CORBY DISTILLERIES LIMITED

2006

CORBY DISTILLERIES LIMITED **2006 ANNUAL REPORT** FOR THE TEN MONTHS ENDED JUNE 30, 2006

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CORBY-PERNOD RICARD INTEGRATION CREATES

INDUSTRY POWERHOUSE

Corby Distilleries Limited President and Chief Executive Officer Krystyna Hoeg discusses the integration of Corby with the Canadian operations of Pernod Ricard S.A., the most significant event at the company in fiscal 2006.

"The successful integration of Corby, the number two spirits and wine company in Canada, with Pernod Ricard, the second largest spirits and wine group in the world, has created an exceptional organization with great marketing, sales and functional coverage," said Krystyna Hoeg, President and Chief Executive Officer, Corby Distilleries Limited.

Under the agreement entered into on March 7, 2006, Corby will acquire the exclusive right to represent Pernod Ricard brands in Canada for the next 15 years, the international rights to Lamb's Rum and the Canadian rights to Seagram's Coolers. Corby also secures a long term agreement covering the production of Corby-owned brands by Pernod Ricard at the latter's production facility in Windsor, Ontario. The companies further agreed that Corby would manage Pernod Ricard's business interests in Canada, including the management of the Windsor production facility. To satisfy the $105 million purchase price, Corby will sell its 45 per cent interest in Tia Maria to Pernod Ricard.

"The integration and the adoption of a combined strategic approach to the Canadian market means real benefits for Corby and its shareholders," Krystyna Hoeg, Corby President and Chief Executive Officer, said. "Corby now has the responsibility for the management of every aspect of its business, including production and supply chain management. This will allow the company to maximize efficiencies and capitalize on synergies across its entire operation. We have secured long term certainty for the production of our own brands. The acquisition of the Pernod Ricard brands has strengthened our Portfolio of Excellence and created a more favourable mix of premium domestic and international products."

Corby Chief Operating Officer, André Hémard, who joined the company from Pernod Ricard, believes that the integration will generate more value for shareholders. "The integration combined the best elements of two strong enterprises. The new organization has a very well balanced portfolio with powerful brands in every category and at every price point, from economy to premium to super premium. The company is also strong in every regional market in Canada. This combination of a balanced portfolio with national reach and first class management makes for a very competitive enterprise."

Mr. Hémard said that he had been very impressed by the speed and efficiency of the integration. "There was only a three week period between the announcement of the agreement and the operational launch of the new entity. In that time, management integrated the Corby and Pernod Ricard sales organizations while maintaining an industry-leading sales performance. In both April and May, when the bulk of the integration took place, Corby outperformed the industry in sales at the retail level."

Andy Alexander, Corby Vice President of Sales, believes that the addition of the Pernod Ricard brands to Corby's portfolio is an exciting development for the company. "The Pernod Ricard brands are a great fit because they play to our strength in premium products, will enhance our category management opportunities and add value across the board in spirits and wines."

Mr. Alexander describes Pernod Ricard brands like Jameson Irish Whiskey, the world's leading Irish whisky brand with global sales of 2.1 million cases, Chivas Regal, a renowned premium blended Scotch whisky with global sales of 3.9 million cases, and The Glenlivet, the third biggest selling single malt in the world, as being "iconic" brands.

"These are premium products that define entire categories for consumers, retailers and licensees," Mr. Alexander said. "Most licensed establishments in this market would have these products on the back bar."

Adding these brands to the Corby portfolio that already includes Wiser's, the number one brand family of Canadian whisky, means that Corby will have a very strong position across the entire "brown goods" category in the Canadian spirits market.

Colin Kavanagh, Corby Vice President of Marketing, who joined Corby from Pernod Ricard, says the transaction also created category management opportunities for the company in the vodka category, where Corby picks up the premium Wyborowa brand, in the rum category, through the addition of the Havana Club family and the international rights to Lamb's, as well as in the cognac category, where the Martell brand joins the top-selling Courvoisier in the Corby portfolio.

Mr. Kavanagh believes that the transaction has given Corby access to a number of brands with exciting growth potential and points to Jameson Irish Whiskey as an example. *See CORBY LEADS on 2*

KEY BRANDS DRIVE STRONG SALES PERFORMANCE IN 2006

IN 2006, CORBY'S SHOWCASE PREMIUM BRANDS – THE WISER'S FAMILY OF CANADIAN WHISKY AND POLAR ICE VODKA – LED A SALES PERFORMANCE THAT PRODUCED WHAT CORBY VICE PRESIDENT OF SALES, ANDY ALEXANDER DESCRIBED AS "JUST AN OUTSTANDING YEAR FOR THE COMPANY". THE POTENTIAL POSITIVE IMPACT OF THE INTEGRATION WITH PERNOD RICARD ON CORBY'S FUTURE SALES WAS ALSO EVIDENT FROM THE IMPRESSIVE RETAIL SALES GROWTH ACHIEVED BY A NUMBER OF PERNOD RICARD'S PREMIUM BRANDS.

Last year, for the fourth consecutive year, Corby's retail sales growth outpaced that achieved by the industry as a whole. In the twelve month period ending June 2006, Corby's total spirit retail sales increased by over 205,000 cases to almost 4,000,000 cases. This represented an increase of 5.5 per cent over 2005 retail sales and bumped Corby's retail market share from 24.5 per cent to 24.8 per cent. By comparison, retail sales by the rest of the industry over that same 12 month period increased by 4.5 per cent. In other terms, while Corby accounted for 24.8 per cent of the retail market for the 12 month period ending June 2006, the company accounted for nearly 30 per cent of the total increase in industry retail sales. This strong performance was driven by a number of Corby's showcase premium brands.

Fiscal 2006 was the seventh year in a row in which the Wiser's family of Canadian whisky was the fastest growing family of whisky brands in the country. In the twelve month period ending June 2006, the Wiser's family retail sales increased by 10.4 per cent, while retail sales of Wiser's De Luxe and Wiser's Special Blend grew by 8.8 per cent and 11.5 per cent, respectively. Over that same period, total Canadian whisky sales at retail increased by 0.68 per cent and retail sales of Wiser's *See KEY BRANDS on 2*

THIS ANNUAL REPORT IS PUBLISHED BY THE EXECUTIVE OFFICE OF CORBY DISTILLERIES LIMITED, 193 YONGE STREET, TORONTO, ON M5B 1M8

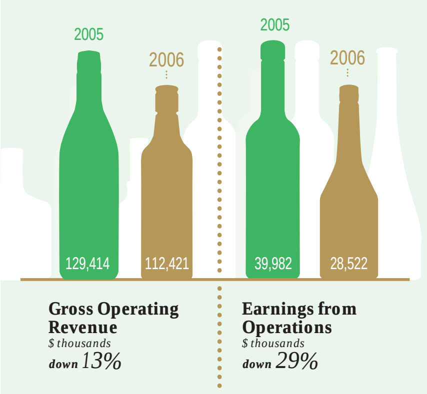
POLAR ICE

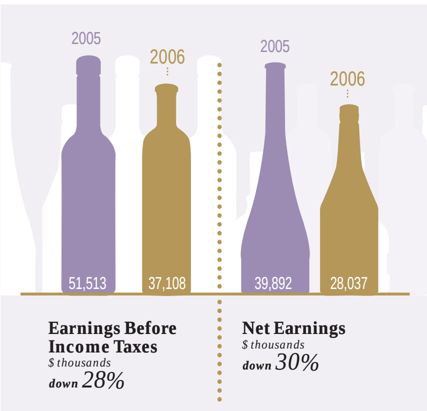
FASTEST GROWING VODKA IN CANADA

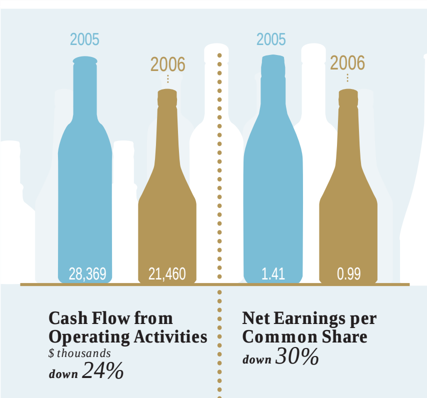
Polar Ice continues to blaze a trail in the vodka category, with 19.5% growth, making it the fastest-growing vodka brand for a fourth consecutive year. Polar Ice is the ideal mixable spirit thanks to its quadruple distillation and triple filtration, which gives it an exceptionally clean and smooth taste.

FINANCIAL HIGHLIGHTS

FOR THE TEN MONTHS ENDED JUNE 30, 2006
AGAINST TWELVE MONTHS ENDED AUGUST 31, 2005







FINANCIAL HIGHLIGHTS

FOR THE 10 MONTHS ENDED JUNE 30, 2006
AND THE YEAR ENDED AUGUST 31, 2005

(in thousands of Canadian dollars, except share amounts)	2006	2005
RESULTS		
Gross operating revenue	$ 112,421	$ 129,414
Earnings from operations	28,522	39,982
Earnings before income taxes	37,108	51,513
Net earnings	28,037	39,892
Cash flows from operating activities	21,460	28,369
FINANCIAL POSITION AT BALANCE SHEET DATE		
Working capital	$ 143,539	$ 103,206
Total assets	179,592	313,188
Shareholders' equity	158,326	142,732
PER COMMON SHARE		
Net earnings	0.99	1.41
Dividends declared and paid	0.41	0.55
Shareholders' equity	5.57	5.03
FINANCIAL RATIOS		
Working capital	9.1	1.6
Return on average shareholders' equity	31.0%	30.2%
Pre-tax return on average capital employed	40.7%	38.8%

» CORBY LEADS CONTINUED FROM P1

"Sales of Jameson have exploded in the U.S., having reached the 400,000 case level. With the support of the Corby sales and marketing machine, we can aim for equally strong growth for Jameson in Canada."

Both Mr. Alexander and Mr. Kavanagh are excited about the addition of Pernod Ricard's Australian wine brands – Jacob's Creek and Wyndham Estate – to Corby's portfolio. "These are big brands in a big category and create a big opportunity for Corby", Mr. Alexander said.

"These are two premium brands from one of the most popular, and fastest-growing, wine producing regions in the world. Australia is on the verge of overtaking Italy as a producer of wines to Canadian consumers, representing a real shift in what has traditionally been a market dominated by European wines. With the addition of Jacob's Creek and Wyndham Estate, Corby will be able to benefit from this shift," Alexander said.

Mr. Kavanagh expects that, similar to Pernod Ricard's spirits and wine brands, Seagram's Coolers will also benefit from being part of Corby's portfolio. "Corby is recognized as having the best sales team in the industry with excellent relationships and reputation with the retail and on-premise channels. There is every reason to be confident that this network will be able to maximize the sales potential of Seagram's Coolers in Canada."

In total, the Pernod Ricard transaction is expected to add $24 million to Corby's revenues in addition to the $6 million in revenue the company maintains by continuing to represent the former Allied Domecq brands acquired by Pernod Ricard in 2005.

"The Pernod Ricard transaction was the right deal at the right time for Corby," Mrs. Hoeg said. "It solidified our position as the number two company in our market and provides a very solid foundation for future growth. We have been operating as one company since the beginning of April and I am delighted that the integration has gone so smoothly and efficiently. It is a tribute to the professionalism of Corby's management and staff that we have been able to manage this transition while delivering another industry-leading performance in the marketplace."

» KEY BRANDS CONTINUED FROM P1

closest competitor increased by 2.1 per cent.

Mr. Alexander attributes the strong performance of the Wiser's family to two major factors. First, the brand continues to benefit from the move by consumers to more premium products. Second, sales growth reflects the fact that, since the departure of the Canadian Club brand, Corby has been able to focus more of its sales and marketing efforts on the Wiser's family. Aggressive promotion of the Wiser's brand in all sales channels, has translated into increased sales, increased market share and has kept the Wiser's family as the number one family of Canadian whisky in the country.

Colin Kavanagh, Corby Vice President of Marketing, said that Corby was delighted with, but not surprised by, the growing consumer interest in the Wiser's line-up. "Wiser's delivers two things that consumers everywhere are looking for in the spirits they buy - superior quality and authenticity. As captured in Corby's 'Character Above All' campaign, the Wiser's family of whisky is a great tasting premium product that is deeply rooted in the community and in the values of the people who make it and drink it."

Fiscal 2006 also saw Polar Ice vodka add another chapter to the success story that started with its re-launch in 1999. A perennial growth leader in the fast growing vodka category, retail sales of Polar Ice jumped by a remarkable 19.5 per cent in the twelve months ending June 2006. Alexander says that this very strong growth is the result of a prolonged campaign by Corby to translate the success that Polar Ice has always enjoyed in the on-premise channel into success in the retail channel. "This growth is very gratifying because it shows us that consumers are endorsing this product at their local retail outlets. This is a very exciting development and points to a solid future for the brand."

Total retail sales of Polar Ice and Corby's other vodkas grew at almost double the rate as the category as a whole in fiscal 2006. Total retail sales of Corby's vodka brands rose by 12.7 per cent while total vodka sales at retail for the industry increased by 7.8 per cent.

"It is critical that we maintain a strong presence in the vodka category," said Kavanagh, noting that in fiscal 2006, vodka surpassed Canadian whisky as the spirit category with the largest sales volume in the country. "One of the many good things to come out of the Pernod Ricard transaction is that Corby added the Wyborowa brand to its vodka portfolio. Wyborowa is a premium Polish vodka and gives us a legitimate contender in the battle for a share of the deluxe vodka market."

Corby's rum brands also did well in fiscal 2006 with sales of Lamb's Palm Breeze making it the 15th biggest selling brand of spirits in Canada. Retail sales of Lamb's White grew by 3.2 per cent in the twelve months ending June 2006 making it the 22nd most popular spirit in the country. Corby's presense in the rum category has been augmented by the addition of Pernod Ricard's Havana Club family to its portfolio of leading brands. Retail sales of the Havana Club family jumped by 11.6 per cent in the twelve months ending June 2006, far above the 3.5 per cent growth rate reported at retail for the rum category as a whole over the same period.

Corby is excited by the performance of Pernod Ricard's Chivas Regal brand in fiscal 2006. Canadian retail sales of Chivas Regal, perhaps the best known premium blended scotch in the world, increased by 6.5 per cent in the twelve months ending June 2006, making it one of the three fastest growing brands in its category in the country. Chivas' growth rate was all the more impressive given that total retail sales for the blended scotch category grew by only 0.7 per cent last year.

Pernod Ricard's premium single malt scotch, The Glenlivet, was another sales winner in fiscal 2006. Sales at retail of The Glenlivet Family increased by 5.6 per cent in the twelve months ending June 2006 with retail sales of the The Glenlivet 12 year-old going up by almost 6 per cent over the same period. By comparison retail sales of the top selling brand family in the category grew by less than 0.7 per cent. Going forward, The Glenlivet brand provides Corby with a solid position in this premium category.

In the gin category, Beefeater remained the best selling gin in Canada, accounting for 24.5 percent of retail sales in the twelve months ending June 2006. Beefeater retail sales increased by 4.7 percent over that period while sales of its closest competitor declined by 2.2 per cent. Further, in their first full year on the market Beefeater Flavors contributed to the positive growth in retail sales of the brand.

Corby also experienced some encouraging results in the liqueur category in fiscal 2006. The liqueur category is an important one for the company as it has seven of the top ten liqueurs in its portfolio. Of special note is the fact that retail sales of Kahlúa, having been in decline for the better part of a decade, increased for the second year in a row, a signal that the company had been able to sustain the momentum from last year's campaign to revitalize the Kahlúa brand.

Among cream liqueurs, retail sales of Carolan's Irish Cream reached the 95,000 cases level in the twelve months ending June 2006, representing year-over-year growth of 6.6 per cent. Kavanagh is hopeful that sales of Carolan's Irish Cream may surpass the 100,000 cases threshold in fiscal 2007.

Fiscal 2006 produced solid sales results across the board and in all categories, with key brands performing especially well and growing their market share. Given this momentum and the addition of Pernod Ricard's premium brands to the portfolio, Corby hopes to have established the foundation for another strong performance next year.

TOP 25 BRANDS IN CANADA

As at June 30, 2006

'06	BRAND
1	Smirnoff
2	Bacardi Carta Blanca
3	Crown Royal
4	Canadian Club
5	Bailey's Irish Cream
6	Wiser's De Luxe
7	Captain Morgan White
8	Alberta
9	Absolut
10	Polar Ice
11	Wiser's Special Blend
12	Gibson's Finest 12 Year
13	Corby Royal Reserve
14	Appleton Estate VX
15	Lamb's Palm Breeze
16	Russian Prince
17	St. Remy Brandy Napoleon VSOP
18	Alberta Premium
19	Captain Morgan Spiced
20	Bacardi Carta De Oro
21	Beefeater
22	Lamb's White
23	Kahlúa
24	Jack Daniel's
25	Golden Wedding

This information is not part of the Financial Statements.
It is for information purposes only.

COMPANY PROFILE Corby, the spirit maker, is a leading Canadian manufacturer and marketer of spirits and 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 value since 1859 and will continue to do so well into the 21st century.

» NOVEMBER 14, 2006 CONFIRMED FOR AGM

Corby's Annual General Meeting has been confirmed for Tuesday, November 14, 2006 at 11 a.m. at the Carlu, located at 444 Yonge Street, 7th floor, Toronto Ontario.

LETTER TO SHAREHOLDERS

BUILDING ON A PIVOTAL YEAR

It seems like only a few months ago that I signed my Letter to Shareholders for our 2005 Annual Report. Indeed the change in our financial year-end has meant that fiscal 2006 was a short year for Corby but I am pleased to have this opportunity to review with you some of the reasons why it was also a good year.

In fact, I think that when we look back at fiscal 2006 we will see that it was a significant year in the history and development of our company.

In March 2006, Corby announced that it had entered into an agreement with Pernod Ricard S.A. regarding the Canadian representation of Pernod Ricard's brands, production of Corby's owned-brands, an exchange of certain assets and a combined strategic approach to the Canadian market.

To implement this agreement and combined strategic approach, both companies had to reorganize and integrate their Canadian operations. This was a significant challenge for Corby management and staff, since it had to be accomplished while maintaining day-to-day operations and delivering top quality products to our customers.

I am proud to report that the integration was successful and Corby emerged from that process as a more vital and competitive enterprise. As a result of this transaction, Corby is stronger in every significant spirit and wine category and in every regional market in Canada. Consequently, Corby is now in a better position than ever to grow its market share and to create lasting and sustained value for its shareholders.

I am confident that the integration of Corby and Pernod Ricard will prove to be a significant contributor to the future growth of our company. As a result of this transaction, we have gained greater control over 75 per cent of the production of our own product portfolio and have secured long term access to, and management of, our primary production facility. Corby has enhanced its Portfolio of Excellence through the addition of a number of renowned international brands and has supplemented its expert local knowledge of the Canadian market with the reach and expertise of a leading global firm.

We have a new management team that combines the knowledge and experience of both companies in a way that will be a real competitive advantage going forward. The transaction had an immediate positive impact on revenues and has the potential to be a major source of growth in the coming years, since, among other things, it will reinforce our category management and sales channel capabilities.

Of equal importance, this successful integration did not distract us from the effective execution of our Supplier of Choice strategy. This meant that, in 2006, for the fourth consecutive year, Corby grew faster than our industry as a whole. For the twelve months ending in June 2006, Corby spirit sales increased by 5.5 per cent as compared to the 4.5 per cent growth reported by the entire industry for that period.

In addition to achieving strong growth, the company also continued to lead the industry in innovation. In the twelve months ending June 2006, the Canadian spirits industry launched 10 new products and Corby was responsible for five of those launches.

Our customers recognized the high quality of Corby's performance last year and I am especially proud and gratified that our largest single customer, the Liquor Control Board of Ontario (LCBO), awarded Corby its Supplier of the Year Award for an unprecedented second consecutive year. Corby also won the LCBO's Elsie Awards for Innovation and the Environment both in recognition of the company's partnership in the launch of the French Rabbit line of wines in 2005. Corby has now won multiple Elsies in four consecutive years – a real testament to our commitment to delivering quality products and quality service.

None of this would have been possible without the commitment and hard work of the Corby team. I want to personally thank each and every person who works at Corby for their contribution to making fiscal 2006 a successful and memorable year. As a result of your efforts, and your ability to do a first class job during a time of change, Corby has consolidated its position as an industry leader in its market and is about to embark on a new era of growth.

Sincerely,

Krystyna T. Hoeg
President and CEO
Corby Distilleries Limited

"Our largest single customer, the Liquor Control Board of Ontario (LCBO), awarded Corby its Supplier of the Year Award for an unprecedented second consecutive year."

A LEADING CANADIAN MANUFACTURER & MARKETER CORBY OF SPIRITS AND IMPORTER OF WINES SINCE 1859

2006 FINANCIAL REVIEW

CORBY DISTILLERIES LIMITED **2006 FINANCIAL REVIEW** FOR THE TEN MONTHS ENDED JUNE 30, 2006

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CORBY'S MANAGEMENT TEAM AND ACCOMPANYING REPORT

From top left to bottom right: ANDY ALEXANDER, Vice President, Sales; ANDRÉ HÉMARD, COO, Executive Vice President, Sales and Marketing; COLIN KAVANAGH, Vice President, Marketing; HOWARD KIRKE, Vice President, External Affairs; ISMAT MIRZA, Vice President, Human Resources and Chief Privacy Officer; JOHN NICODEMO, CFO, Vice President, Finance; MARC VALENCIA, Vice President, General Counsel and Corporate Secretary.

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Corby Distilleries Limited 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 SHAREHOLDERS

We have audited the consolidated balance sheet of Corby Distilleries Limited as at June 30, 2006 and the consolidated statements of earnings, retained earnings and cash flows for the 10 month period 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 audit.

We conducted our audit 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, 2006 and the results of its operations and its cash flows for the 10 month period then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at August 31, 2005 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated October 6, 2005.

Deloitte & Touche LLP

Chartered Accountants, Toronto, Canada, August 30, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") dated August 30, 2006 should be read in conjunction with the audited consolidated financial statements and accompanying notes for the 10 months ended June 30, 2006 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; general economic conditions; and the Company's ability to attract and retain qualified employees and, as such, the Company's results could differ materially from those anticipated in these forward-looking statements.

This MD&A document has been approved by the Company's Board of Directors. It contains certain information that is current as of August 30, 2006. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Corby Distilleries Limited may, but is not obligated to, provide updates to forward-looking statements, including in subsequent news releases and its interim management's discussion and analyses filed with regulatory authorities. Additional information regarding Corby, including the Company's annual information form, is available on SEDAR at www.sedar.com.

All dollar amounts are in Canadian dollars unless otherwise stated.

SIGNIFICANT EVENTS

STOCK SPLIT

On February 9, 2006, the Board of Directors of Corby Distilleries Limited ("Corby" or the "Company") declared a four-for-one stock split by way of a stock dividend paid on March 15, 2006 on Voting Class A Common Shares and Non-voting Class B Common Shares of the Company to shareholders of record as at the close of business on February 28, 2006.

As a result, all references to common shares, earnings per common share, diluted earnings per common share, and stock options have been retroactively restated to reflect the impact of the stock split.

AGREEMENT WITH PERNOD RICARD S.A.

On March 7, 2006, Corby entered into an agreement with Pernod Ricard S.A. ("Pernod Ricard") regarding the Canadian representation of Pernod Ricard's brands, production of Corby's owned-brands, an exchange of certain assets and a combined strategic approach to the Canadian market. Pernod Ricard owns 51% of the Voting Class A common shares (and 46% of the total equity) of Corby and is considered to be the Company's ultimate parent. The transaction, expected to close no later than September 29, 2006, involves the reorganization of both companies' Canadian operations.

Under the agreement, Corby will acquire the exclusive right to represent Pernod Ricard's brands in Canada for the next 15 years. As part of the transaction, Corby will also acquire from Pernod Ricard the international rights to Lamb's rum (excluding the Canadian rights, which Corby already owns) and the Canadian rights to Seagram's Coolers. Corby intends to satisfy the $105 million purchase price by selling its 45% interest in the Tia Maria Group ("TMG") to Pernod Ricard.

The companies also agreed upon the terms for the continuation of production of Corby`s owned-brands by Pernod Ricard at its production facility in Windsor, Ontario for the next 15 years (10 year term plus a possible five year extension). The companies have further agreed that Corby will manage Pernod Ricard's business interests in Canada, including the Windsor production facility.

Corby anticipates that the transaction shall provide it with greater assurance with respect to both earnings and production, in addition to the leverage of a global player in Pernod Ricard and its brands. The transaction is expected to add approximately $24 million to Corby's annual revenue, in addition to the approximately $6 million of revenue that it maintains by continuing Canadian representation of the former Allied Domecq brands, now owned by Pernod Ricard.

The addition of Pernod Ricard's brands solidifies Corby's number-two ranking in the Canadian market, while further enhancing the company's premium portfolio. As of April 1, 2006, Corby and Pernod Ricard have been operating as one integrated organization in Canada. The majority of the reorganization involved at both companies has occurred and Corby began earning commission income on the new additions to the brand portfolio effective April 3, 2006.

BUSINESS OVERVIEW

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

The Company's activities are comprised of the production of spirits, along with the distribution of owned and represented spirits, liqueurs and wines. Revenues predominantly consist of sales made to each of the provincial and territorial liquor boards in Canada.

Corby's portfolio of owned-brands include some of the most renowned and respected brands in Canada, including Wiser's rye whiskies, Lamb's rum and Polar Ice vodka. Through its affiliation with Pernod Ricard, Corby also represents leading international marques such as Chivas Regal, The Glenlivet and Ballantine's scotches, Jameson Irish whiskey, Beefeater gin, Malibu rum, Kahlúa liqueur, Mumm champagne, and Jacob's

Creek and Wyndham Estate wines.

Approximately, 75% of the Company's production requirements are sourced from Hiram Walker & Sons Limited ("HWSL"), an indirectly wholly-owned subsidiary of Pernod Ricard located in Windsor, Ontario. HWSL owns in excess of 50% of the issued and outstanding voting common shares of Corby and is thereby considered to be the Company's parent. Pernod Ricard is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of Pernod Ricard. The remaining 25% of Corby's production requirements are sourced from the Company's owned plant in Montreal, Quebec.

NON-GAAP FINANCIAL MEASURES

Corby defines "earnings from operations" as net earnings before equity earnings, net interest income, and income taxes. "earnings from operations" is not a measure recognized by GAAP and it does not have a standardized meaning prescribed by GAAP. Therefore, "earnings from operations" may not be comparable to similar measures presented by other issuers. Investors are cautioned that "earnings from operations" should not be construed as alternatives to net earnings as determined in accordance with GAAP as indicators of performance.

FINANCIAL AND OPERATING RESULTS TEN MONTHS ENDED JUNE 30, 2006

THREE YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share amounts)	Ten Months Ended June 30, 2006	Year Ended August 31, 2005	Year Ended August 31, 2004
Net operating revenue	$ 112.4	$ 129.4	$ 118.7
Net earnings	$ 28.0	$ 39.9	$ 32.5
Basic EPS	$ 0.99	$ 1.41	$ 1.15
Fully diluted EPS	$ 0.99	$ 1.41	$ 1.15
Total assets	$ 179.6	$ 313.2	$ 295.3
Total liabilities	$ 21.3	$ 170.5	$ 175.4
Dividends paid per share	$ 0.4125	$ 0.55	$ 0.50

OVERVIEW

As previously disclosed, the Company changed its fiscal year end from August 31 to June 30. As a result, the comparative figures presented in the consolidated financial statements reflect results for the three months ended May 31, 2005 and the year ended August 31, 2005. However in order to provide pertinent commentary and analysis regarding the underlying business, certain comparative figures have also been provided for the ten month period ended June 30, 2005 (the "Corresponding Period"). In some cases, management has had to estimate the appropriate amounts to be included in the Corresponding Period.

The financial results for the ten month period ended June 30, 2006 reflect a solid performance by the Company. Earnings per share amounted to $0.99 for the ten months ended June 30, 2006 compared to $1.41 for the year ended August 31, 2005. Earnings from operations for the ten months ended June 30, 2006 were $28.5 million compared to $40.0 million for the year ended August 31, 2005 and $33.2 million for the Corresponding Period.

The decrease in earnings from operations from the Corresponding period mainly reflects an increase of $7.7 million in marketing, sales, and administration expenses along with the inclusion of a $1.8 million restructuring charge associated with the reorganization of the Company. This was partially offset by a 7% increase in net operating revenue.

SALES AND NET OPERATING REVENUE

Corby's net operating revenue, consisting of net sales revenue and commission income, was $112.4 million for the ten months ended June 30, 2006 compared to $129.4 million for the year ended August 31, 2005. The decrease of $17.0 million in net operating revenue mainly reflects the additional two months of activity included in the financial results for the comparative year ended August 31, 2005.

When compared to the Corresponding Period, net operating revenue for the ten months ended June 30, 2006 increased by 7%. This increase was mainly the result of a 7% increase in net sales revenue from Corby's owned-brands to $88.7 million, coupled with a $1.9 million increase in contract bottling revenues. The growth in net sales revenue from Corby's owned brands was primarily the result of a 7% increase in shipment volumes of Corby's key brands of Wiser's rye whiskies, Polar Ice vodka and Lamb's rum during the ten months ended June 30, 2006 compared to the Corresponding Period.

Commission income was $13.2 million for the ten months ended June 30, 2006 compared to $16.8 million for the year ended August 31, 2005 and $13.5 million for the Corresponding Period.

Approximately $6.3 million of the commission income earned during the ten months ended June 30, 2006 was derived from Corby's representation of brands owned by Pernod Ricard while $4.8 million was earned from the representation of other third party spirit and wine brands. The $6.3 million in commission income earned from the representation of Pernod Ricard's brands includes $1.2 million for the brands Corby began representing on April 3, 2006 as a result of the aforementioned transaction.

The remaining $2.2 million in commission income was earned from brands which Corby no longer represents. As previously disclosed, Corby ceased to represent certain brands such as Canadian Club whisky and Sauza tequila as of September 30, 2005. The $2.2 million in commission income earned on these brands includes $1.9 million which was received in lieu of the commissions that Corby would have earned during the period from October 1, 2005 to February 23, 2006, as provided for under the relevant representation agreement. The $2.2 million was reported entirely in the first interim period ended December 31, 2005.

COST OF SALES

Cost of sales for the ten months ended June 30, 2006 was $45.7 million compared to $53.0 million for the year ended August 31, 2005 and $43.0 million for the Corresponding Period.

The increase in cost of sales from the Corresponding Period was commensurate with the growth in shipment volumes. Gross margin from the sale of Corby's owned brands was 57% during the ten months ended June 30, 2006 compared with 56% during the Corresponding Period. The increase in global energy prices was offset by the benefit associated with the appreciation of the Canadian dollar for raw materials sourced from the United States.

MARKETING, SALES AND ADMINISTRATION

Marketing, sales and administration expenses were $35.7 million for the ten months ended June 30, 2006 and the year ended August 31, 2005, respectively. Management estimates that the marketing, sales, and administration expenses for the Corresponding Period were $28.0 million.

The increase of $7.7 million during the ten months ended June 30, 2006 compared to the Corresponding Period was driven by a $3.3 million increase in advertising and promotional expenses associated with the company's key brands. In particular, the Company undertook a media campaign for Wiser's rye whiskies aimed at building more brand awareness and equity. The strong performance of Corby's key brands continued to reflect the benefit of these investments, as demonstrated by a collective increase of 7% in shipment volumes during the ten months ended June 30, 2006 compared to the Corresponding Period.

The remaining $4.4 million of the increase was mainly the result of the following: an increase in the number of employees and employee related costs due to the reorganization of the Company (estimated impact of $1.5 million), an increase in the cost of employee future benefit plans (impact of $1.0 million), and an increase in professional fees (impact of $0.7 million). The professional fees, which are not expected to reoccur, mainly resulted from additional accounting and audit requirements stemming from Pernod Ricard's acquisition of Allied Domecq in addition to the maturation of the Company's debt-financing instruments.

EQUITY EARNINGS

Equity earnings from Corby's 45% investment in TMG amounted to $6.6 million during the ten months ended June 30, 2006 compared to $9.9 million for the year ended August 31, 2005. TMG's reported net earnings for the ten months ended June 30, 2006 were $14.7 million compared to $22.1 million for the year ended August 31, 2005. The decreased net earnings mainly reflect the additional two months of activity included in the year ended August 31, 2005 as decreased operating revenue was partially offset by a reduction in reported advertising and promotion expenses.

Total operating revenue for TMG for the ten months ended June 30, 2006 was $36.6 million compared to $59.8 million for the year ended August 31, 2005. Total advertising and promotion expenses were reported as $10.2 million for the ten months ended June 30, 2006 compared to $16.2 million for the year ended August 31, 2005.

INCOME TAXES

Corby's income tax provision for the ten months ended June 30, 2006 amounted to $9.1 million compared with $11.6 million for the year ended August 31, 2005. The tax provisions reflect effective tax rates of 24% and 23% for the ten months ended June 30, 2006 and year ended August 31, 2005, respectively. The rise in the effective tax rate is mainly due to the previously disclosed maturation of the Company's debt financing instruments earlier in the fiscal year, partially offset by realized capital gains on account of foreign exchange that are not subject to tax due to the application of capital losses also on account of foreign exchange.

FINANCIAL AND OPERATING RESULTS

THREE MONTHS ENDED JUNE 30, 2006

Net earnings for the three months ended June 30, 2006 were $6.3 million or $0.22 per share compared with $9.8 million or $0.35 per share for the three months ended May 31, 2005. The net earnings for the three months ended June 30, 2006 included a $0.4 million charge associated with the Company's restructuring activities.

Corby's net operating revenue was $33.8 million for the three months ended June 30, 2006 compared to $28.9 million for the quarter ended May 31, 2005. The increase in net operating revenue was mainly the result of a 17% increase in shipment volumes compared to the quarter ended May 31, 2005 and a $0.8 million increase in contract bottling revenues.

Marketing, sales and administration expenses increased by $5.5 million, primarily as a result of an increase in the number of employees and employee related costs. Advertising and promotion expenses were also $1.8 million higher for the quarter ended June 30, 2006 compared to the quarter ended May 31, 2005. This reflects the increased investment behind the Company's key brands in addition to a mild seasonality effect due to the inclusion of June activity in this quarter's results.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(in millions of Canadian dollars except per share amounts)	Period Ended June 30, 2006[1]	Period Ended March 31, 2006[1]	Period Ended Dec. 31, 2005[1]	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004
Net operating revenue	$ 33.8	$ 29.2	$ 49.4	$ 36.2	$ 28.9	$ 26.1	$ 38.2	$ 32.5
Earnings from operations[2]	$ 6.9	$ 6.3	$ 15.3	$ 10.7	$ 10.2	$ 5.7	$ 13.3	$ 10.3
Equity earnings from TMG	$ 0.8	$ 2.5	$ 3.3	$ 2.6	$ 2.0	$ 1.1	$ 4.2	$ 0.3
Net earnings	$ 6.3	$ 6.9	$ 14.9	$ 10.6	$ 9.8	$ 5.5	$ 14.0	$ 7.7
Basic EPS	$ 0.22	$ 0.24	$ 0.52	$ 0.37	$ 0.35	$ 0.19	$ 0.50	$ 0.27
Fully diluted EPS	$ 0.22	$ 0.24	$ 0.52	$ 0.37	$ 0.35	$ 0.19	$ 0.50	$ 0.27

1 THE FIGURES FOR THE PERIOD ENDED JUNE 30, 2006 REFLECT CORBY'S RESULTS FOR THE THREE MONTH PERIOD OF APRIL 1, 2006 TO JUNE 30, 2006. THE FIGURES FOR THE PERIOD ENDED MARCH 31, 2006 REFLECT CORBY'S RESULTS FOR THE THREE MONTH PERIOD OF JANUARY 1, 2006 TO MARCH 31, 2006. THE FIGURES FOR THE PERIOD ENDED DECEMBER 31, 2005 REFLECT CORBY'S RESULTS FOR THE FOUR MONTH PERIOD OF SEPTEMBER 1, 2005 TO DECEMBER 31, 2005. THE COMPARATIVE FIGURES REFLECT CORBY'S RESULTS FOR THE RELEVANT THREE MONTH PERIOD APPLICABLE UNDER THE COMPANY'S PRIOR FISCAL CALENDAR BASED ON THE YEAR-END DATE OF AUGUST 31.

2 PLEASE SEE "NON-GAAP FINANCIAL MEASURES" FOR THE DEFINITION OF EARNINGS FROM OPERATIONS.

Corby's annual business cycle displays the effect of seasonality on two fronts. 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, based on Corby's prior fiscal calendar, the Company's earnings from operations in the first quarter and last quarter of each fiscal year tended to reflect the seasonal nature of the business cycle. Based on Corby's new fiscal calendar, the first and second quarter of each fiscal year will reflect the seasonal nature of the business cycle.

BALANCE SHEET REVIEW

CURRENT ASSETS AND LIABILITIES

Working capital was $143.5 million as at June 30, 2006 compared to $103.2 million as at August 31, 2005. The increase in working capital is mainly the result of the classification of Corby's investment in TMG as a current asset in addition to an $11.0 million increase in the Company's cash position. The classification of the investment in TMG reflects the Company's intent to satisfy the purchase price of the aforementioned transaction with Pernod Ricard by selling its equity interest in TMG by no later than September 29, 2006.

The carrying value of the TMG investment as at June 30, 2006 was $31.1 million, an increase of $3.1 million from the carrying value as at August 31, 2005. The increase in carrying value was the result of $6.6 million in equity earnings during the ten months ended June 30, 2006. This was offset by a $2.3 million dividend which was received in February 2006 and a $1.2 million impact from foreign exchange. The foreign exchange impact was the result of the UK pound weakening against the Canadian dollar. The foreign exchange impacts arising from the Company's investment in TMG are classified as "Cumulative Translation Adjustments" under a separate component of shareholders' equity.

The decreases in the loan to affiliated company, loan from affiliated company, interest payable, and interest receivable reflect the settlement of payments related to the Company's debt financing instruments with related parties, both of which matured during the period ended December 31, 2005.

Corby's cash balance as at June 30, 2006 was $67.7 million.

CASH FLOW REVIEW

Corby's operating activities contributed $21.5 million to cash during the ten months ended June 30, 2006 compared with $28.4 million for the year ended August 31, 2005 and $19.5 million for the Corresponding Period.

The decrease in cash flows from operating activities for the ten months ended June 30, 2006 reflects the additional two months of activity included in the comparative year ended August 31, 2005.

The increase in cash flows from operating activities for the ten months ended June 30, 2006 compared to the Corresponding Period was mainly the result of the settlement of interest payments on the Company's now expired debt financing instruments (impact of $1.9 million) and the timing of income tax payments (impact of $0.8 million).

The decrease in cash flows obtained from investing activities was the result of a $1.2 million decrease in the dividend received from TMG coupled with a $0.4 million increase in capital expenditures.

Cash flows used in financing activities of $11.2 million primarily reflect the payment of Corby's quarterly dividend.

The Company's debt financing instrument from Allied Domecq PLC and the interest bearing debt instrument to Allied Domecq USA both matured earlier in the fiscal year. As a result, the settlement of these loans did not have an impact on the Company's cash flow or working capital position during the ten months ended June 30, 2006.

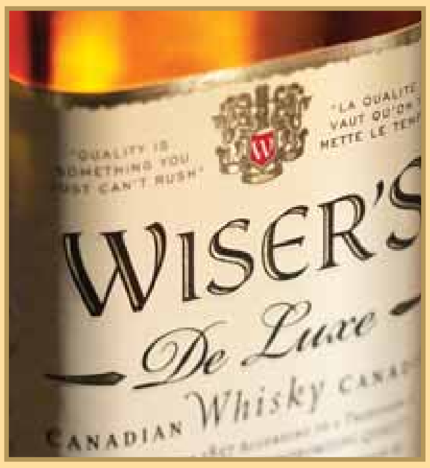
OUTSTANDING SHARE DATA

As at June 30, 2006, Corby had 24,274,320 Voting Class A common shares, 4,176,336 Non-Voting Class B common shares, and 18,200 Non-Voting Class B common share options outstanding. As at June 30, 2006, all of the Non-Voting Class B common share options were exercisable.

LIQUIDITY AND FUNDING REQUIREMENTS

Corby continues to generate strong cash flows from operations and does not have any long-term debt. As a result, it is expected that the Company will be able to meet all funding and working capital requirements that may arise within the normal course of business. While demographic and financial market dynamics in recent years have increased the cost of providing pensions and other post-retirement benefits, the Company is committed to making any required contributions to ensure that it meets its obligations. Specifically, Corby intends to continue to fund its employee pension benefit plans as required.

The agreements entered into on March 7, 2006 with Pernod Ricard are not expected to have a negative impact with respect to Corby's liquidity and funding requirements. Nonetheless, readers are urged to review the "Significant Events" section of this MD&A for details of the estimated impact of the aforementioned agreements.



WISER'S

TOP CANADIAN WHISKY FAMILY IN CANADA

The flagship brand of the Corby portfolio features a great range of products, which includes Wiser's Special Blend, Wiser's DeLuxe, Wiser's Very Old, and the latest addition to the line-up, Wiser's Reserve. Wiser's is renowned for its great, full-flavoured taste resulting from years of maturation in oak casks. This is an authentic Canadian brand, with a rich heritage that goes back to 1857, when J.P. Wiser founded his distillery.

RELATED PARTY TRANSACTIONS

HWSL, an indirectly wholly-owned subsidiary of Pernod Ricard, owns in excess of 50% of the issued and outstanding voting common shares of Corby and is thereby considered to be the Company's parent. Pernod Ricard is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of Pernod Ricard.

Corby engages in a significant amount 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 purposes of 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, record keeping services, data processing, and other administrative services are also outsourced to its parent company.

The companies had previously been operating under the terms of agreements which expired on August 31, 2005. However on March 7, 2006, Corby entered into agreements regarding the continuing production of its brands by Pernod Ricard at its production facility in Windsor, Ontario for the next 15 years (10 year term plus a possible five year extension). Corby will also manage Pernod Ricard's business interests in Canada, including the Windsor production facility. Certain officers of Corby have been appointed as directors and officers of Pernod Ricard 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.

During the ten months ended June 30, 2006, the Company repaid its debt financing instrument from Allied Domecq PLC. The interest bearing debt instrument to Allied Domecq USA also matured during the ten months ended June 30, 2006, and Corby received payment in full for this receivable.

Furthermore, the Company entered into two separate short-term loan arrangements whereby the cash balance of the Company was lent to its ultimate parent company at LIBOR. The loans were for periods of five days and two days, respectively, and the interest income from these transactions is reflected in the financial results of the ten months ended June 30, 2006.

ACCOUNTING MATTERS

INVESTMENT IN THE TIA MARIA GROUP

Corby accounts for its 45% ownership interest in Tia Maria Limited and Tia Maria International Limited, collectively referred to as the Tia Maria Group ("TMG"), by using the equity method of accounting and has done so since 1982. Pernod Ricard, which owns the remaining 55% of TMG, also owns the majority of the voting shares of Corby through its subsidiary, HWSL. As a result of the ownership structure, the nature of Corby's investment in TMG is as follows:

- Pernod Ricard controls the operational, strategic and investment decisions regarding the TMG business;
- Pernod Ricard is responsible for the accounting and record keeping for TMG. Pernod Ricard reports TMG's financial information on a quarterly and annual basis to Corby so that Corby may calculate and account for its investment in TMG on the equity accounting basis;
- Pernod Ricard generates this financial information and is responsible for the internal controls within TMG necessary to do so; and,
- As the recipient of financial information of TMG from Pernod Ricard, Corby is not in a position to attest to the accuracy or reliability of the quarterly and annual TMG financial statements or of the internal controls used within TMG. However, Corby does engage in ongoing dialogue with Pernod Ricard in order to obtain a commercial understanding of the reported financial results of TMG and to comment on the TMG business, as reported by Pernod Ricard, within the financial statements and MD&A of Corby.

Since the aforementioned transaction with Pernod Ricard is expected to close no later than September 29, 2006, the carrying value of Corby's investment in TMG has been reflected as a current asset as at June 30, 2006.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2005, the CICA issued Handbook Section 3831 "Non-Monetary Transactions" to revise and replace Handbook Section 3830 "Non-Monetary Transactions". Section 3831 requires all non-monetary transactions to be measured at fair value, subject to certain exceptions. The standard also requires that commercial substance replace culmination of the earnings process as the test for fair value measurement. The standard defines commercial substance as a function of the cash flows expected from the assets. These revised standards are effective for non-monetary transactions initiated in fiscal periods beginning on or after January 1, 2006 and early adoption is permitted for non-monetary transactions initiated in fiscal periods beginning on or after July 1, 2005.

Corby adopted this pronouncement on a prospective basis as of September 1, 2005. There was no material impact to the consolidated financial statements as a result of the adoption of this new standard.

Accounting Guideline 15 ("AcG-15"), "Consolidation of Variable Interest Entities" requires that an enterprise holding other than a voting interest in a variable interest entity ("VIE") could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses and/or receive the majority of its expected residual returns. Of particular note, Corby has assessed its 45% interest in TMG in context of the requirements of this accounting guideline and concluded that the current method of equity accounting remains appropriate. Please refer to "Accounting Matters-Investment in the Tia Maria Group" in this MD&A for further details on the nature of Corby's investment in TMG.

The Company has adopted this pronouncement as of September 1, 2005 and there was no material impact to the consolidated financial statements as a result of the adoption of this standard.

DISCLOSURE CONTROLS AND PROCEDURES

Corby's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness, as at June 30, 2006, of Corby's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators) and has concluded that such disclosure controls and procedures are effective based upon such evaluation.

There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS & OUTLOOK

On May 2, 2006, the federal government budget passed an excise duty rate increase of 5.7% on spirits and 21% on wine effective July 1, 2006. The proposal affects all entities operating in the Canadian beverage alcohol industry, including spirits, wine and beer. This has resulted in higher prices for the end consumer at the retail level. Corby is currently evaluating the effect, if any, that the increase in excise duties has on consumer demand.

As a result of changes to foreign tax legislation, Corby did not renew the debt financing instruments which matured during the ten months ended June 30, 2006. It is estimated that the structure of these loans provided the Company with annual twelve month savings of approximately $4.1 million. As a result, Corby's income tax expense is expected to increase.

The aforementioned agreements entered into with Pernod Ricard on March 7, 2006 provide Corby with greater assurance with respect to both earnings and production, in addition to the leverage of a global player in Pernod Ricard and its brands. The transaction is expected to annually add approximately $24 million to Corby's revenue, in addition to the approximately $6 million of revenue that it maintains by continuing Canadian representation of the former Allied Domecq brands, now owned by Pernod Ricard. It is expected that the transaction will close no later than September 29, 2006.

As previously mentioned, as of April 1, 2006, Corby and Pernod Ricard are operating as one integrated company in Canada. The majority of the reorganization involved at both companies has occurred and while the Company faced a protracted period of uncertainty subsequent to Pernod Ricard's acquisition of Allied Domecq, it should be noted that the Company's key brands continued to grow and demonstrate strength in the Canadian market. Furthermore, the addition of Pernod Ricard's brands to Corby's portfolio of excellence solidifies Corby's number-two ranking in the Canadian market, while further enhancing the company's premium portfolio. This should provide the framework for solid growth in the future.

CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE TEN MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005

(in thousands of Canadian dollars, except per share amounts)	2006	2005
OPERATING REVENUE		
Sales	$ 99,176	$ 112,610
Commissions	13,245	16,804
NET OPERATING REVENUE	112,421	129,414
OPERATING COSTS		
Cost of sales	45,710	52,955
Marketing, sales and administration	35,706	35,659
Restructuring (note 4)	1,764	–
Amortization	719	818
TOTAL OPERATING COSTS	83,899	89,432
EARNINGS FROM OPERATIONS	28,522	39,982
Equity in net earnings of companies subject to significant influence	6,607	9,930
Interest income, net	1,979	1,601
EARNINGS BEFORE INCOME TAXES	37,108	51,513
Income Taxes (note 6)	9,071	11,621
NET EARNINGS	$ 28,037	$ 39,892
BASIC EARNINGS PER SHARE (NOTE 13)	$ 0.99	$ 1.41
FULLY DILUTED EARNINGS PER SHARE (NOTE 13)	$ 0.99	$ 1.41

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

FOR THE TEN MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005

(in thousands of Canadian dollars)	2006	2005
RETAINED EARNINGS – BEGINNING OF PERIOD	$ 131,026	$ 106,750
Net earnings	28,037	39,892
	159,063	146,642
Dividends declared and paid	11,726	15,616
RETAINED EARNINGS – END OF PERIOD	$ 147,337	$ 131,026

See accompanying notes to consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE TEN MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005

(in thousands of Canadian dollars)	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 28,037	$ 39,892
Items not affecting cash:		
Amortization	719	818
Future income taxes (note 6)	(1,127)	412
Employee future benefits, net of contributions made	(1,379)	(88)
Equity earnings from companies subject to significant influence	(6,607)	(9,930)
Changes in non-cash working capital (note 7)	1,817	(2,735)
Cash flows from operating activities	21,460	28,369
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Dividends received from companies subject to significant influence	2,346	3,571
Additions to capital assets	(1,530)	(1,105)
Cash flows from investment activities	816	2,466
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of loan to affiliated company	149,160	–
Repayment of loan from affiliated company	(149,160)	–
Dividends paid	(11,726)	(15,616)
Proceeds on issuance of capital stock	489	1,018
Cash flows used in financing activities	(11,237)	(14,598)
NET INCREASE IN CASH	11,039	16,237
CASH BEGINNING OF PERIOD	56,648	40,411
CASH END OF PERIOD	$ 67,687	$ 56,648

SUPPLEMENTARY CASH FLOW INFORMATION

FOR THE TEN MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005

(in thousands of Canadian dollars)	2006	2005
Income taxes paid	$ 10,644	$ 11,305
Interest paid	4,374	10,774
Dividends received	2,346	3,571
Interest received	7,745	10,724

See accompanying notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS

AS AT JUNE 30, 2006 AND AUGUST 31, 2005

(in thousands of Canadian dollars)	Jun. 30, 2006	Aug. 31, 2005
ASSETS		
Current Assets:		
Cash	$ 67,687	$ 56,648
Accounts receivable	23,388	22,451
Inventories, net (note 5)	37,677	37,893
Investments in companies subject to significant influence	31,111	–
Prepaid expenses	795	919
Deferred costs (note 4)	680	–
Interest receivable from affiliated company	–	2,631
Loan to affiliated company (note 8)	–	149,160
	161,338	269,702
Investment in companies subject to significant influence	–	28,056
Capital assets (note 9)	8,008	7,198
Employee future benefits (note 10)	5,770	3,756
Goodwill	4,476	4,476
	$ 179,592	313,188
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 16,178	$ 12,361
Income and other taxes payable	1,621	3,791
Interest payable to affiliated company	–	1,184
Loan from affiliated company (note 8)	–	149,160
	17,799	166,496
Employee future benefits (note 10)	3,369	2,735
Future income taxes (note 6)	98	1,225
	21,266	170,456
SHAREHOLDERS' EQUITY		
Share capital (note 11)	14,008	13,519
Retained earnings	147,337	131,026
Cumulative translation adjustments (note 14)	(3,019)	(1,813)
	158,326	142,732
	$ 179,592	$ 313,188

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 10 MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005

(In thousands of Canadian dollars, except share amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corby Distilleries Limited's (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. All inter-company transactions have been eliminated. The Corporation's 45% investment in Tia Maria Limited and Tia Maria International Limited, collectively referred to as the "Tia Maria Group", is accounted for using the equity method and is presented as "Investment in companies subject to significant influence." Under this method, the original cost of the shares is adjusted for the Corporation's share of post-acquisition earnings or losses, less dividends, and foreign exchange translation. Pernod Ricard S. A., the Corporation's ultimate parent, owns the remaining 55% of the Tia Maria Group.

REVENUE RECOGNITION

Sales and commissions are recognized when title for goods passes to the customer. The revenue is presented net of customer and consumer discounts and taxes. The large majority of the Corporation's sales are to government controlled liquor boards. As a result, collection of receivables is reasonably assured.

FOREIGN CURRENCY TRANSLATION

The Tia Maria Group, in which the Corporation has an investment of a self-sustaining nature, has the UK Pound Sterling as its functional currency and has its financial results translated to Canadian Dollars as follows: assets and liabilities at the exchange rates in effect at the balance sheet dates and the translation of revenues and expenses at the exchange rates prevailing on the transaction dates. Unrealized gains or losses on translation are shown as a separate component in shareholders' equity.

The monetary assets and liabilities of the Corporation, which are denominated in its functional currency, 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.

INVENTORIES

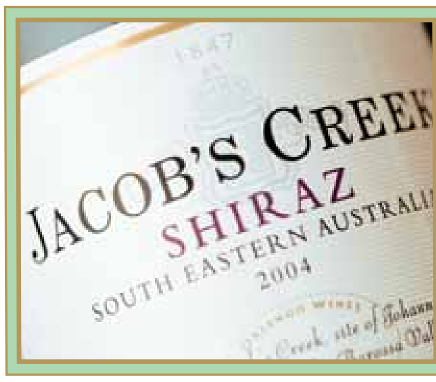
Inventories are stated at average cost not exceeding net realizable value. Inventories include barreled whiskies which will remain in storage over a period of years, but are classified as current assets as there is a market for barreled whiskies.

DEFERRED COSTS

Deferred costs represent legal and advisory fees related to the Corporation's transaction with Pernod Ricard (see Note 4). Such costs are to be recognized as transaction related costs upon legal closure of the agreement.

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 twenty years depending on the nature of the asset. Half-year rates are applied to assets in the year of acquisition. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. The cost incurred in the maintenance of the service potential of a capital asset is a repair, not a betterment. If a cost has the attributes of both a repair and a betterment, the portion considered to be a betterment is included in the cost of the asset.



JACOB'S CREEK

LARGEST AUSTRALIAN WINE BRAND

Jacob's Creek is the biggest-selling Australian wine brand, with 7.4 million cases sold globally, and is experiencing strong growth in Canada with current annual sales over 200,000 cases. Together with its sister brand, Wyndham Estate, Corby now becomes a big player in the Australian wine category.

GOODWILL

Goodwill represents the excess of acquisition costs over amounts assigned to net identifiable assets of companies acquired. The Corporation recognizes goodwill on its balance sheet, less any write down for impairment. Goodwill is not amortized and is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the asset might be impaired. Management assesses the value of goodwill by considering current and projected operating results and cashflows and comparing them against the carrying amount of goodwill. When the carrying amount of goodwill exceeds projected results and cashflows, an impairment loss is recognized in an amount equal to the excess, if any. No impairment has been recognized.

STOCK BASED COMPENSATION PLANS

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

Stock based compensation that will be settled in cash is accounted for using the intrinsic value method. Compensation expense is recorded for the plan to the extent which the market closing price of the Corby Class A common shares exceed the grant price of the share appreciation rights. Compensation expense is also recorded for the dividends that accrue for unvested share appreciation rights in accordance with the provisions of the plan.

EMPLOYEE FUTURE BENEFITS

The Corporation 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 Corporation in return for the benefits. Other post-employment benefits are recognized when the event that obligates the Corporation occurs. 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 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.
(d) 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.
(e) The measurement date of the plans' assets and obligations is June 30, 2006.

EARNINGS PER SHARE

In the computation of diluted earnings per share, the Corporation is required to use the "treasury stock method". Under the treasury stock method, the denominator used in the computation of basic earnings per share should be increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

INCOME TAXES

The Corporation accounts for income taxes under the asset and liability method, whereby future income 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 income tax assets and liabilities are measured using enacted or substantively 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 income tax assets and liabilities of a change in tax rates is included in income in the period in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more than likely than not to be realized.

MEASUREMENT UNCERTAINTY

The preparation of the financial statements 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. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable, inventory obsolescence, goodwill impairment, amortization, capital asset impairment, employee future benefits, income taxes, accruals and contingencies.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2005, the CICA issued Handbook Section 3831 "Non-Monetary Transactions" to revise and replace Handbook Section 3830 "Non-Monetary Transactions". Section 3831 requires all non-monetary transactions to be measured at fair value, subject to certain exceptions. The standard also requires that commercial substance will replace culmination of the earnings process as the test for fair value measurement. The standard defines commercial substance as a function of the cash flows expected from the assets. These revised standards are effective for non-monetary transactions initiated in fiscal periods beginning on or after January 1, 2006 and early adoption is permitted for fiscal periods beginning on or after July 1, 2005.

Corby adopted this pronouncement on a prospective basis as of September 1, 2005. There was no material impact to the consolidated financial statements as a result of the adoption of this new standard.

Accounting Guideline 15 ("AcG-15"), "Consolidation of Variable Interest Entities" requires that an enterprise holding other than a voting interest in a variable interest entity ("VIE") could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses and/or receive the majority of its expected residual returns. Of particular note, Corby has assessed its 45% interest in TMG in context of the requirements of this accounting guideline and concluded that the current method of equity accounting remains appropriate.

The Corporation has adopted this pronouncement as of September 1, 2005 and there was no material impact to the consolidated financial statements as a result of the adoption of this standard.

2. CHANGES TO FISCAL YEAR

In order to align Corby's financial reporting calendar with that of its ultimate parent, Pernod Ricard S.A., the Corporation has changed its fiscal year end from August 31 to June 30. Therefore, Corby's fiscal 2006 results have been reported based on the ten months ended June 30, 2006 with the comparative period reflecting the year ended August 31, 2005.

3. RELATED PARTY TRANSACTIONS

Allied Domecq PLC was Corby's ultimate parent company until July 26, 2005, subsequent to which Pernod Ricard S.A. became Corby's ultimate parent by way of their acquisition of Allied Domecq PLC. The term "Pernod Ricard" in this note shall mean Allied Domecq PLC up until the date of July 26, 2005 and Pernod Ricard S.A. from July 27, 2005 onwards.

Hiram Walker & Sons Limited, a wholly owned subsidiary of Pernod Ricard, owns in excess of 50% of the issued voting common shares of Corby and is thereby considered to be the Corporation's parent. Pernod Ricard is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of Pernod Ricard. In addition to the information provided in Notes 4 and 8, transactions and balances with parent and affiliated companies include the following:

(in thousands of Canadian dollars) Nature of Transaction	Nature of Relationship	Financial Statement Classification	Amount of the Transactions 2006	Amount of the Transactions 2005
I The Corporation renders blending and bottling services	Parent company	Sales, accounts receivable	$ 983	$ 988
II The Corporation sells certain of its products for resale at an export level	Affiliated companies	Sales, accounts receivable	$ 351	$ 57
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 affiliated companies	Commissions, accounts receivable	$ 6,286	$ 11,149
IV The Corporation sub-contracts virtually all of its distilling, blending, bottling, storing and production activities	Parent company	Cost of sales/ inventories	$ 14,772	$ 16,656
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	$ 1,920	$ 2,304
VI The Corporation purchases some of the inventory used in production activities	Parent company	Cost of sales/ inventories	$ 1,915	$ 1,885

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 that may be terminated upon six months notice. These agreements include a non-competition clause whereby the Corporation ceded its rights to sell beverage alcohol in bulk in favour of its parent company.

The Corporation also entered into short-term loan arrangements whereby the cash balance of the Corporation was lent to its ultimate parent company at risk free market interest rates. The loans were for periods of five days and two days respectively, and the Corporation earned a total of $33 in interest income from these transactions during the ten months ended June 30, 2006.

BALANCES
AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Amounts included in accounts receivable		
Affiliated companies, parent, ultimate parent	$ –	$ 2,795
Amounts included in accounts payable		
Affiliated companies, parent, ultimate parent	(1,775)	–
	$ (1,775)	$ 2,795

4. AGREEMENT WITH PERNOD RICARD

In March 2006, Corby entered into an agreement with respect to the Canadian representation of Pernod Ricard's brands, production of Corby's owned-brands and an exchange of certain assets. Pernod Ricard owns 51% of the Voting Class A common shares (and 46% of the overall capital) of Corby and is considered to be the Corporation's ultimate parent. The transaction, expected to close no later than September 29, 2006, involves the reorganization of both companies' Canadian operations.

Under the agreement, Corby will acquire the exclusive right to represent Pernod Ricard's brands in Canada for the next 15 years. Corby will also acquire the international rights to Lamb's rum (excluding the Canadian rights, which Corby already owns) and the Canadian rights to Seagram's Coolers. Corby intends to satisfy the $105,000 purchase price by selling its 45% interest in Tia Maria to Pernod Ricard. The companies also agreed upon the terms for continuation of production of Corby`s owned-brands by Pernod Ricard at its production facility in Windsor, Ontario for the next 15 years, with agreement of a 10 year term and five year extension possibility. The companies have further agreed that Corby would manage Pernod Ricard's business interests in Canada, including the Windsor production facility. A charge of $1,764 and a deferred cost of $680 have been recorded to reflect the costs that have been incurred during the period ended June 30, 2006 associated with the reorganization of the Corporation. $560 of the $1,764 charge has been accrued as at June 30, 2006.

CHIVAS REGAL

SPEARHEAD OF PREMIUM BRANDS

A record-breaking 3.9 million cases sold globally and the #1 premium blended scotch whisky in Canada.

5. INVENTORIES, NET

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Raw materials	$ 5,841	$ 6,369
Work-in-progress	22,943	24,180
Finished goods	8,893	7,344
Inventories, net*	$ 37,677	$ 37,893

*Net of inventory provisions of $244 and $397 as at June 30, 2006 and August 31, 2005, respectively

6. INCOME TAXES

FOR THE 10 MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Current	$ 10,198	$ 11,209
Future	(1,127)	412
Inventories, net*	$ 9,071	$ 11,621

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

FOR THE 10 MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Future income tax assets:		
Current		
Investment in affiliated companies	$ 460	$ 790
Restructuring reserves	197	–
Capital losses carried forward	185	
Valuation allowance	–	(630)
	$ 842	$ 160
Non-current		
Bad debt and inventory reserves	329	–
Other	8	42
	$ 337	$ 42
Total future income tax assets	$ 1,179	$ 202
Future income tax liabilities:		
Non-current		
Employee future benefits	$ (785)	$ (381)
Capital assets	(492)	(452)
Loan to affiliated companies	–	(594)
	$ (1,277)	$ (1,427)
Net future income taxes	$ (98)	$ (1,225)

As at June 30, 2006, the Corporation has a capital loss carry forward for tax purposes of $1,050, which can be carried forward indefinitely.

The effective tax rate of 24% for the 10 months ended June 30, 2006 and 23% for the year ended August 31, 2005 differ from the basic Federal and Provincial rates due to the following:

FOR THE 10 MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Combined basic Federal and Provincial tax rates	35%	35%
Equity in net earnings of companies subject to significant influence	(7%)	(7%)
Income not subject to tax	(3%)	(7%)
Other	(1%)	2%
	24%	23%

7. CHANGES IN NON-CASH WORKING CAPITAL

FOR THE 10 MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
(Increase) decrease in:		
Accounts receivable	$ (937)	$ (2,077)
Interest receivable from affiliated company	2,631	(2,631)
Inventories, net	216	(2,207)
Prepaid expenses	124	841
Deferred costs	(680)	–
Increase (decrease) in:		
Accounts payable and accrued liabilities	3,817	(2,759)
Interest payable to affiliated company	(1,184)	1,184
Income and other taxes payable	(2,170)	500
Decrease (increase) in non-cash working capital	$ 1,817	$ (2,735)

8. LOAN TO/FROM AFFILIATED COMPANY

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

During the ten months ended June 30, 2006, the Corporation repaid its debt financing instrument from Pernod Ricard. The amount due to affiliated company bore interest at 7.66%, was without recourse and was secured by the capital of Allied Domecq USA. Interest expense for the year was $3,432 (2005 - $11,706).

The interest bearing debt instrument to Allied Domecq USA also matured during the ten months ended June 30, 2006, and the Corporation received payment in full for this receivable. The amount due from affiliated company bore interest at 7.91%. Income for the year was $3,602 (2005 - $12,088).

9. CAPITAL ASSETS

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	Cost	Accumulated Amortization	2006 Net Book Value	Cost	Accumulated Amortization	2005 Net Book Value
Land	$ 638	$ –	$ 638	$ 638	$ –	$ 638
Buildings	6,656	4,217	2,439	5,733	4,132	1,601
Machinery and equipment	14,850	9,919	4,931	14,989	10,030	4,959
	$ 22,144	$ 14,136	$ 8,008	$ 21,360	$ 14,162	$ 7,198

10. EMPLOYEE FUTURE BENEFITS

The Corporation provides pension and non-pension post-retirement benefits to current and retired employees. The Corporation has two defined benefit statutory pension plans, one for salaried employees (the "Salaried Plan") and one for executive employees (the "Executive Plan"), as well as individual supplemental arrangements ("SERPs") which provide additional defined pension benefits to executive employees. Benefits under these plans are based on employee's years of service and average annual earnings over a period of time prior to retirement. Non-pension post-retirement benefits include retiree life insurance, health and dental coverage (the "Non-Pension Post-retirement Benefit Plan"). These benefits are unfunded, unlike pension benefits, and the cost of the basic plans are 100% paid by the Corporation.

The most recent actuarial valuation of the plans is January 1, 2005 for the Salaried Plan, January 1, 2006 for the Executive Plan and the SERPs, and May 1, 2006 for the Non-Pension Post-Retirement Benefit Plan. The funded status of the plans as at June 30, 2006 is based on an extrapolation of these valuations.

(in thousands of Canadian dollars)	Pension Benefit Plan Salaried and Executive	Pension Benefit Plan SERP	Non-Pension Post Retirement Benefit Plan	Total Future Benefits Plan
Change in accrued benefit obligation:				
Balance - August 31, 2005	$ 40,614	$ 6,067	$ 11,138	$ 57,819
Actuarial loss (gain) - beginning of period	–	–	968	968
Current service cost (employer)	862	245	243	1,350
Interest cost	1,643	249	493	2,385
Employee contributions	92	–	–	92
Benefits paid	(2,479)	(198)	(616)	(3,293)
Actuarial loss	(3,185)	(766)	(1,604)	(5,555)
Balance-June 30, 2006	$ 37,547	$ 5,597	$ 10,622	$ 53,766
Change in plan assets:				
Balance - August 31, 2005	$ 32,823	$ 3,559	$ –	$ 36,382
Actual return on plan assets	824	75	–	899
Employer contributions	1,748	1,904	616	4,268
Employee contributions	92	-	-	92
Benefits paid	(2,479)	(198)	(616)	(3,293)
Actual plan expenses	(342)	(65)	–	(407)
Balance-June 30, 2006	$ 32,666	$ 5,275	$ –	$ 37,941
Reconciliation of funded status:				
Funded Status: Deficit	$ (4,881)	$ (322)	$ (10,622)	$ 15,825
Unamortized net transition obligation (asset)	(3,282)	148	4,891	1,757
Unamortized past service costs	983	34	–	1,017
Unamortized net actuarial loss	11,497	1,166	2,789	15,452
Accrued benefit asset (liability)	$ 4,317	$ 1,026	$ (2,942)	$ 2,401
Components of expense:				
Current service cost (including provision for plan expenses)	$ 1,067	$ 267	$ 243	$ 1,577
Interest cost	1,643	249	493	2,385
Actual return on plan assets	(824)	(75)	–	(899)
Actuarial loss	(3,185)	(766)	(646)	(4,597)
Costs arising in the period	(1,299)	(325)	90	(1,534)
Return on plan assets	(1,071)	(38)	–	(1,109)
Actuarial loss	3,751	826	792	5,369
Plan amendments	65	2	–	67
Transitional obligation (asset)	(290)	13	336	59
Net expense recognized in current year	$ 1,156	$ 478	$ 1,218	$ 2,852
Assumptions:				
At beginning of period:				
Discount rate	5.00%	5.00%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.00%	7.00%	–	7.00%
At end of period:				
Discount rate	5.75%	5.75%	5.75%	5.75%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Health care trend rates:				
Initial weighted average health care trend rate	–	–	8.5%	8.5%
Ultimate weighted average health care trend rate	–	–	5.0%	5.0%
Year ultimate rate reached	–	–	2013	2013
Plan assets by asset category:				
Equity securities	56.0%	50.0%	–	55.2%
Debt securities	43.0%	–	–	37.2%
Refundable taxes at Canada Revenue Agency/other	1.0%	50.0%	–	7.6%
	100.0%	100.0%	–	100.0%

(in thousands of Canadian dollars)	Pension Benefit Plan Salaried and Executive	Pension Benefit Plan SERP	Non-Pension Post Retirement Benefit Plan	Total Future Benefits Plan
Change in accrued benefit obligation:				
Balance - September 1, 2004	$ 35,530	$ 4,863	$ 9,595	$ 49,988
Current service cost (employer)	657	181	186	1,024
Interest cost	2,071	291	568	2,930
Employee contributions	128	–	–	128
Benefits paid	(2,879)	(222)	(557)	(3,658)
Actuarial loss	5,107	954	(1,346)	(7,407)
Balance-August 31, 2005	$ 40,614	$ 6,067	$ 11,138	$ 57,819
Change in plan assets:				
Balance - September 1, 2004	$ 32,165	$ 1,603	$ –	$ 33,768
Actual return on plan assets	3,761	139	–	3,900
Employer contributions	–	2,061	557	2,618
Employee contributions	128	–	–	128
Benefits paid	(2,879)	(222)	(557)	(3,658)
Special termination benefits (adjustment to expected surplus distribution	186	–	–	186
Actual plan expenses	(538)	(22)	–	(560)
Balance-August 31, 2005	$ 32,823	$ 3,559	$ –	$ 36,382
Reconciliation of funded status:				
Funded Status: Deficit	$ (7,791)	$ (2,508)	$ (11,138)	$ 21,437
Unamortized net transition obligation (asset)	(3,573)	161	5,227	1,815
Unamortized past service costs	1,057	36	–	1,093
Unamortized net actuarial loss	14,063	1,920	3,567	19,550
Accrued benefit asset (liability)	$ 3,756	$ (391)	$ (2,344)	$ 1,021
Components of expense:				
Current service cost (including provision for plan expenses)	$ 898	$ 181	$ 186	$ 1,265
Interest cost	2,071	291	568	2,930
Actual return on plan assets	(3,761)	(139)	–	(3,900)
Actuarial loss	(5,108)	954	1,346	7,408
Special termination benefits (adjustment to expected surplus distribution	(186)	–	–	(186)
Costs arising in the period	4,130	1,287	2,100	7,517
Differences between costs arising in the period and costs recognized in respect of:				
Return on plan assets	1,514	56	–	1,570
Actuarial loss	(4,648)	(920)	(1,275)	(6,843)
Plan amendments	225	3	–	228
Transitional obligation (asset)	(349)	16	403	70
Net expense recognized in current year	$ 872	$ 442	$ 1,228	$ 2,542
Assumptions:				
At beginning of period:				
Discount rate	6.00%	6.00%	6.00%	6.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.25%	7.25%	–	7.25%
At end of period:				
Discount rate	5.00%	5.00%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Health care trend rates:				
Initial weighted average health care trend rate	–	–	6.3%	6.3%
Ultimate weighted average health care trend rate	–	–	4.2%	4.2%
Year ultimate rate reached	–	–	2010	2010
Plan assets by asset category:				
Equity securities	54.3%	51.7%	–	54.0%
Debt securities	44.9%	–	–	40.7%
Refundable taxes at Canada Revenue Agency/other	0.8%	48.3%	–	5.3%
	100.0%	100.0%	–	100.0%

HAVANA CLUB

THE ORIGINAL PREMIUM CUBAN RUM

With over 2.4 million cases sold globally and consistent double-digit growth over the last ten years, this is one of the fastest-growing spirits brands in the world. Havana Club looks to explore its strong growth potential in Canada, at the premium end of the rum market.

SENSITIVITY TO CHANGE IN HEALTH CARE COST TREND RATES

	Accrued Benefit Obligation 2006	Service Cost 2006	Interest Cost 2006	Aggregate of Service Cost and Interest Cost 2006
Valuation Trend	10,622	243	493	736
Valuation Trend +1%	11,640	298	541	839
Difference (Valuation Trend +1% less Valuation Trend)	1,018	55	48	103
Valuation Trend -1%	9,762	201	454	655
Difference (Valuation Trend -1% less Valuation Trend)	(860)	(42)	(39)	(81)

11. SHARE CAPITAL

On February 9, 2006, the Board of Directors of Corby declared a four-for-one stock split by way of a stock dividend after payment of the quarterly dividend, both paid on March 15, 2006 on Voting Class A Common Shares and Non-voting Class B Common Shares of the Corporation to shareholders of record as at the close of business on February 28, 2006.

As a result, all of the references to common shares, earnings per common share, diluted earnings per common share, and stock options have been retroactively restated to reflect the impact of the stock split.

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars, except share amounts)	2006	2005
Number of shares authorized:		
Voting Class A Common Shares – no par value	Unlimited	Unlimited
Non-Voting Class B Common Shares – no par value	Unlimited	Unlimited
Number of shares issued and fully paid:		
Voting Class A Common Shares	24,274,320	24,274,320
Non-Voting Class B Common Shares – beginning of period	4,139,936	4,055,936
Non-Voting Class B Common Shares – issued during the period	36,400	84,000
Non-Voting Class B Common Shares – end of period	4,176,336	4,139,936
	28,450,656	28,414,256
	$ 14,008	$ 13,519

In prior years, the Corporation established a Non Voting Class B Common Share Option Plan and set aside 800,000 Non-Voting Class B Common Shares. Through the Share Option Plan, options were granted to certain officers and employees for the purchase of Non-Voting Class B Common Shares. Options were granted at prices equal to the closing market value on the last trading day prior to the grant and are exercisable from six to nine years from the date of vesting. Options vest from one to four years after the grant date. During the year, 36,400 options were exercised for total proceeds of approximately $489. The last options granted through the Share Option Plan were granted on October 23, 2000.

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

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	Options 2006	Weighted Average Exercise Price 2006	Options 2005	Weighted Average Exercise Price 2005
Outstanding, beginning of period	54,600	$ 14.37	140,700	$ 13.05
Exercised through the purchase option	(36,400)	13.43	(84,000)	12.11
Cancelled	–	–	(2,100)	16.34
Outstanding, end of period	18,200	$ 16.23	54,600	$ 14.37

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

	Total number Exercisible & Outstanding	Weighted Average Remaining Contractual Life (in year)	Weighted Average Exercise Price
Range of Exercise Prices			
$12.44	2,200	5.2	$ 12.44
$16.75	16,000	3.2	$ 16.75
Total	18,200	3.4	$ 16.23

12. SHARE APPRECIATION RIGHTS PLAN

In October 2002, the Corporation established a Share Appreciation Rights Plan. Through this Plan, share appreciation rights ("SAR") were granted to certain officers and employees of the Corporation at a grant price equal to the market closing price of the Corporation's Class A common shares seven days after the date of grant. SARs generally vested from two to four years after the date of grant. On the date of vesting, the SAR was deemed to have been automatically exercised and the holder was entitled to receive a cash payment equal to the difference between the grant price and the market closing price of the Corporation's Class A common shares. If the closing market price of the Class A common shares on the date of vesting was less than or equal to the grant price, the vested SAR immediately lapsed and no payment was made. The holder of a SAR was also entitled to receive a cash payment equal to the total value of dividends earned on the SAR until the vesting date.

As a result of the change in control of the Corporation on July 26, 2005, the value of all the outstanding SARs became immediately vested. No SARs have been granted since that date. The compensation expense related to this plan for the year ended August 31, 2005 was $1,376.

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	Share Appreciation Rights 2006	Weighted Average Grant Price 2006	Share Appreciation Rights 2005	Weighted Average Grant Price 2005
Outstanding, beginning of period	–	$ –	92,584	$ 60.65
Granted	–	–	52,802	66.01
Vested	–	–	(143,284)	62.62
Cancelled	–	–	(2,102)	60.81
Outstanding, end of period	–	$ –	–	$ –

13. EARNINGS PER SHARE

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

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars, except share amounts)	2006	2005
Numerator:		
Net earnings	$ 28,037	$ 39,892
Denominator:		
Denominator for basic earnings per share– weighted average shares outstanding	28,421,723	28,381,724
Effect of stock options	16,845	32,188
Denominator for diluted earnings per share	28,438,568	28,413,912

14. 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 JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006	2005
Balance – beginning of period	$ (1,813)	$ 624
Translation adjustment of long-term investments	(1,206)	(2,437)
Balance – end of period	$ (3,019)	$ (1,813)

15. FINANCIAL INSTRUMENTS

CREDIT RISK

The Corporation's accounts receivable are substantially with provincial liquor boards, which significantly reduces credit risk.

FAIR VALUES

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

16. COMMITMENTS

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

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006
2007	$ 1,054
2008	917
2009	524
2010	314
2011	85
Thereafter	73
	$ 2,967

Funding contributions for the Corporation's employee future benefits plans for the next five years and thereafter are expected to be as follows:

AS AT JUNE 30, 2006 AND AUGUST 31, 2005, RESPECTIVELY

(in thousands of Canadian dollars)	2006
2007	$ 3,128
2008	2,112
2009	1,867
2010	–
2011	–
Thereafter	–
	$ 7,107

17. GUARANTEES

The Corporation 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 Corporation provides indemnification commitments to counterparties in transactions such as leasing and service arrangements. These indemnification agreements require the Corporation 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.

18. CONTINGENCIES

The Corporation 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 Corporation's financial position or results of operations.

19. OTHER INFORMATION

For the 10 months ended June 30, 2006 and the year ended August 31, 2005, the Corporation's net revenue and identifiable assets are all attributable to its domestic Canadian operations. Export sales account for less than 5% of net operating revenue. The Corporation's equity in net earnings of companies subject to significant influence is derived principally from European based operations.

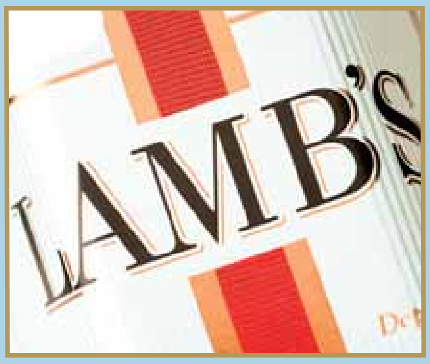
In 2006, sales to three major customers accounted for 33%, 15% and 12%, respectively, of net operating revenue (2005 - 35%, 14% and 12%).

20. COMPARATIVE FIGURES

Certain of the prior period's figures have been reclassified to conform to the financial statement presentation adopted in 2006.

21. SUBSEQUENT EVENTS

Subsequent to June 30, 2006, the Corporation is expected to close the aforementioned transaction with Pernod Ricard (see Note 4). This transaction is expected to have a material impact on the financial results, assets, and liabilities of the Corporation.



LAMB'S

MEETS HALF-MILLION CASE MILESTONE

With over 500,000 cases sold in Canada and a significant export business, particularly in the UK, Lamb's has a rich history dating back to 1849, when Alfred Lamb established his rum business in London, England. In Canada, the brand is particularly strong in the Atlantic Provinces and is the number one selling spirits brand in Newfoundland.

TEN YEAR REVIEW

	10 MONTHS ENDED JUNE 30 2006	YEAR ENDED AUGUST 31 2005	2004	2003	2002	2001	2000	1999	1998	1997
RESULTS *(in millions of Canadian dollars)*										
Gross operating revenue	112.4	129.4	118.7	108.9	101.8	101.2	93.4	101.1	97.2	92.1
Earnings from operations	28.5	40.0	36.9	35.5	30.7	32.9	29.1	30.1	30.1	32.4
Earnings excluding after-tax restructuring costs	29.2	39.9	32.5	29.8	25.1	28.5	21.2	25.7	30.5	29.2
Net earnings	28.0	39.9	32.5	28.4	25.1	28.5	20.4	22.8	27.8	28.5
Cash provided from operations	21.5	28.4	36.2	39.0	23.2	24.4	21.8	17.2	32.0	21.3
YEAR END POSITION *(in millions of Canadian dollars)*										
Working capital	143.5	103.2	84.2	68.1	60.7	58.2	62.2	64.0	62.8	92.1
Total assets	179.6	313.2	295.3	277.0	261.9	254.8	94.2	107.4	101.7	161.9
Long-term debt	–	–	–	–	8.0	18.0	31.0	39.0	43.0	–
Shareholders' equity	158.3	142.7	119.9	99.8	86.5	72.9	57.3	53.1	44.8	144.6
PER COMMON SHARE* *(in Canadian dollars)*										
Net earnings excluding after-tax restructuring costs	1.03	1.41	1.15	1.05	0.89	1.02	0.76	0.92	1.09	1.04
Net earnings	0.99	1.41	1.15	1.01	0.89	1.02	0.73	0.81	1.00	1.02
Cash provided from operations	0.76	1.00	1.28	1.38	0.83	0.87	0.78	0.61	1.15	0.76
Shareholders' equity	5.57	5.03	4.23	3.53	3.06	2.59	2.04	1.90	1.60	5.19
Special dividend paid	–	–	–	–	–	–	–	–	4.13	–
Dividends paid	0.41	0.55	0.50	0.50	0.50	0.50	0.50	0.50	0.43	0.32
MARKET VALUE PER VOTING COMMON SHARE* *(in Canadian dollars)*										
High	28.00	20.46	17.50	16.13	17.50	16.88	21.00	22.00	19.13	14.50
Low	17.75	15.81	14.44	12.73	14.00	11.28	11.13	16.75	13.69	10.19
Close at end of year	22.90	18.13	16.50	14.69	15.04	16.01	12.45	17.50	18.25	13.75
OTHER STATISTICS										
Working capital ratio	9.1	1.6	5.6	4.5	6.8	7.1	16.7	5.3	6.1	7.1
Pre-tax return on average capital employed	40.7	38.8	38.6	37.9	34.8	40.4	34.9	38.6	34.3	31.6
Earnings from operations as a % of gross revenue	25.4	32.0	31.1	32.6	30.2	32.5	31.2	29.8	31.0	35.2
Return on average shareholders' equity	31.0	30.2	29.5	30.5	31.5	43.8	37.0	46.5	29.3	20.9
Number of shareholders	666	684	716	762	785	813	855	891	933	985
Number of shares outstanding ('000's)	28,451	28,414	28,332	28,324	28,268	28,140	28,080	28,024	27,956	27,864
SEGMENTED INFORMATION *(in millions of Canadian dollars)*										
Gross operating revenue from Canadian operations	112.4	129.4	118.7	108.9	101.8	101.2	93.4	101.1	97.2	92.1
Pre-tax earnings from Canadian operations	30.5	41.6	37.7	35.9	30.7	32.9	29.1	30.1	30.0	34.2
Net earnings before extraordinary item:										
Canadian operations	21.4	30.0	27.4	27.0	22.8	23.3	15.4	15.8	20.9	19.3
Foreign operations	6.6	9.9	5.1	1.4	2.3	5.2	5.0	7.0	6.9	9.2

* References to per share figures have been restated to reflect impact of March 15, 2006 stock split

CORBY WISHES TO THANK ALL OF OUR PEOPLE FOR MAKING 2006 SUCH A SUCCESSFUL YEAR!

Alexander, Andrew
Anderson, Craig
Armistead, Michael
Beaudin, Nathalie
Beaudin, Sylvie
Beck, R. Bentley
Benoit, Chantal
Black, Jason
Blain, Bruno
Bowditch, George
Boyd, Fay
Brick, Leanne
Brisebois, Daniel
Brown, Ryan
Bruneau, Sebastien
Buchanan, Ian
Burrowes, Kyle
Calabrese, Angie
Calautti, Louis
Carriere, Robert
Castonguay, Marc
Ceccucci, Bernandino
Chebli, Badri
Chow, Farrel
Clieff, Julie
Cloutier, Marlene
Costello, Michael
Cote, Stephane
Cristiano, Gerry
Cruikshank, Mark
Cseh, Krisztina
Cutaia, Karen
D'Aprile, Anthony
Dacosta, Roy
De Mancier, Therese
Denis, Eric
Derksen, Sandra
Devitt, Kirsten
Dhaliwal, Amarpret
DiBiase, Gregory
Dicesare, Gus
Dmytryshyn, Rick
Duquette, Martin
Estephan, David
Filipenko, Kristal
Fioramore, Nicolas
Fleischhaker, Valerie
Forrest, Scott
Fortier, Jennifer
Fortin, Jean-Francois
Fortin, Mathieu
Fortin, Michel
Fournier, Annie
Gainza, Marizull
Gandhi, Sunil
Garand, Alain
Gasson, Scott
Gault, Kenneth
Gauthier, Glenna
Gilbert, Christine
Girard, Eric
Girard, Robert
Giroux, Sebastien
Gougeon, Philippe
Gowanlock, Mark
Grant, John
Gray, Robert
Grimme, Natalie
Guest, Donald
Gustafson, Ken
Hajjar, Raymond G
Haluska, David
Hanson, Kevin
Hart, Carla
Hémard, André
Hilgendorf, Jodi
Ho, Jaime
Hoeg, Krystyna
Hollihan, Richard
Houthoofd, Nikolas
Houthoofd, Remy
Hubbard, Ashley
Hurrel, Gerry
Hutchinson-Harris, Michelle
Jette, Chantale
Judson, Ron
Kahan, Bruce
Kavanagh, Colin
Kelly, Trent
Kindrachuk, Peter
Kirke, Howard
Kolisnyk, Lana
Krebes, Doug
Labbe, Jean-Francois
Labonte, Marc
Lacharite, Luc
Lavallee, Marie-France
Laverty, Franklin
Le Cong, Minh
Lebel, Rodrigue
Lefebvre, Cynthia
Lemaire, Genevieve
Lemay, Hubert
Lennie, Deborah
Lepage, Helene
Lepine, Joe
Limoges, Patrice
Lundberg, Daniel
Lyall, Michael
Lytle, Mike
Macdonald, Suzanne
MacMartin, Tamra
Magrath, Paul
Maille, Robert
Mallette, Jean-Francois
Marcil, Daniel
Marcil, Eric
Marquis, Nancy
McFarlane, George
McKenzie, Carol
McPhail, Michael
Meissenheimer, Linda
Mercer, Tracy
Meret, Brian
Michelis, Anastasia
Miller, Sandi
Milton, Ben
Minnella, Diana
Mirza, Ismat
Mokrane, Mehdi
Mondo, Xavier Mukewo
Muili, Olu
Murad, Abdel
Ngang, Sayada
Nguyen, Annie
Nicodemo, John
Pages, Roger
Papineau, Joanne
Patterson, Tracy
Phaneuf, Michel
Phelps, Margo
Picard, Francois
Pieper, Garth
Podloski, Myron
Pollock, Doug
Price, Katharine
Pronovost, Marc
Pronovost, Serge
Prusky, Toni-Rae
Quigg, James
Ralliford, Lavern
Read, Denver
Redmond, Tracie
Riches, Paul
Robbins, William
Roberts, Danielle
Rolheiser, Jan
Ronquillo, Edwin
Rousseau, Denis
Roy, Yvan
Salvas, Charles
Santos, Jason
Sauve, Luc
Seed, Anthony
Senger, Valerie
Shortill, Tracy
Simboli, Fiorentino
Simpson, Dave
Sinclair, Nicholas
Small, Derek
Smith, Adrienne
Smolash, Dina
Sullivan, Alan
Sykes, Janice
Tang, Bobby
Taylor, Fatima
Thirion, Philippe
Thomas, Catherine
Thorne, Mark
Tieman, Philip
Tremblay Dalpe, Eric
Underhill, William
Vaillancourt, Francois
Valencia, Marc
Vendittelli, Andrea
Villemaire, Nathalie
Vittori, Pierino
Watson, Lori
Webster, Ewan
Weir, Stephen
Wilkie, Kimberly
Willard, Larry
Wilson, Sarra
Wolff, Shila
Yachyshen, Tyler
Zabrodski, Wayne

DIRECTORS & OFFICERS AND GENERAL INFORMATION

DIRECTORS

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

Michel Bord
Chairman and
Chief Executive Officer
Pernod Ricard Americas
(Year Elected 2006)

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

André Hémard
Executive Vice President,
Sales and Marketing, and
Chief Operating Officer
of the Corporation
(Year Appointed 2006)

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

Robert L. Llewellyn
Director of the Corporation
(Year Elected 1999)

John Nicodemo
Vice President, Finance,
and Chief Financial Officer
of the Corporation
(Year Elected 2000)

Patricia Nielsen
Director of the Corporation
(Year Elected 2000)

Frédéric Villain
Chief Financial Officer
Pernod Ricard Americas
(Year Elected 2006)

OFFICERS

George F. McCarthy
Chairman of the Board

Krystyna T. Hoeg
President and
Chief Executive Officer

André Hémard
Executive Vice President,
Sales and Marketing, and
Chief Operating Officer

John Nicodemo
Vice President, Finance,
and Chief Financial Officer

Andrew Alexander
Vice President, Sales

Colin Kavanagh
Vice President, Marketing

Howard Kirke
Vice President,
External Affairs

Ismat Mirza
Vice President,
Human Resources, and
Chief Privacy Officer

Marc Valencia
Vice President,
General Counsel and
Corporate Secretary

BOARD COMMITTEES

EXECUTIVE COMMITTEE

George F. McCarthy
(Chairperson)
Garth M. Girvan
Krystyna T. Hoeg

RETIREMENT COMMITTEE

Krystyna T. Hoeg
(Chairperson)
Robert L. Llewellyn
Ismat Mirza
John Nicodemo

AUDIT COMMITTEE

Robert L. Llewellyn
(Chairperson)
George F. McCarthy
Patricia Nielsen
Frédéric Villain

MANAGEMENT RESOURCES COMMITTEE

Garth M. Girvan
(Chairperson)
Michel Bord
Robert L. Llewellyn

INDEPENDENT COMMITTEE

Robert L. Llewellyn
(Chairperson)
Garth M. Girvan
George F. McCarthy
Patricia Nielsen

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

Garth M. Girvan
(Chairperson)
George F. McCarthy
John Nicodemo

GENERAL INFORMATION

TRANSFER AGENT AND REGISTRAR

Computershare
Investor Services Inc.

AUDITORS

Deloitte & Touche LLP

BANKERS

Toronto Dominion Bank
Bank of Montreal

SOLICITORS

McCarthy Tétrault LLP

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tuesday, November 14, 2006
at eleven o'clock in
the forenoon,
The Carlu,
444 Yonge Street , 7th 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

102 Chain Lake Drive,
Suite 228
Halifax, Nova Scotia
B3S 1A7
Tel: 902.450.5483

Unit 202,
2825 Saskatchewan Drive,
Regina, Saskatchewan
S4T 1H3
Tel: 306.586.6546

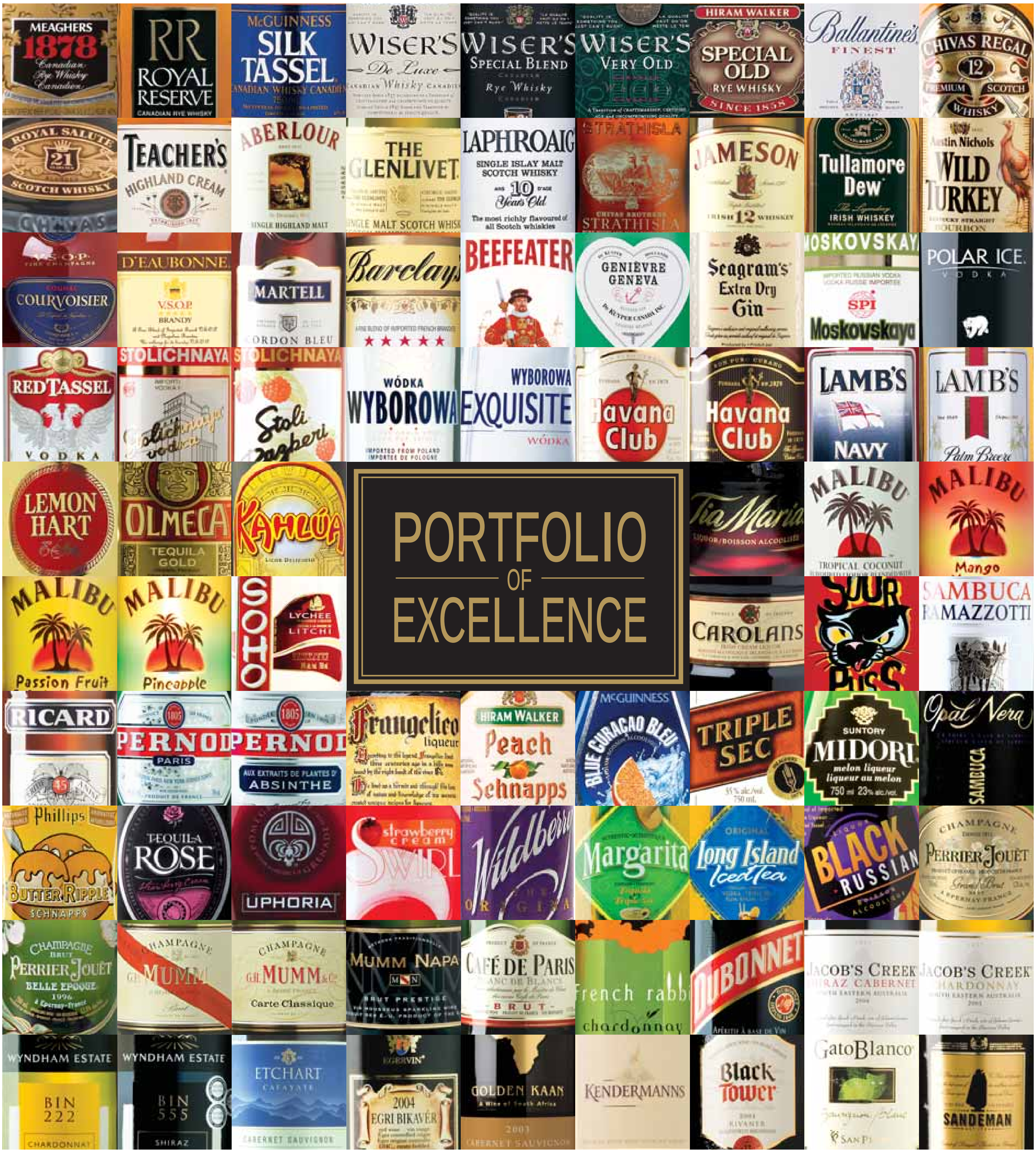
3115 12th Street N.E.,
Suite 145
Calgary, Alberta
T2E 7J2
Tel: 403.291.2765

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

FOR MORE INFORMATION

Corby Distilleries Limited
Krystyna T. Hoeg, President
and Chief Executive Officer
John Nicodemo
Vice President, Finance,
and Chief Financial Officer
Tel: 416.369.1859
www.Corby.ca

Ce rapport peut être obtenu
en français auprès de :
Les Distilleries Corby Limitée
193, rue Yonge
Toronto (Ontario) M5B 1M8
Tél. : 416.369.1859



BROWN SPIRITS MEAGHER'S 1878, ROYAL RESERVE, McGUINNESS SILK TASSEL, WISER'S, HIRAM WALKER SPECIAL OLD, BALLANTINE'S, CHIVAS REGAL, CHIVAS ROYAL SALUTE, TEACHER'S HIGHLAND CREAM, ABERLOUR, THE GLENLIVET, LAPHROAIG, STRATHISLA, JAMESON, TULLAMORE DEW, WILD TURKEY, COURVOISIER, D'EAUBONNE, MARTELL, BARCLAY'S WHITE SPIRITS BEEFEATER, GENEVA, SEAGRAM'S, MOSKOVSKAYA, POLAR ICE, McGUINNESS RED TASSEL, STOLICHNAYA, STOLICHNAYA RAZBERI, WYBOROWA, HAVANA CLUB, LAMB'S, LEMON HART, OLMECA LIQUEURS KAHLÚA, TIA MARIA, MALIBU, MALIBU MANGO, MALIBU PASSION FRUIT, MALIBU PINEAPPLE, SOHO, CAROLANS IRISH CREAM, SOUR PUSS, RAMAZZOTTI, RICARD 45 PASTIS, PERNOD, PERNOD ABSINTHE, FRANGELICO, HIRAM WALKER, McGUINNESS, MEAGHERS, MIDORI, OPAL NERA, PHILLIPS BUTTER RIPPLE SCHNAPPS, TEQUILA ROSE, UPHORIA READY-TO-DRINK & COOLERS SEAGRAM'S STRAWBERRY SWIRL, SEAGRAM'S WILDBERRY, MARGARITA MIX, LONG ISLAND ICED TEA, BLACK RUSSIAN WINES PERRIER JOUËT, MUMM, MUMM NAPA, CAFÉ DE PARIS, FRENCH RABBIT, DUBONNET, JACOB'S CREEK, WYNDHAM ESTATES, ETCHART, EGERVIN, GOLDEN KAAN, KENDERMANNS, BLACK TOWER, SAN PEDRO, SANDEMAN

Spirit MAKER CORBY Artisan DE L'ESPRIT