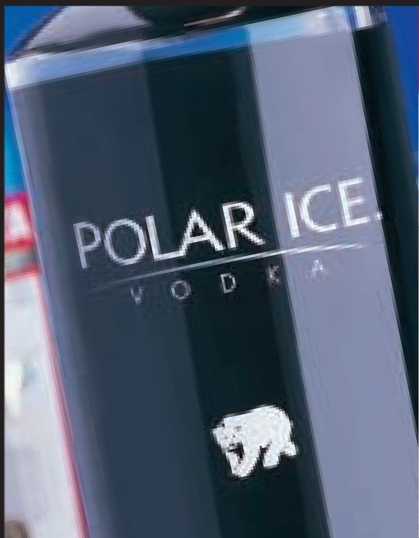
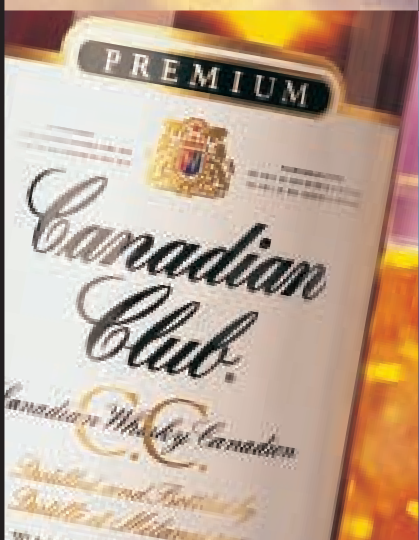


Spirit MAKER
Artisan DE L'ESPRIT

CORBY

Annual Report
2001



CORBY, the Spirit Maker, is Canada's leading manufacturer and marketer of spirits as well as the country's leading importer of wines. Corby's national leadership is sustained by our Portfolio of Excellence, the owned and represented brands that have built equity in the marketplace and deliver value for customers and shareholders.

Corby has been building brand value since 1859. The corporation enters a new century with the broadest portfolio of spirits and wines in Canada and a market leading share in both categories.

Financial Highlights

For the years ended August 31 (in thousands of dollars, except share amounts)	2001	2000
Results		
Gross operating revenue	$ 101,209	$ 93,388
Earnings from operations	32,898	29,132
Earnings before income taxes	36,957	31,859
Net earnings	28,540	20,422
Cash flows from operating activities	24,430	24,081
Financial position at balance sheet date		
Working capital	$ 58,217	$ 62,209
Total assets	254,798	94,151
Long-term debt	18,000	31,000
Shareholders' equity	72,946	57,315
Per common share		
Net earnings	$ 4.06	$ 2.91
Dividends declared and paid	2.00	2.00
Shareholders' equity	10.37	8.16
Financial ratios		
Working capital	7.1	16.7
Debt/equity	0.2	0.5
Return on average shareholders' equity	% 43.8	% 37.0
Pre-tax return on average capital employed	% 40.4	% 34.9

Corby, the Spirit Maker, is a brand-focused sales and marketing company, the leading force in Canada's spirits and wines industry. Our portfolio of owned and represented labels is one of the strongest in the business – 10 of the top 25 brands in Canada and 17 of the top 50. At Corby, we apply industry-leading marketing and unmatched sales capacity to powerful brands like Canadian Club, Wiser's, Polar Ice, and Kahlúa for profitable growth and consistent cash flows.

The growing integration of sales and marketing at Corby maximizes the impact of our investment in our brands. It's the hallmark of our focused approach to business success.

To Our Shareholders

Krystyna T. Hoeg CA
President and Chief Executive Officer

Introduction

Corby continues to move strongly ahead as a dynamic, brand-focused sales and marketing company. We are honing our focus and building exciting brands that drive profitable growth and consistent cash flows in Canada and internationally.

The Corby portfolio of owned and represented brands is the broadest and the best in the spirits and wines industry. Ten of the top-selling 25 brands in Canada are Corby's as are 17 of the top 50.

The Corby Portfolio of Excellence and the team that markets and sells these powerful brands have again delivered outstanding shareholder value.

A Sales and Marketing Company

At Corby, we apply industry-leading sales and marketing and unmatched sales capacity to our increasingly valuable brands. That's the heart of our business success.

By coupling strong sales fundamentals with marketing excellence, we get the results that shareholders expect – growth and profitability. The growing integration of sales and marketing at Corby maximizes the impact of every dollar invested in advertising and promotions for our spirits and wines. Our ability to track the sales value of every marketing dollar continues to grow. A constant fine-tuning of our marketing and sales efforts is now a hallmark of how we do business.

We use our market strengths in both spirits and wines to leverage our presence in various sales channels, using penetration in one category to raise awareness of the rest of our industry-leading portfolio. This allows us to maximize the potential for premium sales through all our retail partners. As part of the strategy to leverage the breadth and depth of our brands, we have restructured our wine division across Canada to move aggressively on market opportunities. The results for 2001 reflect the positive impact of our core management strategies.

Corby's Powerhouse Brands

In 2001, Corby forged ahead, investing aggressively and intelligently in our powerhouse brands – Canadian Club, Polar Ice, Kahlúa, and Wiser's. We delivered on what we promised in our corporate Statement of Intent by focusing our investment on these key brands and by focusing our human resources behind them.

These were the brands that were programmed; these were the brands that were incentivized; these were the brands that were the priority for management attention.

Canadian Club saw 7% growth in a category that grew only 1% overall last year. Our investment in television advertising for the C.C. brand brought big results, especially among targeted 19 to 35-year-old rye drinkers.

Our increasingly sophisticated market research is giving us key insights into the preferences of rye consumers, insights that our marketing and sales team will use as the foundation for future growth.

Corby's premium rye whisky brand, Wiser's, also gave strong performance in 2001. Growth was led by Wiser's Special Blend, up 6%. This year, we repositioned the brand at a more premium level with no negative impact on sales volume. Wiser's has very high penetration and tremendous loyalty in its user base.

Now we are ready to raise the brand's profile with a television ad campaign targeting 25 to 40-year-old whisky drinkers. Wiser's full-flavoured taste will also stand up very well in taste trials and other direct-to-consumer promotional programs. Wiser's Deluxe is showing strong performance in the U.S. market, with sales up a third due to increased market distribution.

Kahlúa continues to find younger, more profitable markets for Corby. Our high profile promotional campaigns, including our DJ-driven Kahlúa Kollective Beats Competition, have positioned us well with consumers in the 19 to 35 age group. Our market research suggests that there is still room for growth with this brand.

A more extensive television ad campaign, tuned to consumers who appreciate Kahlúa's exotic image and refreshing mixability, will build on our television successes with this premiere mixable spirit.

We are pleased to have added a number of strong new brands to our Portfolio of Excellence this year, particularly Mumm's champagne. Stolichnaya, Belvedere and Chopin vodkas have also come on board at Corby. Together with Polar Ice and Red Tassel, they provide us with strong labels in each segment of this expanding category.

All of our lead brands have responded well to Corby's focus on stronger integration of sales and marketing, but none as impressively as Polar Ice.

The Polar Ice Story

Polar Ice has been an outstanding performer in the Corby Portfolio of Excellence, making it the fifth best selling vodka in Canada. This year alone, we grew by 27% in a segment that itself expanded by 6% – remarkable performance in a strong segment. But our market research and our sense of the business told us that this brand could become an even bigger winner.

Polar Ice vodka is a great product – the world's only vodka distilled under pressure using Corby's state-of-the-art process. "Pressurized Extractive Distillation" removes even the most microscopic impurities, creating a smoother, cleaner-tasting vodka.

Where others might rest on their laurels with a growing product in a growing category, the Corby team came together around the sales and marketing challenge of positioning Polar Ice to realize its potential as a brand.

With input from all departments, we developed new consumer packaging for Polar Ice, a unique bottle that is both black and transparent, a breakthrough design that we are in the process of patenting.

The launch of the new packaging has been supported by a marketing and promotional campaign stressing Polar Ice vodka's unique imagery and superior taste. The brand is supported at the retail level and on-premise levels with unique, eye-catching materials that are consistent with the brand image of simplicity, style, and sophistication. For the first time, Polar Ice has its own television advertising campaign, which began in the fall of 2001.

Positive consumer response to Polar Ice's new packaging is due, in large part, to the cooperation and support of our sales and marketing partners, particularly the liquor boards across Canada. By analyzing the market and the opportunities for growth in the premium vodka category, Corby was able to provide our retail partners with a product and with packaging that connected directly to an untapped market opportunity.

And through our alliance with McCormick Distilling Co., the third largest privately-held spirit company in the U.S., Polar Ice is positioned to do well in the highly-competitive growth segment for imported premium vodkas in the American market as well.

This bold move to invest in a key brand for future growth and shareholder value was done on time and on budget – a testament to the capacity and the quality of the Corby team and a "good news" story for all involved.

The Corby Team of Excellence

Like never before, Corby has a team in place that can realize the potential of our brands. We have developed tight coordination between marketing and sales with impressive results. Increasingly, we need to recognize that we are all in sales and marketing at Corby – it's what drives our business.

Our brands are one of our two greatest assets at Corby. The other is our people, who once again have my deepest thanks. Our commitment to growing the strength of our brands goes hand-in-hand with our commitment to developing our employee assets.

At Corby, we have raised the bar for our employees. We have upgraded the talent and the ability of our team by hiring against predefined skills and competencies, coupling this with an experienced team. We have gone beyond the hiring process to invest in our employees through leadership development, beginning at the top and cascading downward.

Corby is upgrading competencies and nurturing talent in our team right across the country. Our staff now receive comprehensive training in all aspects of the spirits and wines business. There is a saying in our industry that consumers are "drinking less but drinking better". This demands greater sophistication and focus on the part of our employees to keep pace with our sales partners and our consumers. At Corby, we are building the team we need for decades of growth and profitability.

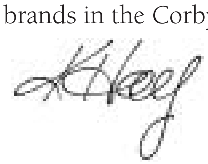
Corby – A Leader in a Dynamic Industry

As investors know, the worldwide spirits and wines industry has gone through extensive consolidation this year. The temptation to be part of the consolidation action is strong. However, at Corby, we looked at our business and reaffirmed that our world is primarily Canada, although, with some of our brands, we are sensibly finding growth opportunities outside of our own borders.

Corby is a company that knows how to play the big game and the small game all at once. We know how to build a brand in the Canadian market. We can do business with the local pubs in small towns and we know how to deal with the biggest national accounts. With our increasingly seamless sales and marketing capacity, we work aggressively to shape markets and to leverage brand potential at all levels.

Once again, I would like to thank the Board of Directors for its leadership and for its support this past year as we moved forward on a path of renewed focus and enhanced performance.

Corby, the Spirit Maker, faces the new year with confidence that we will continue to manage the powerful brands in the Corby Portfolio of Excellence to produce outstanding value for our shareholders.



Krystyna T. Hoeg CA
President and Chief Executive Officer

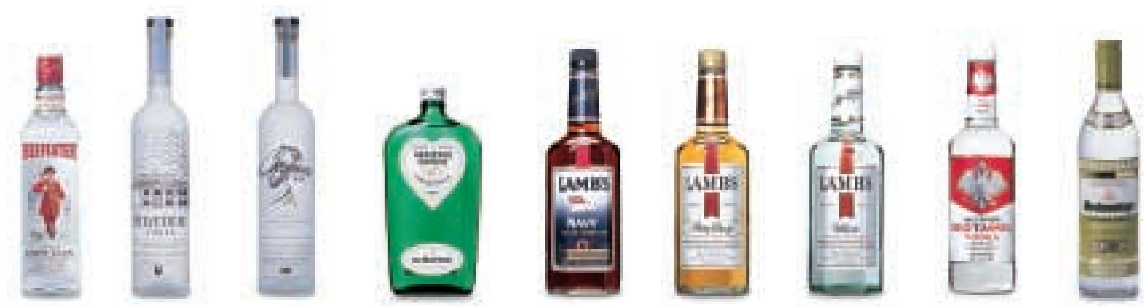
CORBY PORTFOLIO OF EXCELLENCE

We focus our marketing efforts on building brand value and driving profitable growth. Our sophisticated research and analysis identify the greatest opportunities for our core brands and how to position them best with consumers through television advertising, on-premise promotions and retail sales efforts.

Mike Minchin
Vice President, Marketing

These marketing insights allow us to surround the customer with Corby's powerhouse brands. We're maximizing our potential through all sales channels, working closely with liquor boards, retailers and licensees to provide a premium product to increasingly sophisticated consumers. We're ensuring that the Corby Portfolio of Excellence remains a source of strong shareholder value.

Andy Alexander
Vice President, Sales



Beefeater | Belvedere | Chopin | De Kuyper Geneva | Lamb's Navy | Lamb's Palm Breeze | Lamb's White | McGuinness Red Tassel | Moskovskaya

White Spirits

Polar Ice | Sauza Hornitos Tequila | Sauza Tequila Blanco | Sauza Tequila Extra Gold | Stolichnaya | Stolichnaya Ohrang | Stolichnaya Razberi | Stolichnaya Vanil

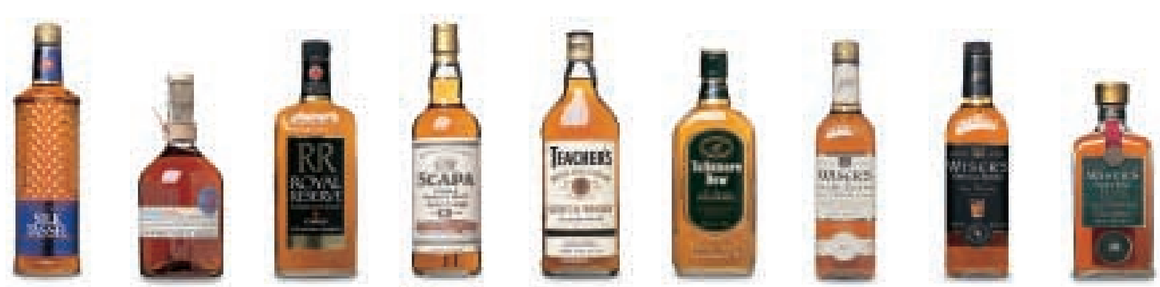
Corby's Polar Ice is the fastest-growing Top 10 vodka in Canada, increasing sales in 2001 by 27% to become the fifth best-selling vodka in the country. Corby's vodka portfolio was enhanced this year by the Stolichnaya, Belvedere and Chopin premium and super premium brands. Beefeater was again one of the leading imported dry gins, while the Lamb's family remains the third best-selling rum in Canada, with Palm Breeze the #1 amber rum in the country.

Corby continues to invest in Polar Ice as Canada's fastest-growing Top 10 vodka brand within a vodka portfolio that covers all consumer needs, from economy to super premium. Polar Ice vodka's stylish and distinctive new packaging meets retailers' desire for a sophisticated product and positions Corby well to build on our growing profile in the huge American market for premium vodka.

Ballantine's Finest | Canadian Club | Canadian Club Classic | The Glendronach | Gooderham & Worts Ltd. | Hiram Walker Special Old | Laphroaig | Lot No. 40 | Maker's Mark

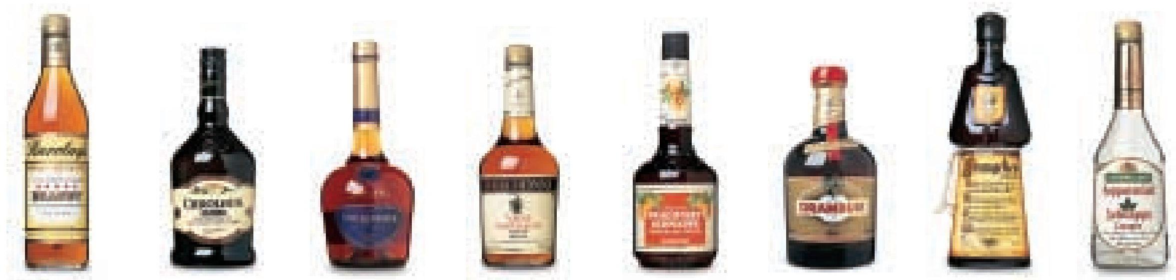
Canadian Club showed strong growth at 7% among targeted 19 to 35-year-old rye drinkers. The Wiser's portfolio was repositioned at a more premium price and was also up, led by 6% sales growth for Wiser's Special Blend. We maintained a dominant share of Canadian whisky sales at 41%. Corby also holds 14% of the Scotch whisky segment in Canada, where Ballantine's Finest is the fastest-growing Scotch.

Whiskies



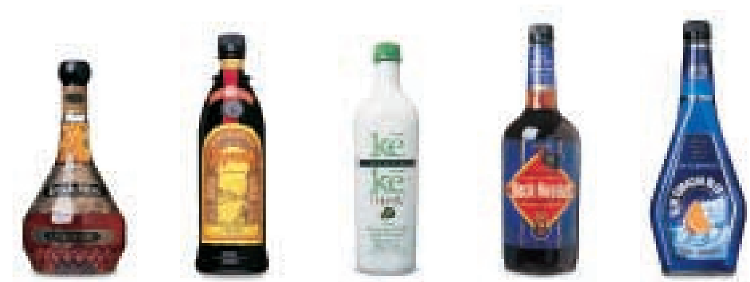
McGuinness Silk Tassel | Pike Creek | Royal Reserve | Scapa | Teacher's Highland Cream | Tullamore Dew | Wiser's De Luxe | Wiser's Special Blend | Wiser's Very Old

Our sophisticated market research is giving us key insights into the preferences of rye consumers. Canadian Club remains our strongest brand asset and will attract even more 19 to 29-year-old consumers with its "151 Countries. 1 Rye" advertising and promotional campaign. Rye drinkers will also be encouraged to trade up to the more premium, full-flavoured Wiser's Deluxe, also from Corby's whisky portfolio.



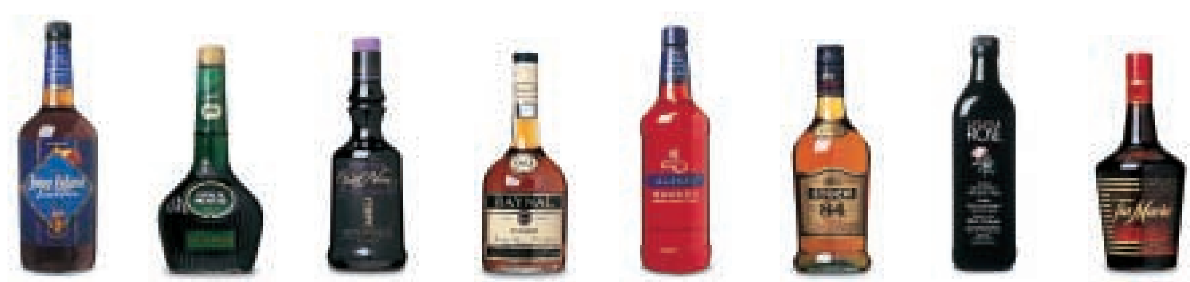
Barclay's | Carolans Irish Cream | Courvoisier | D'Eaubonne V.S.O.P. Napoleon | De Kuyper Peachtree Schnapps | Drambuie | Frangelico | Hiram Walker Peppermint Schnapps

Liqueurs and Eaux de vie

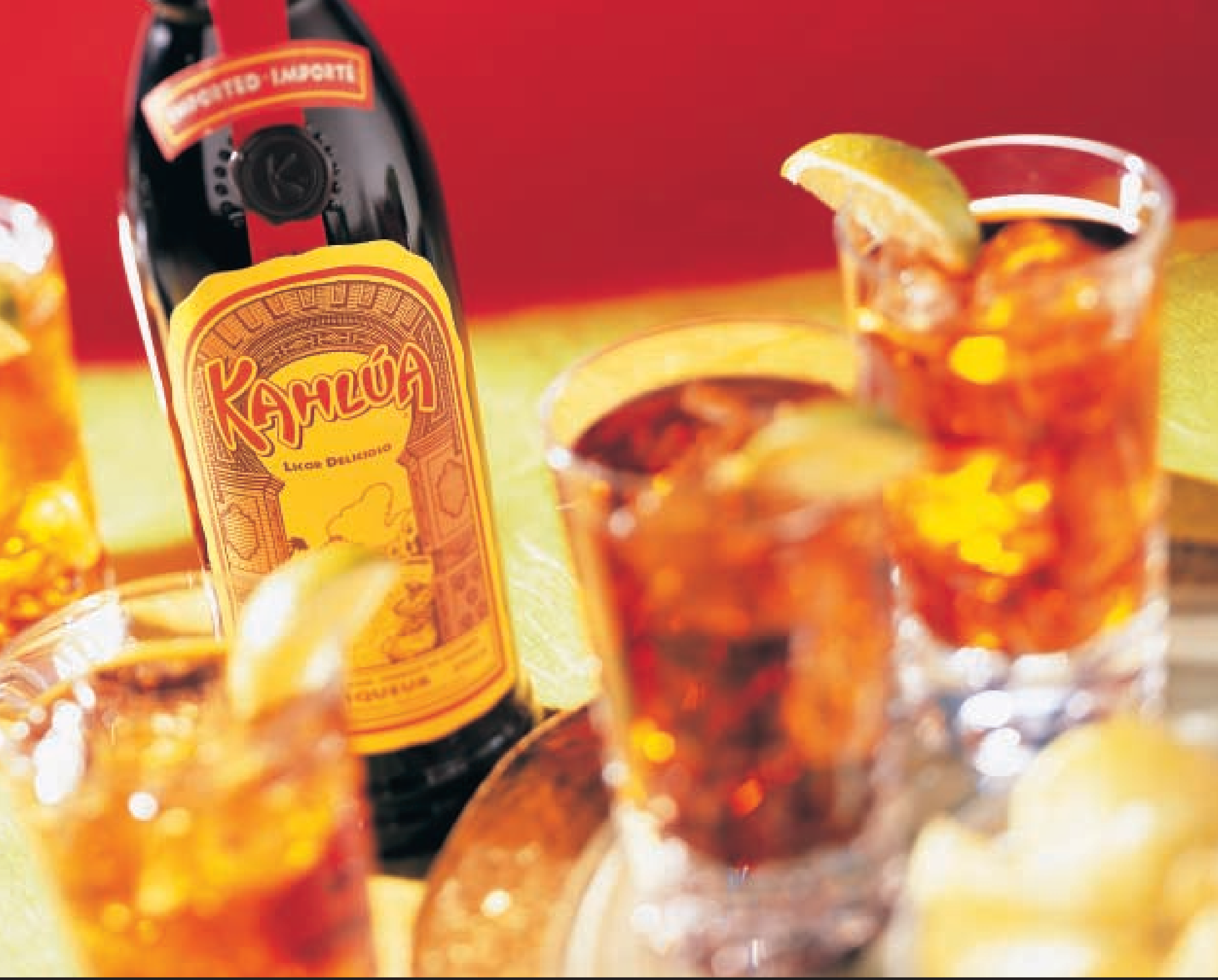


Irish Mist | Kahlúa | Kèkè Beach | McGuinness Black Russian | McGuinness Blue Curaçao

Corby leads the market with a 32% share of liqueurs and a strong 19% share of brandy and cognac. Kahlúa remains a powerful brand in the Corby liqueur and eau de vie portfolio – sales were up 2.5% in 2001 – and Kahlúa's potential as a mixable spirit is only beginning to be tapped. Courvoisier, Tia Maria, Carolans, McGuinness, Drambuie, and Tequila Rose bring international range and marketing depth to the Corby portfolio.

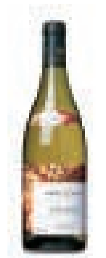


McGuinness Long Island Iced Tea | Meaghers Crème de Menthe | Opal Nera | Raynal Napoleon V.S.O.P. | Shocktales Broken Down Golf Cart | Stock 84 | Tequila Rose | Tia Maria



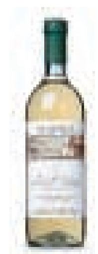
Kahlúa is reaching more and more 19 to 35-year-old consumers with its youthful "Primal Spirit" appeal. The brand's refreshing mixability, especially in combination with soda, is now highlighted through increased on-premise sampling supported by refocused television advertising.

Vintages

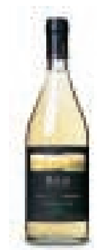


Albert Bichot
Chablis

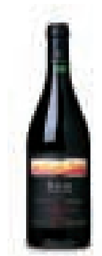
Albert Bichot
Pinot Noir



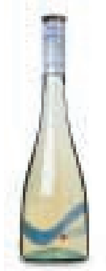
Aliança
Vinho Verde



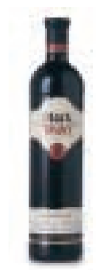
Balbi
Chenin Blanc



Balbi
Malbec Syrah



The Bend
in the River

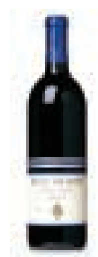


Black Tower

Calvet
Cabernet Sauvignon

Calvet
Reserve Bordeaux
Red

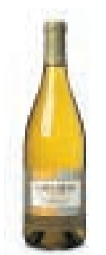
Calvet
Reserve Bordeaux
White



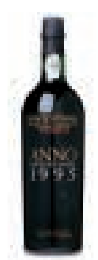
Clos du Bois
Merlot

Clos du Bois
Sauvignon Blanc

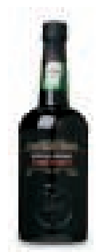
Coastal
Cabernet
Sauvignon



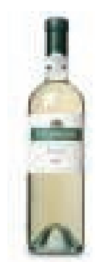
Coastal
Chardonnay



Cockburn's Anno



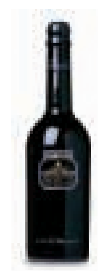
Cockburn's
Special Reserve



Folonari
Soave

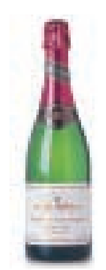
Folonari
Valpolicella

Freixenet

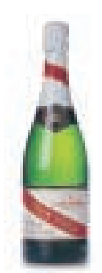


Harveys
Bristol Cream

Harveys
Isis



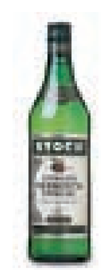
Mumm
Carte Classique



Mumm
Cordon Rouge

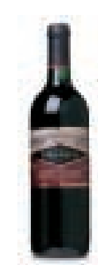
Ruffino
Chianti Classico

Ruffino
Fonte al Sole

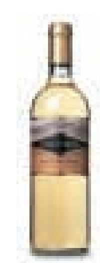


Stock
Extra Dry
Vermouth

Stock
Italian Vermouth

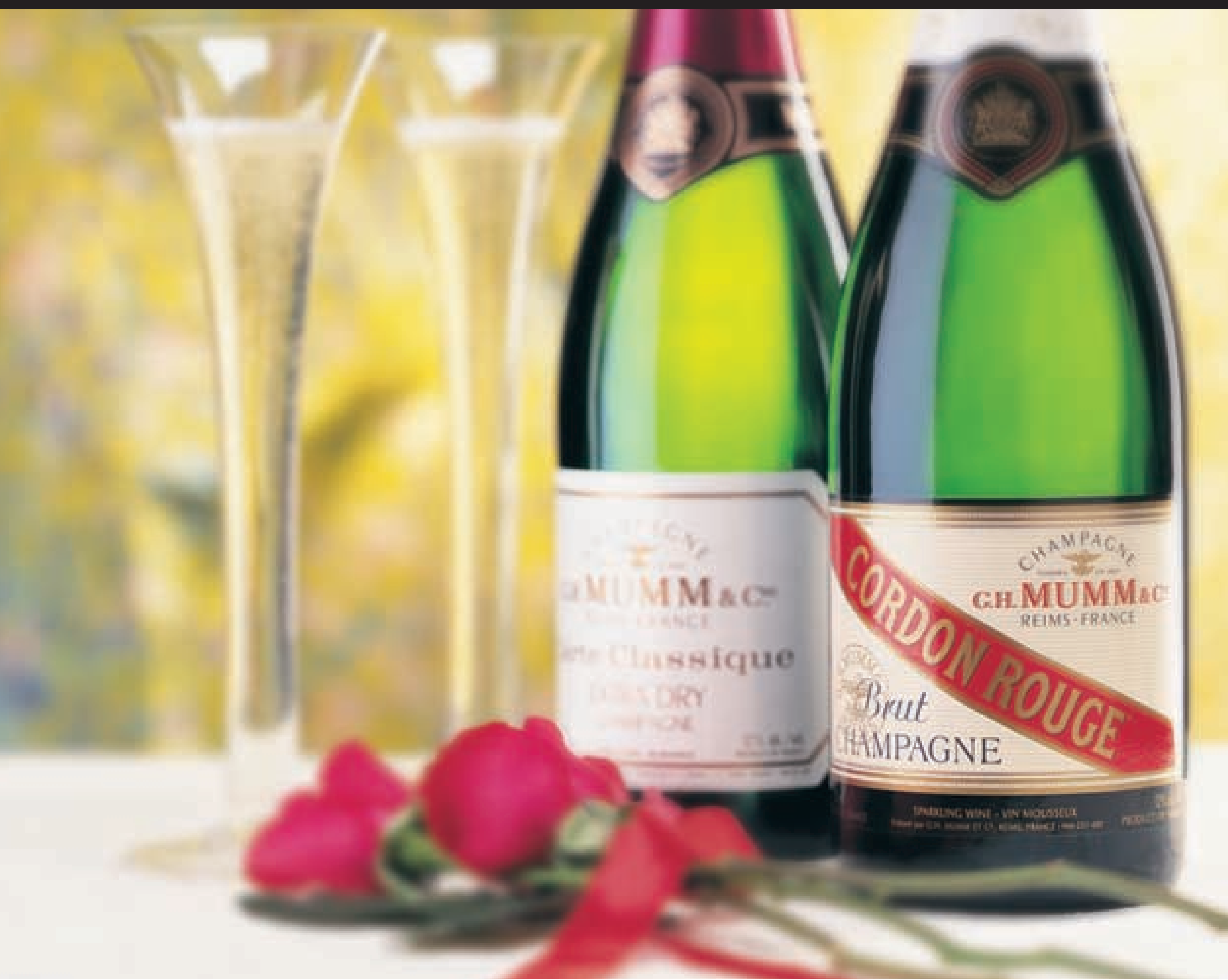


Tarapaca
Cabernet
Sauvignon



Tarapaca
Sauvignon
Blanc

Corby is a leading importer of fine wines to Canada, with over 1 million cases shipped last year. Corby is using its broad portfolio strength – enhanced in 2001 by the addition of the prestigious Mumm's champagne label – to leverage its presence in licensee and retail sales channels. Where penetration of our spirits is strong, we work to raise the profile of our wines. With other licensees and retailers, we use Corby's prestigious wine labels to create opportunities for our industry-leading spirits brands.



Management's Discussion and Analysis

Financial Review
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Corby Management Team

David Stainton *Legal Counsel*

Howard Kirke *Vice President, International Markets*

Brenda M. Brown *Vice President, Human Resources, and Corporate Secretary*

John Nicodemo *CFO, Vice President, Finance & Commercial Services*

Mike Minchin *Vice President, Marketing*

Andy Alexander *Vice President, Sales*

Overview

The Corporation continues in its successful efforts to build powerful, exciting brands that drive profitable growth with strong, consistent cash flows both in Canada and internationally. Underpinning this strategy is the Corporation's Statement of Intent ("SOI"), which was developed last year as the road map for defining Corby as a dynamic, marketing-led brands company.

Important Events

The Corporation's shipment patterns to customers returned to normal seasonal levels in fiscal 2001, after a decision was made to reduce inventory levels at the liquor boards in fiscal 2000. This action was reflected in fiscal 2001 performance numbers, which showed a 6% increase in shipment volumes and a 10% increase in sales revenue over fiscal 2000. Prior year's sales revenue was down 8% as a result of the decision to reduce shipments.

Financial Results

Net earnings amounted to $28.5 million or $4.06 per share for fiscal 2001 compared with $20.4 million or $2.91 per share for fiscal 2000. This increase of 40% represents a combination of a return this year to regular customer shipment patterns, organic growth in over the counter sales to consumers and a reduction in financing costs and in the Corporation's effective tax rate.

Total operating revenue, consisting of sales revenue and commission income, amounted to $101.2 million for fiscal 2001 compared with $93.4 million for fiscal 2000 – an increase of over 8%. A significant amount of this increase was due to the return to regular customer shipment patterns in fiscal 2001. The Corporation's consolidated gross profit margins decreased to 57.8% from 59.5%, primarily as a result of increases in the cost of aged Canadian whiskies during the year. Earnings from operations were up 13% in fiscal 2001 compared with fiscal 2000 results, which included restructuring costs of $1.2 million.

Marketing, sales and administration expenses in fiscal 2001 amounted to $31.1 million compared with $30.2 million for fiscal 2000 – an increase of 3%. More specifically, brand advertising and promotion expenditure increased by 6% compared to last year. This is a direct result of the Corporation's decision to continue investing in its core brands in the form of advertising, promotion and new product development. As an example, in fiscal 2001, the Corporation nearly doubled its advertising and promotion investment behind Polar Ice vodka. This increase in spending contributed to the brand's 27% growth at the consumer level. As a result, Polar Ice is one of the fastest-growing spirit brands in Canada.

Equity earnings from the Tia Maria Group were up 5% for the fiscal year compared to last year, primarily as a result of strong sales in Spain and the United Kingdom.

Interest expense decreased by $1.1 million in fiscal 2001 compared to fiscal 2000, as a result of continued reduction in the Corporation's long-term debt combined with lower cost of borrowings during the year.

The income tax provision for fiscal 2001 amounted to $8.4 million compared with $11.4 million for fiscal 2000. The tax provisions reflect effective tax rates of 23% and 36% for fiscal 2001 and 2000, respectively. The decline in the effective tax rate is a result of the Corporation's prudent management and planning of its income tax position.

Cash Flow Analysis

The Corporation's operating activities contributed $24.4 million of cash for fiscal 2001 compared with $24.1 million for fiscal 2000. Contributing to the increase in cash flow from operating activities was the increase in net earnings for the year.

Cash used in financing and investing activities of $27.7 million was primarily for the payment of regular dividends of $2.00 per share or $14.1 million. Long-term debt was reduced by $13.0 million compared to $8.0 million in fiscal 2000.

Balance Sheet

Working capital of $58.2 million as at August 31, 2001, compares with $62.2 million as at August 31, 2000. Working capital movements occurred within accounts receivable, where there was a decline of trade receivables of $2.4 million compared to last year. This decrease related to continued improvements in collection efficiencies. Trade payables and other accruals also decreased by $1 million compared to last year. This decrease was due primarily to the elimination of corporate restructuring provisions at the year end.

During fiscal 2001, the Corporation borrowed $152.5 million from Allied Domecq PLC and invested $152.5 million in the form of an interest-bearing debt instrument to Allied Domecq USA, an operating subsidiary of Allied Domecq PLC. The amount due to Allied Domecq PLC is without recourse and is secured by the capital of Allied Domecq USA.

Pre-tax return on average capital employed amounted to 40.4% for fiscal 2001 compared with 34.9% for fiscal 2000.

Shareholders' equity as at August 31, 2001, amounted to $72.9 million compared with $57.3 million as at August 31, 2000. The Corporation's return on average shareholders' equity amounted to 43.8% compared with 37.0% a year earlier.

Outlook

Consistent with the Corporation's S.O.I., we will continue to increase our advertising and promotion investment behind our key core brands in Canada. This will include developing, for the first time, television advertisements for Polar Ice vodka and Wiser's whisky. It is the Corporation's objective to deliver above-average industry growth on our key core brands through more targeted and effective advertising and promotion spend.

We will be looking for continued expansion of our export business which, last year, generated over 3% of Corby's gross operating revenue. Growth in exports will continue to be led by Polar Ice in the United States.

Operational cash flows are expected to remain strong as the Corporation continues to improve its cash collection efficiencies and reduce its working capital requirements.

The Corporation is positioned and committed to managing through the effects of the weakening North American economy.

Management's and Auditors' Reports

Management's Responsibility for Consolidated Financial Statements

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

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

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

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Corby Distilleries Limited as at August 31, 2001, and August 31, 2000, and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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 Corporation as at August 31, 2001, and August 31, 2000, and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

KPMG LLP

KPMG LLP
Chartered Accountants, Toronto, Canada, October 31, 2001

Consolidated Statements of Earnings

For the years ended August 31 (in thousands of dollars, except share amounts)	2001	2000
Operating revenue		
Sales	$ 85,556	$ 77,751
Commissions	15,653	15,637
Total operating revenue	101,209	93,388
Operating costs		
Cost of sales	36,101	31,497
Marketing, sales and administration	31,055	30,231
Amortization	1,155	1,122
Restructuring activities (note 3)	–	1,200
Loss on disposal (note 7)	–	206
Total operating costs	68,311	64,256
Earnings from operations	32,898	29,132
Equity in net earnings of companies subject to significant influence	5,211	4,965
Interest expense, net	(1,152)	(2,238)
Earnings before income taxes	36,957	31,859
Income taxes (note 4)	8,417	11,437
Net earnings	$ 28,540	$ 20,422
Net earnings per share	$ 4.06	$ 2.91

Consolidated Statements of Retained Earnings

For the years ended August 31 (in thousands of dollars)	2001	2000
Retained earnings – beginning of year	$ 48,629	$ 42,245
Net earnings	28,540	20,422
Dividends declared and paid	14,067	14,038
Retained earnings – end of year	$ 63,102	$ 48,629

See accompanying notes to consolidated financial statements.

Consolidated Cash Flow Statements

For the years ended August 31 (in thousands of dollars)	2001	2000
Cash flows from (used in) operating activities		
Net earnings	$ 28,540	$ 20,422
Amortization	1,155	1,122
Future income taxes	(35)	960
Equity earnings in excess of dividends received	(5,211)	(2,697)
Employee future benefits	(696)	519
Loss on disposal (note 7)	–	206
Changes in non-cash working capital (note 5)	677	3,549
Cash flows from operating activities	24,430	24,081
Cash flows from (used in) investment activities		
Additions to capital assets	(984)	(1,056)
Proceeds on disposal of capital assets, net	–	896
Loan to affiliated company	(152,500)	–
Cash flows used in investment activities	(153,484)	(160)
Cash flows from (used in) financing activities		
Dividends paid	(14,067)	(14,038)
Loan from affiliated company	152,500	–
Payment of long-term debt	(13,000)	(8,000)
Proceeds on issuance of capital stock	370	489
Cash flows from (used in) financing activities	125,803	(21,549)
Net increase / (decrease) in cash equivalents*	(3,251)	2,372
Cash equivalents* beginning of year	(42)	(2,414)
Cash equivalents* end of year	$ (3,293)	$ (42)

*Cash equivalents comprised of bank indebtedness.

Supplemental Cash Flow Information

For the years ended August 31 (in thousands of dollars)	2001	2000
Income taxes paid	$ 10,800	$ 12,985
Interest paid	$ 11,775	$ 2,062
Dividends received	$ –	$ 2,181
Interest received	$ 10,531	$ 167

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

As at August 31 (in thousands of dollars)	2001	2000
ASSETS		
Current assets		
Accounts receivable	$ 20,427	$ 20,640
Inventories	45,323	43,137
Prepaid expenses	1,902	2,188
Future income taxes (note 4)	139	203
	67,791	66,168
Long-term investments	20,943	14,944
Capital assets (note 7)	6,184	6,113
Loan to affiliated company (note 6)	152,500	–
Employee future benefits (note 8)	2,904	2,208
Goodwill, net of accumulated amortization	4,476	4,718
(Accumulated amortization: 2001 – $2,198; 2000 – $1,956)		
	$ 254,798	$ 94,151
LIABILITIES		
Current liabilities		
Bank indebtedness	$ 3,293	$ 42
Accounts payable and accrued liabilities	3,921	3,907
Income and other taxes payable	2,360	10
	9,574	3,959
Long-term debt (note 9)	18,000	31,000
Loan from affiliated company (note 6)	152,500	–
Future income taxes (note 4)	1,778	1,877
	181,852	36,836
SHAREHOLDERS' EQUITY		
Share capital (note 10)	10,626	10,256
Retained earnings	63,102	48,629
Cumulative translation adjustments (note 11)	(782)	(1,570)
	72,946	57,315
	$ 254,798	$ 94,151

See accompanying notes to consolidated financial statements.

Signed on behalf of the Board

George F. McCarthy
Director

Robert L. Llewellyn
Director

Notes To Consolidated Financial Statements

For the years ended August 31, 2001 and August 31, 2000

Note 1. Summary of Significant Accounting Policies

Corby Distilleries Limited (the "Corporation") accounting policies conform with accounting principles generally accepted in Canada and are summarized below:

Consolidation

The consolidated financial statements include the accounts of all subsidiaries.

Revenue Recognition

Sales and commissions are recognized upon shipment of product to the customer.

Foreign Currency Translation

The foreign companies in which the Corporation has long-term investments are of a self-sustaining nature. Unrealized gains or losses on translation are shown as a separate component in shareholders' equity. These are calculated by translating assets and liabilities at the exchange rates in effect at the balance sheet dates and by translating revenues and expenses at the average exchange rates for the periods.

The monetary assets and liabilities of the Corporation which are denominated in foreign currencies 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 recognized currently in earnings.

Inventories

Inventories are stated at average cost not exceeding net realizable value. They include barreled whiskies which will remain in storage over a period of years, but which are classified as current assets in accordance with the general practice of the distilling industry.

Long-term Investments

The Corporation's 45% equity in the Tia Maria Group of companies, over which it exercises significant influence, is accounted for using the equity method. Under this method, the original cost of the shares is adjusted for the Corporation's share of post-acquisition earnings or losses, less dividends.

Capital Assets

Buildings and machinery and equipment are carried at cost, less accumulated amortization. Amortization is provided for on the straight-line basis over periods of one to forty years depending on the nature of the asset. One-half rates are applied to assets in the year of acquisition.

Goodwill

Goodwill, representing the excess of acquisition costs over amounts assigned to net identifiable assets of companies acquired, is amortized on the straight-line basis over periods of twenty-five to forty years and written down when there has been a permanent impairment in value. The Corporation assesses, at each balance sheet date, whether there has been a permanent impairment in the value of goodwill by determining whether projected undiscounted future operating results exceed the net book value of goodwill as of the assessment date.

Stock Based Compensation Plans

The Corporation has a stock based compensation plan, which is described in Note 10. No compensation expense is recognized for this plan when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock or stock option canceled is charged to retained earnings.

Employee Future Benefits

The Corporation accrues its obligations under employee benefit plans and the related costs, net of plan assets. The Corporation has the following policies:

(a) 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.

(b) For the purpose of calculating the expected return on plan assets, those assets are valued at fair values.

(c) Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Income Taxes

The Corporation accounts for income taxes under the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Measurement Uncertainty

The preparation of the 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 period. Actual results could differ from those estimates.

Note 2. Related Party Transactions

Hiram Walker & Sons Limited, a wholly owned subsidiary of Allied Domecq PLC, owns in excess of 50% of the issued voting common shares of the Corporation and is thereby considered to be the Corporation's parent. In addition to information provided in Note 6, transactions and balances with parent and affiliated companies include the following:

Commercial Transactions (in thousands of dollars)			Amount of the Transactions	
			2001	2000
Nature of transaction	Nature of relationship	Financial statement category		
I. The Corporation renders blending and bottling services	Parent company	Sales	$ 995	$ 694
II. The Corporation sells certain of its products for resale at an export level	Common control companies	Sales	$ 75	$ 133
III. The Corporation renders services, as the sole and exclusive representative, for purposes of marketing and sales of beverage alcohol products in Canada	Parent company, companies subject to significant influence, ultimate parent company and common control companies	Commissions	$ 9,894	$ 9,893
IV. The Corporation sub-contracts virtually all of its distilling, blending, bottling, storing and production administration activities	Parent company	Cost of sales/Inventories	$ 17,998	$ 13,134
V. The Corporation sub-contracts an important portion of its bookkeeping, record keeping services, certain administrative services, related data processing and maintenance of data processing activities	Parent company	Marketing, sales and administration	$ 1,909	$ 1,777
VI. The Corporation re-negotiated its agreements for transactions in sections III, IV and V. In fiscal 2001, substantially all of the costs associated with the re-negotiation were allocated to III and IV described above	Parent company	Marketing, sales and administration	$ 112	$ 1,238

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, V, and VI above are covered under the terms of agreements with related parties which expired on September 30, 2001. These agreements included a non-competition clause whereby the Corporation ceded its rights to sell beverage alcohol in bulk in favour of its parent company. The Corporation and the related parties are currently negotiating an extension of these agreements.

Financial Transactions (in thousands of dollars)			Amount of the Transactions 2001	2000
Nature of transaction	Nature of relationship	Financial statement category		
The Corporation invested its surplus cash in the form of interest bearing advances	Common control company	Interest	$ –	$ 167

Interest on advances is determined based on the average 30-day bankers' acceptance interest rate.

Balances As at August 31 (in thousands of dollars)	2001	2000
Amounts included in Accounts Receivable		
Common control companies	$ 971	$ 400
	$ 971	$ 400

Amounts included in Accounts Payable and Accrued Liabilities		
Parent company	$ 1,663	$ 110
Common control companies	1,648	1,925
	$ 3,311	$ 2,035

Note 3. Restructuring Activities

In fiscal 2000, the Corporation re-aligned its sales force and executive team. As a result, the total charge to earnings for restructuring in fiscal 2000 was $1,200,000, which included an accrual of $784,000 as at August 31, 2000.

Note 4. Income Taxes

For the years ended August 31 (in thousands of dollars)	2001	2000
Current	$ 8,452	$ 10,477
Future	(35)	960
	$ 8,417	$ 11,437

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

For the years ended August 31 (in thousands of dollars)	2001	2000
Future Tax Assets		
Accounts payable and accrued liabilities	$ 139	$ 203
	$ 139	$ 203

Future Tax Liabilities		
Employee future benefits	$ (1,360)	$ (1,102)
Capital assets	(418)	(775)
	$ (1,778)	$ (1,877)

The effective tax rate of 23% for the year ended August 31, 2001 and 36% for the year ended August 31, 2000 differ from the basic Federal and Provincial rates due to the following:

For the years ended August 31	2001	2000
Combined basic Federal and Provincial tax rates	42%	43%
Equity in net earnings of companies subject to significant influence	(6%)	(7%)
Income not subject to tax	(12%)	–
Reduction in corporate income tax rates	(1%)	–
	23%	36%

Note 5. Changes in Non-Cash Working Capital

For the years ended August 31 (in thousands of dollars)	2001	2000
(Increase) decrease in		
Accounts receivable	$ 213	$ 10,331
Inventories	(2,186)	1,125
Prepaid expenses	286	659
Increase (decrease) in		
Accounts payable and accrued liabilities	14	(6,838)
Income and other taxes payable	2,350	(1,728)
	$ 677	$ 3,549

Note 6. Loan To/From Affiliated Company

The loan from an affiliated company represents a debt instrument from Allied Domecq PLC. The loan to an affiliated company represents an investment in the form of an interest bearing debt instrument to Allied Domecq USA, an operating subsidiary of Allied Domecq PLC.

The amount due to affiliated company bears interest at 7.66%, has no fixed terms of repayment, is without recourse and is secured by the capital of Allied Domecq USA. Interest expense for the year was $10,028,000.

The amount due from affiliated company bears interest at 7.91% and has no fixed terms of repayment. Income for the year was $10,358,000.

Note 7. Capital Assets

As at August 31 (in thousands of dollars)	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Land	$ 638	$ –	$ 638	$ 638
Buildings	5,561	3,644	1,917	2,021
Machinery and equipment	10,713	7,084	3,629	3,454
	$ 16,912	$ 10,728	$ 6,184	$ 6,113

In fiscal 2000, the Corporation sold its asset held for resale for a cash consideration before selling expenses of $950,000, which resulted in a loss on disposal of $206,000.

Note 8. Employee Future Benefits

The Corporation has three defined benefit plans for executives and salaried employees. Benefits under these plans are based on years of service and compensation levels.

	Pension Benefit Plan Salaried and Executive	Pension Benefit Plan SERP	Other Benefit Plan	Total Future Benefit Plan
Benefit Obligation				
Balance - 09/01/00	$ 31,388	$ 3,964	$ 7,686	$ 43,038
Current service cost	616	183	158	957
Past service cost	–	–	–	–
Interest cost	2,042	268	508	2,818
Plan amendments	–	48	–	48
Employee contributions	102	–	–	102
Benefits paid	(2,887)	(168)	(646)	(3,701)
Actuarial loss	720	150	212	1,082
Balance - 08/31/01	$ 31,981	$ 4,445	$ 7,918	$ 44,344
Fair Value of Plan Assets				
Balance - 09/01/00	$ 49,932	$ 2,380	$ –	$ 52,312
Actual return on plan assets	(4,824)	(673)	–	(5,497)
Employer contributions	–	168	–	168
Employee contributions	102	–	–	102
Benefits paid	(2,887)	(168)	–	(3,055)
Actual plan expenses	(426)	–	–	(426)
Balance - 08/31/01	$ 41,897	$ 1,707	$ –	$ 43,604
Funded Status: Surplus (deficit)	$ 9,916	$ (2,738)	$ (7,918)	$ (740)
Unrecognized net transistion obligation (asset)	(4,969)	224	6,839	2,094
Unamortized past service cost	351	46	–	397
Unamortized net actuarial loss	354	587	212	1,153
Accrued benefit asset (liability)	$ 5,652	$ (1,881)	$ (867)	$ 2,904
Other Information				
(Income)/expense recognized in current year	$ (1,013)	$ 289	$ 700	$ (24)
Amortization of transitional obligation (asset)	(175)	44	368	237
Amortization of past service costs	22	2	–	24
Amortization of actuarial loss (gain)	(537)	(6)	–	(543)
Discount rate (beginning)	6.75%	6.75%	6.75%	6.75%
Discount rate (ending)	6.50%	6.50%	6.50%	6.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Expected rate of return on plan assets	8.00%	8.00%	–	8.00%

The assumed average health care cost trend rate at August 31, 2001 was 6.2%, decreasing to 4.5% over the next five years.

Note 8. Employee Future Benefits (continued)

	Pension Benefit Plan Salaried and Executive	Pension Benefit Plan SERP	Other Benefit Plan	Total Future Benefit Plan
Benefit Obligation				
Balance - 09/01/99	$ 31,675	$ 3,301	$ 7,643	$ 42,619
Current service cost	656	119	148	923
Past service cost	387	–	–	387
Interest cost	2,097	223	505	2,825
Plan amendments	–	–	–	–
Employee contributions	84	–	–	84
Benefits paid	(3,511)	(155)	(610)	(4,276)
Actuarial loss	–	476	–	476
Balance - 08/31/00	$ 31,388	$ 3,964	$ 7,686	$ 43,038
Fair Value of Plan Assets				
Balance - 09/01/99	$ 40,765	$ 1,743	$ –	$ 42,508
Actual return on plan assets	13,193	637	–	13,830
Employer contributions	–	155	–	155
Employee contributions	84	–	–	84
Benefits paid	(3,511)	(155)	–	(3,666)
Actual plan expenses	(599)	–	–	(599)
Balance - 08/31/00	$ 49,932	$ 2,380	$ –	$ 52,312
Funded Status: Surplus (deficit)	$ 18,544	$ (1,584)	$ (7,686)	$ 9,274
Unrecognized net transistion obligation (asset)	(5,144)	268	7,207	2,331
Unamortized past service cost	373	–	–	373
Unamortized net actuarial loss	(9,671)	(99)	–	(9,770)
Accrued benefit asset (liability)	$ 4,102	$ (1,415)	$ (479)	$ 2,208
Other Information				
(Income)/expense recognized in current year	$ (168)	$ 229	$ 654	$ 715
Amortization of transitional obligation (asset)	(343)	16	402	75
Amortization of past service costs	14	–	–	14
Amortization of actuarial loss (gain)	–	–	–	–
Discount rate (beginning)	6.75%	6.75%	6.75%	6.75%
Discount rate (ending)	6.75%	6.75%	6.75%	6.75%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Expected rate of return on plan assets	8.00%	8.00%	–	8.00%

The assumed average health care cost trend rate at August 31, 2000 was 6.5%, decreasing to 4.5% over the next six years.

Note 9. Long–Term Debt

As at August 31 (in thousands of dollars)	2001	2000
Bankers' acceptance, interest rate of 4.0% (August 2000 - 5.8%)	$ 18,000	$ 31,000

Bankers' acceptance are borrowings under a committed revolving bank credit facility that provides the Corporation the right to borrow up to $50 million at the bankers' acceptance floating rates repayable in full on March 20, 2005. Interest expense on long-term debt for the year was $1,548,000 (2000 - $2,005,000).

Note 10. Share Capital

As at August 31 (in thousands of dollars, except number of shares)	2001	2000
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	6,068,580	6,068,580
Non-voting Class B Common Shares - beginning of year	953,721	937,031
Non-voting Class B Common Shares - issued during the year	12,850	16,690
Non-voting Class B Common Shares - end of year	966,571	953,721
	7,035,151	7,022,301
	$ 10,626	$ 10,256

In prior years, the Corporation established a Non-voting Class B Common Share Option Plan and set aside 200,000 Non-voting Class B Common Shares. Through the Share Option Plan, options may be granted to officers and employees for the purchase of Non-voting Class B Common Shares. Options are granted at prices equal to the closing market value on the last trading day prior to the grant and are exercisable from six to nine years from the date of vesting. Options vest from one to four years after the grant date. The issuance of all the reserved shares under the Plan would not have a material dilutive effect on the Corporation's earnings per share. During the year, 12,850 options were exercised for total proceeds of approximately $370,000.

Note 10. Share Capital (continued)

A summary of the status of the stock option plan and changes during the year is presented below:

As at August 31		Options 2001		Weighted Average Exercise Price 2001		Options 2000		Weighted Average Exercise Price 2000
Outstanding, beginning of year	$	81,425	$	41.29	$	76,855	$	37.27
Granted		48,650		49.75		29,300		46.75
Exercised through the purchase option		(12,850)		28.82		(16,690)		29.33
Cancelled		(14,925)		49.99		(8,040)		47.61
Outstanding, end of year	$	102,300	$	46.11	$	81,425	$	41.29

As at August 31	Number Outstanding 2001	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price	Number Exercisable 2001		Weighted Average Exercise Price
Range of Exercise Price							
$16.89 - $22.17	3,280	0.6	$	19.46	3,280	$	19.46
$25.89 - $29.78	14,620	3.8	$	27.66	14,620	$	27.66
$46.25 - $67.00	84,400	9.2	$	50.04	15,625	$	51.61

Note 11. Cumulative Translation Adjustments

For investments in self-sustaining operations, cumulative translation adjustments represent the unrealized gain or loss on the Corporation's net investment in foreign companies. These valuation adjustments are recognized in earnings only when there is a reduction in the Corporation's investment in the respective foreign companies.

As at August 31 (in thousands of dollars)		2001		2000
Balance - beginning of year	$	(1,570)	$	(105)
Translation adjustments of long-term investments		788		(1,465)
Balance - end of year	$	(782)	$	(1,570)

Note 12. Financial Instruments

Credit Risk

The Corporation's accounts receivable are substantially with Provincial liquor boards which virtually eliminate credit risk.

Fair Values

The financial instruments used by the Corporation are limited to short-term financial assets and liabilities, long-term debt and loans to/from affiliates. Short-term financial assets are comprised of accounts receivable. Short-term financial liabilities are comprised of bank indebtedness, accounts payable and accrued liabilities. The carrying amounts of these short-term assets and liabilities are a reasonable estimate of the fair values, given the short-term maturity of those instruments. Long-term debt is comprised of bankers' acceptance, the carrying values of which approximate their fair values since they bear interest at a current interest rate. The loans to/from affiliates are carried at values which approximate fair values, since they bear interest rates consistent with similar securities.

Note 13. Commitments

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

As at August 31 (in thousands of dollars)	2001
2002	$ 1,046
2003	1,017
2004	864
2005	651
2006	454
Thereafter	948
	$ 4,980

Note 14. Segmented Information

The Corporation's activities are comprised of the production of spirits, along with the distribution of spirits, imported wines and liqueurs. In fiscal 2001 commissions from the distribution of imported wines accounted for 5.7% of gross operating revenue (fiscal 2000 – 5.0%)

For the year ended August 31, 2001 and the year ended August 31, 2000, the Corporation's gross revenue and identifiable assets are all attributable to its domestic Canadian operations. Export sales account for less than 10% of gross operating revenue. The Corporation's equity in net earnings of companies subject to significant influence is derived principally from European based operations.

In fiscal 2001, sales to three major customers accounted for 39%, 16% and 12%, respectively, of gross operating revenue (fiscal 2000 – 28%, 14% and 12%).

Note 15. Comparative Figures

Certain 2000 figures have been reclassified to conform with the financial statement presentation adopted in 2001.

Ten-Year Review

	Year ended August 31						Six months ended August 31	Year ended February 28/29			
	2001	2000	1999	1998	1997	1996	1995	1995*	1994*	1993	1992
Results (in millions of dollars)											
Gross operating revenue	101.2	93.4	101.1	97.2	92.1	84.5	40.6	88.4	93.4	99.5	100.3
Earnings from operations	32.9	29.1	30.1	30.1	32.4	30.4	12.5	33.4	35.6	42.4	16.6
Earnings before extraordinary item excluding after-tax restructuring costs	28.5	21.2	25.7	30.5	29.2	26.7	12.4	28.4	32.4	34.7	28.0
Net earnings	28.5	20.4	22.8	27.8	28.5	26.7	12.4	28.6	30.0	34.7	15.5
Cash provided from operations	24.4	24.1	17.2	32.0	21.3	22.4	14.0	22.3	17.6	37.5	26.5
Year-end position (in millions of dollars)											
Working capital	58.2	62.2	64.0	62.8	92.1	90.4	79.8	62.8	49.2	146.9	121.8
Total assets	254.8	94.2	107.4	101.7	161.9	144.1	120.8	115.5	209.5	191.4	167.0
Long-term debt	18.0	31.0	39.0	43.0	–	–	–	–	–	–	–
Shareholders' equity	72.9	57.3	53.1	44.8	144.6	128.7	109.9	104.1	81.4	173.3	147.3
Per common share (in dollars)											
Net earnings before extraordinary item excluding after-tax restructuring costs	4.06	3.02	3.67	4.37	4.16	3.77	1.75	4.02	4.62	4.94	4.01
Net earnings	4.06	2.91	3.25	3.98	4.06	3.77	1.75	4.05	4.27	4.94	2.22
Cash provided from operations	3.46	3.43	2.45	4.59	3.03	3.17	1.98	3.16	2.50	5.33	3.78
Shareholders' equity	10.37	8.16	7.58	6.41	20.76	18.20	15.56	14.76	11.54	24.67	21.01
Special dividend paid	–	–	–	16.50	–	–	–	–	16.50	–	–
Dividends paid	2.00	2.00	2.00	1.70	1.28	1.24	0.62	1.15	1.12	1.07	0.88
Market value per common share (in dollars)											
High	67.50	84.00	88.00	76.50	58.00	46.00	38.00	40.00	58.13	54.00	56.00
Low	45.10	44.50	67.00	54.75	40.75	37.75	31.50	33.00	37.13	42.00	35.00
Close at end of year	64.05	49.80	70.00	73.00	55.00	43.00	37.75	33.75	37.13	48.25	51.00
Other statistics											
Working capital ratio	7.1	16.7	5.3	6.1	7.1	7.8	9.7	7.3	1.4	9.2	7.4
Pre-tax return on average capital employed	40.4	34.9	38.6	34.3	31.6	33.6	44.8	45.8	38.0	35.4	17.5
Earnings from operations as a % of gross revenue	32.5	31.2	29.8	31.0	35.2	36.0	30.7	37.8	38.1	42.6	16.5
Return on average shareholders' equity	43.8	37.0	46.5	29.3	20.9	22.3	30.3	30.8	23.6	21.6	10.9
Number of shareholders	813	855	891	933	985	1,068	1,136	1,174	1,192	1,308	1,369
Number of shares outstanding ('000's)	7,035	7,020	7,006	6,989	6,966	7,071	7,060	7,058	7,057	7,024	7,009
Average number of employees	133	150	156	155	164	148	154	153	170	173	252
Segmented information (in millions of dollars)											
Gross operating revenue from Canadian operations	101.2	93.4	101.1	97.2	92.1	84.5	40.6	88.4	93.4	99.5	100.3
Pre-tax earnings from Canadian operations	32.9	29.1	30.1	30.0	34.2	33.3	15.0	35.4	44.3	51.7	23.8
Net earnings before extraordinary item											
Canadian operations	23.3	15.4	15.8	20.9	19.3	19.2	8.8	20.8	25.6	29.4	14.2
Foreign operations	5.2	5.0	7.0	6.9	9.2	7.5	3.6	7.8	4.4	5.3	1.3

* Restated

Directors and Officers

Directors

John Nicodemo
Chief Financial Officer,
Vice President, Finance
& Commercial Services
(Year Elected 2000)

Patricia Nielsen
Consultant, Lorne Park Holdings
(Year Elected 2000)

John A. Giffen
Company Director
Windsor, Ontario
(Year Elected 1980)

Robert L. Llewellyn
Company Director
Toronto, Ontario
(Year Elected 1999)

Harold V. Gorman
Senior Vice President
and General Counsel
Allied Domecq Spirits & Wine, N.A.
(Year Elected 2000)

Garth M. Girvan
Partner, McCarthy Tétrault
Barristers and Solicitors
Toronto, Ontario
(Year Elected 1998)

George F. McCarthy
Chairman of the Board
of the Corporation
(Year Elected 1993)

Krystyna T. Hoeg
President and
Chief Executive Officer
of the Corporation
(Year Elected 1996)

Mary Thomas
Senior Vice President
Human Resources, N.A.
Allied Domecq
Spirits & Wine, N.A.
(Year Elected 2000)

Officers

George F. McCarthy
Chairman of the Board

Krystyna T. Hoeg
President and
Chief Executive Officer

John Nicodemo
Chief Financial Officer,
Vice President, Finance
& Commercial Services

Brenda M. Brown
Vice President, Human Resources
& Corporate Secretary

Andrew Alexander
Vice President, Sales

Michael Minchin
Vice President, Marketing

Howard Kirke
Vice President,
International Markets

Board Committees

Executive Committee

George F. McCarthy
Chairperson

John A. Giffen
Garth M. Girvan
Krystyna T. Hoeg

Retirement Board Committee

Krystyna T. Hoeg
Chairperson

Robert L. Llewellyn
John Nicodemo
Brenda M. Brown

Audit Committee

John A. Giffen
Chairperson
Harold V. Gorman
Robert L. Llewellyn
Garth M. Girvan

Management Resources Committee

Robert L. Llewellyn
Chairperson

Patricia Nielsen
Mary Thomas

Independent Committee

Robert L. Llewellyn
Chairperson

John A. Giffen
Garth M. Girvan
George F. McCarthy
Patricia Nielsen

Corporate Governance & Nominating Committee

Garth M. Girvan
Chairperson

John A. Giffen
John Nicodemo

General Information

Transfer Agent and Registrar

Computershare
Trust Company
of Canada

Auditors

KPMG LLP

Bankers

Toronto Dominion Bank
Bank of Montreal

Solicitors

McCarthy Tétrault LLP

Annual Meeting of Shareholders

Wednesday, January 23, 2002
at 11 o'clock in the forenoon,
Arcadian Court, Hudson's Bay
Company (Simpson's Tower)
401 Bay Street, 8th Floor
Toronto, Ontario

Offices

Executive Office

193 Yonge Street
Toronto, Ontario M5B 1M8
Tel: 416.369.1859

Registered Office

193 Yonge Street,
Toronto, Ontario
Canada M5B 1M8

Distillery

950 chemin des Moulins,
Montréal, Québec H3C 3W5
Tel: 514.878.4611

Sales Offices

193 Yonge Street,
Toronto, Ontario M5B 1M8
Tel: 416.369.1859

950 chemin des Moulins,
Montréal, Québec H3C 3W5
Tel: 514.871.9090

10709 – 181st Street,
Edmonton, Alberta T5S 1N3
Tel: 403.481.9107

Unit 2168, 13353 Commerce
Parkway, Richmond,
British Columbia V6V 3A1
Tel: 604.276.8121

Ce rapport peut être obtenu en français auprès de :

Les Distilleries Corby Limitée
193, rue Yonge
Toronto (Ontario) M5B 1M8
Tél. : 416.369.1859

Corby thanks all our people for making 2001 such a successful year.

Shayne Ackerl	Andy Alexander	Peter Barlas	Talaal Baroudi	David Barwise	Nathalie Beaudin	Sylvie Beaudin	
Ryan Beiber	Bruno Blain	Stephane Blouin	Larry Boismenu	Tim Borghese	Maria Boris	Jackie Brenkel	Andrea Bridge
Daniel Brisebois	Brenda Brown	Daryn Brown	Sebastien Bruneau	Ian Buchanan	Bob Carriere	Marc Castonguay	
Dino Ceccucci	Farrell Chow	Marlene Cloutier	Jim Coote	Carol Cope	Andrew Corcoran	Jean-François Côté	
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Rick Dmytryshyn	Martin Duquette	David Estephan	Matt Finden	Nicolas Fioramore	Brad Fletcher	Scott Forrest	
Mathieu Fortin	Michel Fortin	Sylvia Giardino	Robert Girard	Sebastien Giroux	Janice Grant	John Grant	
Stefanie Gretsinger	Stefane Guignard	Ken Gustafson	Jay Gyug	Bill Haddleton	Raymond Hajjar	Bill Hamilton	
Jill Hannan	Kevin Hanson	Michelle Harris	Jeff Hildahl	Ken Hinds	Krystyna Hoeg	Rick Hollihan	Remy Houthoofd
Bob Hupka	Gerry Hurrel	Ron Judson	Rick Kaczmarek	Bruce Kahan	Howard Kirke	Marc Labonté	François Lachapelle

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Deborah Lennie Patrice Limoges Nancy Lopes Samarie Lumsden Benoit Lussier Robert Maille Jean François Mallette

Eric Marcil Michelle Martin Mini Mathews George McFarlane Carol McKenzie David McKeon Mike McNulty

Mike McPhail Robert Mercier Tess Michelis Bruce Miller Mike Minchin Diana Minnella Farzanah Mohamed

Abdel Murad John Nicodemo Andrew Paul Katherine Pawling Andrew Pegg Michel Phaneuf Mirko Pidhirsky

Garth Pieper Myron Podloski Germain Poirier Tim Prentice Kate Price Marc Pronovost Serge Pronovost Jim Quigg

Jeffery Raine Lavern Ralliford Napier Rathbun David Riggs Jakob Ripshtein Bill Robbins Janice Lynn Robson

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CORBY

Spirit MAKER

Artisan DE L'ESPRIT

1859

CORBY