.A. ("PR"), a French public limited company, which owned 51.6% of the outstanding Voting Class A Common Shares of Corby as at June 30, 2009.

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". All intercompany balances and transactions are eliminated on consolidation.

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 uncollectable 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.

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.

Deposits in cash management pools

Corby participates in a cash pooling arrangement under a Mirror Netting Service Agreement ("Mirror Agreement") together with PR's other Canadian affiliates, the terms of which are administered by The Bank of Nova Scotia. The Mirror Agreement acts to aggregate each participant's net cash balance for purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby.

Corby accesses these funds on a daily basis and has the contractual right to withdraw these funds or terminate these cash management arrangements upon providing five days' written notice. For additional information on these balances, see Note 2, "Changes in Accounting Policies" and Note 14, "Related Party Transactions".

Inventories

Inventories are measured at the lower of cost (acquisition cost and cost of production, including indirect production overheads) and net realizable value. Net realizable value is the selling price less the estimated cost of completion and sale of the inventories. Most inventories are valued using the average cost method. The cost of long-cycle inventories is calculated using a single method which includes distilling and ageing maturing costs but excludes finance costs. These inventories are classified in current assets, although a substantial part remains in inventory for more than one year before being sold in order to undergo the ageing maturing process used for certain spirits.

1. Significant Accounting Policies (cont'd)

Capital assets

Buildings, machinery and equipment and other capital assets 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.

Buildings	40 to 50 years
Machinery and equipment	3 to 12 years
Other capital assets	1 to 25 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, 2009.

Long-lived assets

The Company's long-lived assets are comprised of its capital assets, and its finite-lived intangible assets relating to Corby's long-term representation rights. 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, and is scheduled to expire on September 30, 2021.

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.

1. Significant Accounting Policies (cont'd)

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

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 utilizes a Restricted Share Units Plan as its 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 a 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.

Classification of financial instruments

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. The classification determines the accounting treatment of the instrument. The classification is determined by the Company when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

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

Financial Asset/Liability	Category	Measurement
Deposits in cash management pools	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost, with gains and losses recognized in earnings in the period in which the gain or loss occurs. Changes in fair value of financial instruments classified as held for trading are recorded in net earnings in the period of change.

2. Changes in Accounting Policies

Deposits in cash management pools

Corby reviewed its presentation of cash flow and its cash and cash equivalent balances on its balance sheet. As a result of this review, Corby determined that it would change its accounting policy defining cash and cash equivalents and correspondingly reclassify its balance sheet and cash flow presentation. The new policy classifies cash associated with the Mirror Agreement (referred to in Note 14), which was previously included in cash and cash equivalents, as "Deposits in cash management pools" and reflects cash flows arising from deposits in and withdrawals from such cash pools as cash flows from investing activities.

Although, none of the agreements or conditions governing these deposits has changed since the inception of the cash management arrangements, Corby has decided to change its presentation of such deposits to show them as a separate investment and not as a component of cash and cash equivalents. Corby continues to have the contractual right to withdraw these funds or terminate these

2. Changes in Accounting Policies (cont'd)

cash management arrangements upon providing five days' written notice, and Corby continues to access funds deposited in these accounts on a daily basis.

For more information regarding the Mirror Agreement, please refer to Note 14 which further describes Corby's related party transactions.

The June 30, 2008 consolidated balance sheet has been reclassified to conform to the current year's presentation. A summary of the effects of the reclassification and change in accounting policy is, as follows:

	As Previously Reported	Change In Accounting Policy	As Currently Reported
Consolidated Balance Sheet			
Cash and cash equivalents	$ 58,553	$ (58,553)	$ –
Deposits in cash management pools	–	58,553	58,553
Consolidated Statement of Cash Flow			
Operating Activities			
Net earnings, adjusted for items not affecting cash	38,378	(67)	38,311
Net change in non-cash working capital	(7,209)	(54)	(7,263)
Cash flows from operating activities	31,169	(121)	31,048
Investing Activities			
Deposits in cash management pools	–	(11,564)	(11,564)
Cash flows used in investing activities	(3,540)	(15,104)	(15,104)
Effect of exchange rate changes on cash	(121)	121	–
Net change in cash and cash equivalents	11,564	(11,564)	–
Cash and cash equivalents, beginning of year	46,989	(46,989)	–
Cash and cash equivalents, end of year	$ 58,553	$ (58,553)	$ –

Inventories

Effective July 1, 2008 (the first day of the Company's 2009 fiscal year), the Company implemented, on a retrospective basis with restatement, the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031 "Inventories", which is effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2008.

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 write-downs when there is a subsequent increase in the value of inventories. It also requires greater disclosure regarding inventories and cost of sales.

As a result of the retrospective implementation of this new standard, the impact on previously reported balances for the year ended June 30, 2008 is, as follows:

	As Previously Reported	Change In Accounting Policy	As Currently Reported
Retained earnings, beginning of year	$ 189,215	$ 2,363	$ 191,578
Retained earnings, end of year	204,961	2,529	207,490
Inventories	47,302	3,574	50,876
Future income tax liability	5,380	1,045	6,425
Cost of sales	75,096	1,464	76,560
Marketing, sales and administration	42,633	(1,699)	40,934
Future income tax expense	179	69	248
Net earnings	31,690	166	31,856
Earnings per share:			
Basic	$ 1.11	$ 0.01	$ 1.12
Diluted	1.11	0.01	1.12

2. Changes in Accounting Policies (cont'd)

Financial instruments

Effective July 1, 2008, the Company implemented the new CICA Handbook Section 3862 "Financial Instruments – Disclosures" and CICA Handbook Section 3863 "Financial Instruments – Presentation", which is effective for fiscal years beginning on or after October 1, 2007. These standards replace the existing CICA Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". These new standards are harmonized with International Financial Reporting Standards ("IFRS").

CICA Handbook 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. The adoption of these new standards does not require any changes to the Company's accounting, however, does require additional note disclosure, which is included in Note 16.

Capital disclosures

Effective July 1, 2008, the Company implemented the new CICA Handbook Section 1535 "Capital Disclosures", which is effective for fiscal years beginning on or after October 1, 2007. The new standard requires entities to disclose information about their objectives, policies and processes for managing capital, as well as their compliance with any externally imposed capital requirements. The adoption of this standard does not require any changes to the Company's accounting, however, does require additional note disclosure, which is included in Note 17.

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 February 2008, the Accounting Standards Board ("AcSB") confirmed that Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises will be replaced by IFRS for fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP; however, there are significant differences on recognition, measurement, and disclosures. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of fiscal 2012 for which current and comparative information will be prepared under IFRS.

In response, the Company created a transition plan and established a timeline for the execution and completion of the conversion project to guide Corby toward its reporting deadlines. The transition plan included a high-level assessment of the key areas where conversion to IFRS may have a significant impact or present a significant challenge. The key areas identified included inventories, employee future benefits, impairment analysis, IFRS 1 choices, capital assets, income taxes, and financial statement presentation and disclosure. Initial findings indicate that changes in accounting policies will be required and are likely to materially impact the Company's consolidated financial statements. As described in Note 2, the conversion of inventories has already been implemented in this year's financial statements.

To date the Company has engaged an external advisor, established a working team and held an IFRS training session tailored specifically to Corby for key members of management and the Audit Committee. The IFRS team has performed detailed assessments on certain of the key areas identified and continues to report its progress and results to the Audit Committee on a quarterly basis.

The Company will continue to execute the transition in accordance with its plan, and also continue to provide training to its key employees. In addition, the Company will continue to monitor standards development as issued by the International Accounting Standards Board and the AcSB, as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.

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. The Company is currently assessing the impact of this new standard on its consolidated financial statements.

4. Inventories

	2009	2008
Raw materials	**$ 5,919**	$ 6,026
Work-in-progress	**39,180**	32,296
Finished goods	**8,888**	12,554
	$ 53,987	$ 50,876

The cost of inventory recognized as an expense and included in cost of goods sold during the year ended June 30, 2009 was $61,877 (2008 - $63,068). During the year, there were no significant write-downs of inventory as a result of net realizable value being lower than cost and no inventory write-downs recognized in previous years were reversed.

5. 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:

	2009	2008
Future income tax assets		
Current		
Bad debt and inventory reserves	**$ 63**	$ 107
Non-capital losses available for carry-forward	**–**	57
Restricted stock unit reserve	**201**	–
Tax credit carry-forward	**12**	–
Unrealized foreign exchange	**275**	–
	$ 551	$ 164
Future income tax liabilities		
Long-term		
Employee future benefits	**$ 1,225**	$ 902
Capital assets	**1,419**	529
Inventories	**877**	1,045
Intangible assets and goodwill	**4,084**	3,949
	$ 7,605	$ 6,425

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

The effective tax rate of 32% for the years ended June 30, 2009 and 2008 approximates the statutory tax rates of 32% and 33% for the years ended June 30, 2009 and 2008, respectively.

6. Capital Assets

	2009			2008		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Land	**$ 638**	**$ –**	**$ 638**	$ 638	$ –	$ 638
Buildings	**7,899**	**4,604**	**3,295**	7,840	5,021	2,819
Machinery and equipment	**13,242**	**5,677**	**7,565**	11,700	5,311	6,389
Other	**4,280**	**1,225**	**3,055**	3,167	1,003	2,164
	$ 26,059	**$ 11,506**	**$ 14,553**	$ 23,345	$ 11,335	$ 12,010

7. 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.

7. Employee Future Benefits (cont'd)

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

	2009		2008	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Fair value of plan assets				
Fair value of plan assets, beginning of year	**$ 41,896**	**$ –**	$ 42,843	$ –
Actual return on plan assets	**(4,464)**	**–**	6	–
Employer contributions	**4,828**	**700**	2,765	616
Employee contributions	**194**	**–**	178	–
Benefits paid	**(3,266)**	**(700)**	(3,896)	(616)
Fair value of plan assets, end of year	**$ 39,188**	**$ –**	$ 41,896	$ –
Accrued benefit obligation				
Benefit obligation, beginning of year	**$ 42,920**	**$ 11,782**	$ 44,771	$ 11,574
Service cost	**1,203**	**439**	1,444	621
Interest cost	**2,421**	**669**	2,360	619
Employee contributions	**194**	**–**	177	–
Actuarial gain	**(5,685)**	**(703)**	(1,936)	(391)
Benefits paid	**(3,266)**	**(700)**	(3,896)	(641)
Accrued benefit obligation, end of year	**$ 37,787**	**$ 11,487**	$ 42,920	$ 11,782
Funded status				
Funded status: plan surplus (deficit)	**$ 1,401**	**$ (11,487)**	$ (1,024)	$ (11,782)
Unamortized net transition (asset) obligation	**(2,136)**	**3,682**	(2,468)	4,085
Unamortized past service costs	**777**	**–**	856	–
Unamortized net actuarial loss	**11,340**	**1,882**	10,771	2,674
Accrued benefit asset (liability)	**$ 11,382**	**$ (5,923)**	$ 8,135	$ (5,023)

All pension plans other than the supplementary executive retirement 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, 2009 is $30,695 and $32,534, respectively (2008 - $34,163 and $37,001).

Significant actuarial assumptions adopted are, as follows:

	2009		2008	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Accrued benefit obligation, end of year				
Discount rate	**7.10%**	**7.10%**	5.85%	5.85%
Compensation increase	**3.50%**	**N/A**	3.50%	N/A
Benefit expense, for the year				
Discount rate	**5.85%**	**5.85%**	5.50%	5.50%
Expected long-term return on assets	**6.50%**	**N/A**	6.75%	N/A
Compensation increase	**3.50%**	**N/A**	4.00%	N/A

The medical cost trend rates used was 10% for 2009 (2008 – 11%), with 5% being the ultimate trend rate for years 2014 and thereafter. The dental cost rates used was 5% for 2009 (2008 – 5%).

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 in 2009:

	Increase	Decrease
Service and interest cost	**$ 79**	$ (60)
Accrued benefit obligation	**1,145**	(956)

7. Employee Future Benefits (cont'd)

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

	2009		2008	
	Pension Plans	**Other Benefit Plans**	Pension Plans	Other Benefit Plans
Service cost (including provision for plan expenses)	**$ 1,203**	**$ 439**	$ 1,444	$ 621
Interest cost	**2,421**	**669**	2,360	619
Actual return on plan assets	**4,464**	**–**	(6)	–
Actuarial loss	**(5,685)**	**(703)**	(1,936)	(391)
Costs arising in the period	**2,403**	**405**	1,862	849
Difference between:				
Actual and expected return on plan assets	**(6,687)**	**–**	(2,214)	–
Actuarial gain or loss recognized for the year and actuarial gain or loss on accrued benefit obligation	**6,119**	**791**	2,377	503
Amortization of plan amendments and actual plan amendments	**80**	**–**	80	–
Amortization of transitional (asset) obligation	**(333)**	**403**	(333)	403
Net expense	**$ 1,582**	**$ 1,599**	$ 1,772	$ 1,755

Plan assets by category are, as follows:

	2009	2008
Equity	**50.9%**	48.7%
Fixed income	**34.9%**	40.3%
Refundable taxes at Canada Revenue Agency/other	**14.2%**	11.0%
	100.0%	100.0%

8. Goodwill

	2009	2008
Associated brands:		
Meaghers and De Kuyper	**$ 4,476**	$ 4,476
Seagram Coolers	**3,970**	3,970
Lamb's International[1]	**1,410**	1,410
	$ 9,856	$ 9,856

[1] *Relates solely to the Lamb's rum business outside of Canada.*

9. Intangible Assets

	2009			2008		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Long-term representation rights	**$ 70,440**	**$ 13,070**	**$ 57,370**	$ 70,440	$ 8,387	$ 62,053
Trademarks and licenses	**28,050**	–	**28,050**	28,050	–	28,050
	$ 98,490	**$ 13,070**	**$ 85,420**	$ 98,490	$ 8,387	$ 90,103

The Company amortized $4,683 (2008 - $4,887) of long-term representation rights into commission income during the current fiscal year.

There were no write-downs of intangible assets due to impairment during the years ended June 30, 2009 and 2008.

10. Share Capital

	2009	2008
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	**4,194,536**	4,194,536
	28,468,856	28,468,856
Stated value	**$ 14,304**	$ 14,304

11. Restricted Share Units Plan

	2009		2008	
	Restricted Share Units	**Weighted Average Grant Date Fair Value**	Restricted Share Units	Weighted Average Grant Date Fair Value
Non-vested, beginning of year	**38,931**	**$ 25.17**	13,550	$ 24.92
Granted	**34,261**	**19.76**	24,576	25.40
Reinvested dividend equivalent units	**2,556**	**16.23**	805	22.39
Vested	**–**	**–**	–	–
Forfeited	**–**	**–**	–	–
Non-vested, end of year	**75,748**	**$ 22.42**	38,931	$ 25.17

Compensation expense related to this plan for the year ended June 30, 2009 was $374 (2008 – $156).

12. Earnings per share

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

	2009	2008
Numerator:		
Net earnings	**$ 30,381**	$ 31,856
Denominator:		
Weighted average shares outstanding	**28,468,856**	28,468,856

13. Changes in Non-Cash Working Capital

	2009	2008
Accounts receivable	**$ (6,767)**	$ 3,091
Inventories	**(3,111)**	(4,489)
Prepaid expenses	**354**	(923)
Income tax and other tax recoverable	**(1,478)**	–
Accounts payable and accrued liabilities	**1,168**	(3,357)
Income and other taxes payable	**(1,016)**	(1,585)
	$ (10,850)	$ (7,263)

14. Related Party Transactions

ABSOLUT vodka representation agreement

On September 26, 2008, Corby entered into an agreement with its ultimate parent company, PR. The agreement provides Corby the exclusive right to represent the ABSOLUT vodka brand in Canada effective October 1, 2008 for the next five years to September 30, 2013. As part of this agreement, Corby

14. Related Party Transactions (cont'd)

also received the exclusive right to represent the Plymouth gin and Level vodka brands. The distribution of ABSOLUT vodka is expected to add approximately $2.5 million annually to Corby's commission income and about $1.2 million annually to net earnings in the first full year. Corby has also agreed to continue to participate in the existing cash pooling arrangement (the Mirror Netting Service Agreement) with PR's wholly-owned Canadian subsidiaries for the next three years to October 1, 2011, unless earlier terminated by Corby. Further, during the next three years to October 1, 2011, Corby will not declare any special dividends, repurchase shares or make acquisitions or capital investments outside the normal course of business without PR's prior approval.

Deposits in cash management pools

As previously discussed in Note 2, Corby participates in a cash pooling arrangement under a Mirror Agreement together with PR's other Canadian affiliates, the terms of which are administered by The Bank of Nova Scotia. The Mirror Agreement acts to aggregate each participant's net cash balance for purposes of having a centralized cash management function for all of PR's Canadian affiliates, including Corby. As a result of Corby's participation in this agreement, Corby's credit risk associated with its deposits in cash management pools is dependent upon PR's credit rating. PR's credit rating as at June 30, 2009, as published by Standard & Poor's and Moody's, was BB+ and Ba1, respectively. PR compensates Corby for the benefit it receives from having the Company participate in the Mirror Agreement, by paying interest to Corby based upon the 30-day LIBOR rate, plus 0.40%. Corby earned interest income of $1,634 from PR during the year ended June 30, 2009 (2008 - $2,313). Corby has the right to terminate its participation in the Mirror Agreement at any time, subject to five days' written notice.

HWSL, a wholly-owned subsidiary of PR, owns in excess of 50% of the issued voting common shares of Corby and, therefore, for purposes of the chart denoted below, HWSL is 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.

Transactions and balances with the parent and affiliated companies include the following:

	Nature of Transaction	Nature of Relationship	Financial Statement Classification	2009	2008
I	The Company renders blending and bottling services	Parent company	Sales, accounts receivable	**$ 807**	$ 847
II	The Company sells certain of its products for resale at an export level	Affiliated companies	Sales, accounts receivable	**$ 180**	$ 734
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, ultimate parent company and affiliated companies	Commissions, accounts receivable	**$ 16,753**	$ 14,226
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	**$ 24,059**	$ 25,161
V	The Company sub-contracts a significant portion of its bookkeeping, recordkeeping services, certain administrative services, related data processing and maintenance of data processing activities	Parent company	Marketing, sales and administration	**$ 2,287**	$ 2,168
VI	The Company purchases a portion of its inventory used in production activities	Parent company	Cost of sales, inventories and accounts payable	**$ 3,095**	$ 2,523

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. 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.

14. Related Party Transactions (cont'd)

Sales and purchases of bulk whisky

In addition to the transactions noted above, during 2008 Corby purchased and sold bulk whisky from/to HWSL at market prices, which was $2.70 per original litre of alcohol ("OLA"). Note that there were no sales or purchases of bulk whisky in 2009. The quantities of OLA and the related exchange amount for each type of transaction are listed in the following chart:

		2009		2008
(Quantities stated in 000's of original litres of alcohol)	Quantities	Exchange Amount	Quantities	Exchange Amount
Sales	–	$ –	407	$ 1,100
Purchases	–	$ –	506	$ 1,365

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

	2009	2008
Accounts receivable – related parties	**$ 6,647**	$ 5,072
Accounts payable – related parties	**(6,921)**	(3,997)
Net amount (payable to) receivable from related parties	**$ (274)**	$ 1,075

15. 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 include some of the most renowned and respected brands in Canada, including Wiser's Canadian whisky, Lamb's rum, Polar Ice vodka, McGuinness liqueurs and Seagram Coolers.

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 ABSOLUT vodka, 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's 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:

					2009
	Canada	**United States of America**	**United Kingdom**	**Rest of World**	**Total**
Operating revenue	**$ 157,789**	**$ 5,982**	**$ 5,090**	**$ 425**	**$ 169,286**
Capital assets	**14,553**	**–**	**–**	**–**	**14,553**
Goodwill	**8,446**	**–**	**1,410**	**–**	**9,856**

					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	–	–	–	12,1010
Goodwill	8,446	–	1,410	–	9,856

In 2009, operating revenue to three major customers accounted for 32%, 16% and 11%, respectively (2008 – 29%, 17% and 13%).

16. Financial Instruments

Corby's financial instruments consist of its deposits in cash management pools, accounts receivable and accounts payable and accrued liabilities balances. Corby does not use derivative financial instruments.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to settle the financial assets and financial liabilities as at the reporting date. The fair values of deposits in cash management pools, accounts receivable and accounts payable approximate their carrying values given their short-term maturities.

Financial risk management objectives

In the normal course of business, the Company is exposed to financial risks that have the potential to negatively impact its financial performance. The Company does not use derivative financial instruments to manage these risks, as management believes the risks arising from the Company's financial instruments to be at an already acceptably low level. These risks are discussed in more detail below.

Credit Risk
Credit risk arises from cash held with PR via Corby's participation in the Mirror Agreement (further described in Note 14), as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing counter party credit risk is to prevent losses in financial assets. The Company assesses the credit quality of its counter parties, taking into account their financial position, past experience and other factors.

As the large majority of Corby's accounts receivable balances are collectable from government controlled liquor boards, management believes the Company's credit risk relating to accounts receivable is at an acceptably low level. With respect to Corby's deposits in PR's cash management pools, the Company monitors PR's credit rating in the normal course of business, and has the right to terminate its participation in the Mirror Agreement at any time, subject to five days' written notice.

Liquidity Risk
Corby's sources of liquidity are its deposits in cash management pools of $62,726 and its cash generated by operating activities. Corby's total contractual maturities are represented by its accounts payable and accrued liabilities balances which totaled $20,416 as at June 30, 2009 and are all due to be paid within one year. The Company believes that its deposits in cash management pools combined with its historically strong and consistent operational cash flows are more than sufficient to fund its operations, investing activities and commitments for the foreseeable future.

Corby does not have any investments in asset-backed commercial paper ("ABCP") and, therefore, has no exposure to this type of liquidity risk.

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 deposits in cash management pools. An active risk management program does not exist as management believes that changes in interest rates would not have a material impact to Corby's financial position over the long-term.

Foreign Currency Risk
Foreign currency risk exists as the Company sources a proportion of its production requirements in foreign currencies, specifically the US dollar. Partially mitigating this risk is the fact that the Company also sells certain of its goods in the same foreign currencies. As purchases from US based suppliers exceed revenues from US based customers, a decline in the Canadian dollar versus the US dollar can have a negative impact on the Company's financial results. In addition, and subject to competitive conditions, changes in foreign currency rates may be passed on to consumers through pricing over the long-term.

Commodity Risk
Commodity risk exists as the manufacture 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. In addition, subject to competitive conditions, the Company may pass on commodity price changes to consumers via pricing.

17. Capital Management

The Company's objectives when managing capital are:

- to ensure sufficient capital exists to allow management the flexibility to execute its strategic plans; and
- to ensure shareholders receive a reasonable return on their investment in the form of quarterly dividends.

Management includes the following items in its definition of capital:

	2009	2008
Share capital	$ 14,304	$ 14,304
Retained earnings	221,927	207,490
Net capital under management	$ 236,231	$ 221,794

The Company is not subject to any externally imposed capital requirements.

The Company's dividend policy, which was updated September 26, 2008, stipulates that barring any unanticipated developments, regular dividends will be paid quarterly, on the basis of an annual amount equal to the greater of 50% of net earnings per share in the preceding fiscal year ended June 30, and $0.56 per share. In addition, Corby has agreed with PR to certain restrictions, one of which precludes the Company from declaring any special dividends until after October 1, 2011. These restrictions are further described in Note 14. The Company's dividend policy prior to September 26, 2008 was to pay quarterly dividends on the basis of an annual amount of $0.56 per share.

The Company is meeting all of its objectives and stated policies with respect to its management of capital.

18. Commitments

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

2010	$ 1,379
2011	1,266
2012	1,138
2013	848
2014	719
Thereafter	2,856
	$ 8,206

19. 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.

20. 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.

21. Subsequent Event

On July 27, 2009, PR announced the sale of the coffee liqueur brand, Tia Maria, to an unrelated third party for 125 million Euros (equivalent to approximately $192.5 million Canadian dollars).

Corby previously owned a 45% non-controlling interest of Tia Maria but sold its interests to PR on September 29, 2006. The purchase and sale agreement between Corby and PR contained a purchase price adjustment clause which would allow for the Company to share in any after-tax profits (as per a defined formula in the agreement) earned by PR in the event they sold 100% of Tia Maria within three years of buying the minority interest from Corby.

While the Tia Maria brand was sold within the three-year timeframe, as outlined above, PR's net after-tax proceeds on an equivalent 45% basis are approximately $72 million, which is less than Corby's after-tax proceeds of $79.8 million. As a result, there will be no additional proceeds paid to Corby as an adjustment to the original purchase price agreed to between Corby and PR.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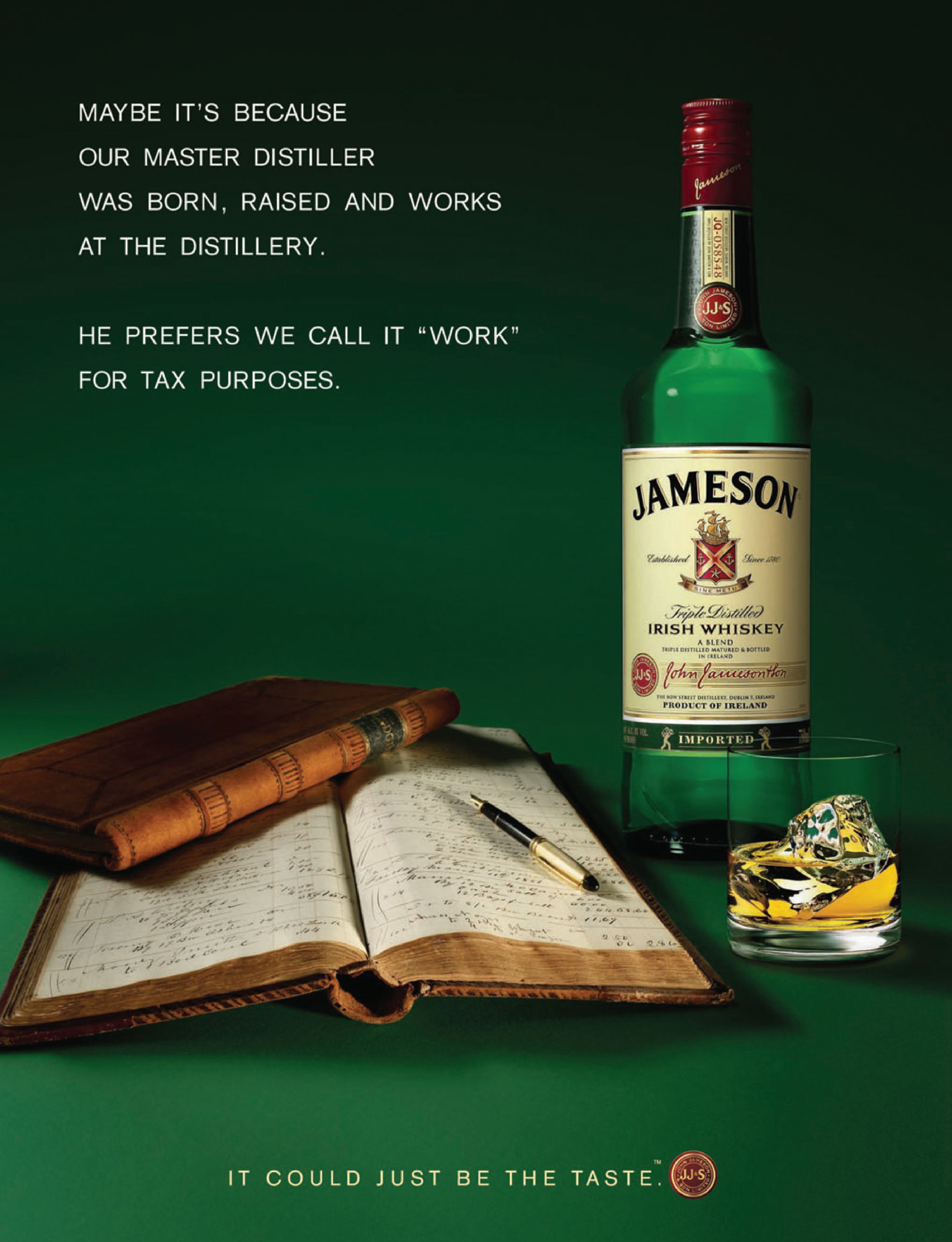
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Ten-Year Review

	Year Ended June 30				Year Ended August 31						
	2009	2008[4]	2007	2006[1]	2005	2004	2003	2002	2001	2000	1999
Results (in millions of dollars)											
Operating revenue	169.3	163.3	153.6	110.8	129.4	118.7	108.9	101.8	101.2	93.4	101.1
Earnings from operations	43.4	44.6	39.2	28.5	40.0	36.9	35.5	30.7	32.9	29.1	30.1
EBITDA[2]	49.6	50.8	44.0	29.2	40.8	37.7	36.4	31.6	34.1	30.2	31.0
Net earnings excluding after-tax restructuring costs	30.4	31.9	100.4	29.2	39.9	32.5	29.8	25.1	28.5	21.2	25.7
Net earnings	30.4	31.9	100.4	28.0	39.9	32.5	28.4	25.1	28.5	20.4	22.8
Cash provided from operations	23.9	31.0	33.4	21.5	28.4	36.2	39.0	23.2	24.4	21.8	17.2
Year-end position (in millions of dollars)											
Working capital	128.5	113.1	91.2	144.0	103.2	84.2	68.1	60.7	58.2	62.2	64.0
Total assets	270.2	253.5	238.0	180.3	313.2	295.3	277.0	261.9	254.8	94.2	107.4
Long-term debt	–	–	–	–	–	–	–	8.0	18.0	31.0	39.0
Shareholders' equity	236.2	221.8	203.5	158.3	142.7	119.9	99.8	86.5	72.9	57.3	53.1
Per common share[3] (in dollars)											
EBITDA	1.74	1.78	1.55	1.03	1.44	1.33	1.29	1.12	1.21	1.08	1.11
Net earnings excluding after-tax restructuring costs	1.07	1.12	3.53	1.03	1.41	1.15	1.05	0.89	1.00	0.76	0.92
Net earnings	1.07	1.12	3.53	0.99	1.41	1.15	1.01	0.89	1.02	0.73	0.81
Cash provided from operations	0.84	1.09	1.18	0.76	1.00	1.28	1.38	0.83	0.87	0.78	0.61
Shareholders' equity	8.30	7.79	7.15	5.57	5.03	4.23	3.53	3.06	2.59	2.04	1.90
Special dividend paid	–	–	1.50	–	–	–	–	–	–	–	–
Dividends paid	0.56	0.56	0.56	0.41	0.55	0.50	0.50	0.50	0.50	0.50	0.50
Market value per voting common share[3] (in dollars)											
High	20.60	27.00	28.40	28.00	20.46	17.50	16.13	17.50	16.88	21.00	22.00
Low	13.16	16.10	22.00	17.75	15.81	14.44	12.73	14.00	11.28	11.13	16.75
Close at end of year	15.65	17.80	24.50	22.90	18.13	16.50	14.69	15.04	16.01	12.45	17.50
Other statistics											
Working capital ratio	7.3	6.6	4.6	9.1	1.6	5.6	4.5	6.8	7.1	16.7	5.3
Pre-tax return on average capital employed	18.9	21.4	63.1	40.7	38.8	38.6	37.9	34.8	40.4	34.9	38.6
Return on average shareholders' equity	13.3	15.0	55.0	31.0	30.2	29.5	30.5	31.5	43.8	37.0	46.5
Number of registered shareholders	593	616	630	666	684	716	762	785	813	855	891
Number of shares outstanding (000's)	28,469	28,469	28,469	28,451	28,414	28,332	28,324	28,268	28,140	28,080	28,024

[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.*

[4] *The 2008 figures have been restated for adoption of CICA HB 3031- Inventories, as required by the CICA. Figures for 2007 and prior have not been restated as the information required to calculate the restatement is not readily available.*

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