



Investor Presentation Second Quarter 2008

Safe Harbor Statement

Certain statements in this presentation and our response to various questions may constitute “forward- looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities law. Actual results might differ materially from those projected in the forward-looking statements, which are based on current expectations and speak only as of the date and time made. In some cases, information regarding certain important factors that could cause actual results to differ materially from any such forward-looking statement appears or is discussed together with such statements. Additional information concerning these and other risk factors is contained in the most recent Form 10-K filed February 26, 2008, press releases and other filings with the Securities and Exchange Commission and Canadian securities regulators. The Company’s full Safe Harbor Statement is available at www.timhortons.com/en/about/safeharbor.html. Many of the factors that will determine our future performance are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements. Except as required by applicable securities laws, we do not have any intention or obligation to update forward-looking statements after this presentation, even if new information, future events or other circumstances have made them incorrect or misleading.



Investment Summary

- Proven business model that creates competitive advantage and generates several earnings streams.
- Iconic brand status and market share leadership in Canada, with a growing regional presence in targeted core northeast and midwest markets in the US.
- Strong financial performance and cash flow over long-periods of time.
- Same-store sales and unit growth opportunities in both the Canadian and US segments.



Tim Hortons Today



- Fourth largest publicly-traded Quick Service Restaurant company in North America by market cap, largest in Canada
- 42% of Canadian QSR sector traffic
- Strong financial performance and cash flow over long periods
- Same-store sales and unit growth opportunities in Canada and the US
- 40% of customers visit Tim Hortons 4 times or more each week

Market share data from NPD GROUP, Canadian data, 12 months ending November 2007

Time-tested business model

Multiple Earning Layers

The Tim Hortons business model is time-tested and different than most QSR companies. This model has created a long history of growth and performance.



Real Estate

Primary formula is rent based on % of sales*

- 10% - Canada
- 8.5% - US



Franchising

Primary formula is royalties based on % of sales

- 3% - Canada
- 4.5% - US



Vertical Integration

- 5 distribution centers
- Coffee roasting operation
- Maidstone Bakeries (JV)
- Fondant and fills manufacturing facility

* Rent owed to Tim Hortons when franchisee leases from Tim Hortons.



Significant Vertical Integration Capabilities

Distribution



- 5 Distribution Centers, four shipping dry goods and one shipping 3-channel (dry / frozen / refrigerated)
- Approximately 260,000 square feet of distribution capacity

Bakery



- Joint Venture Maidstone Bakeries
- Proprietary technologies
- Par-baked donuts, Timbits[®], selected breads and pastries

Coffee Roaster



- Supplies about 45% of systemwide needs
- Quality assurance
- Industry knowledge and expertise
- New roaster planned for 2009

Fondant and Fills



- Sole supplier of ready-to-use glaze used on a number of Always Fresh products

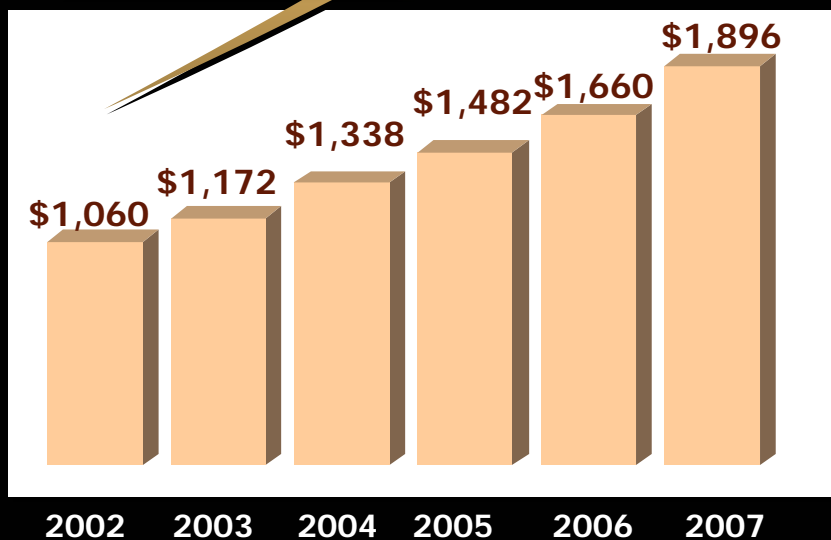


Powerful Track Record of Growth

Revenues

(C\$ millions)

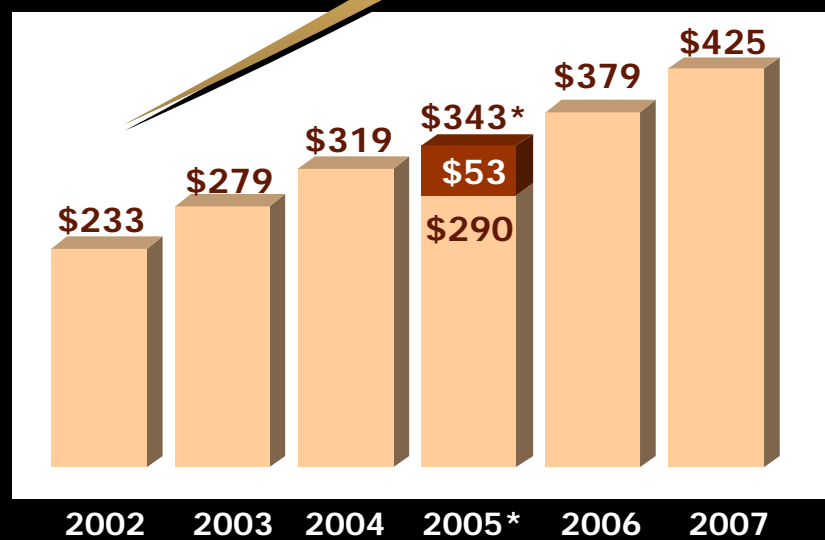
CAGR:
12.3%



Operating Income

(C\$ millions)

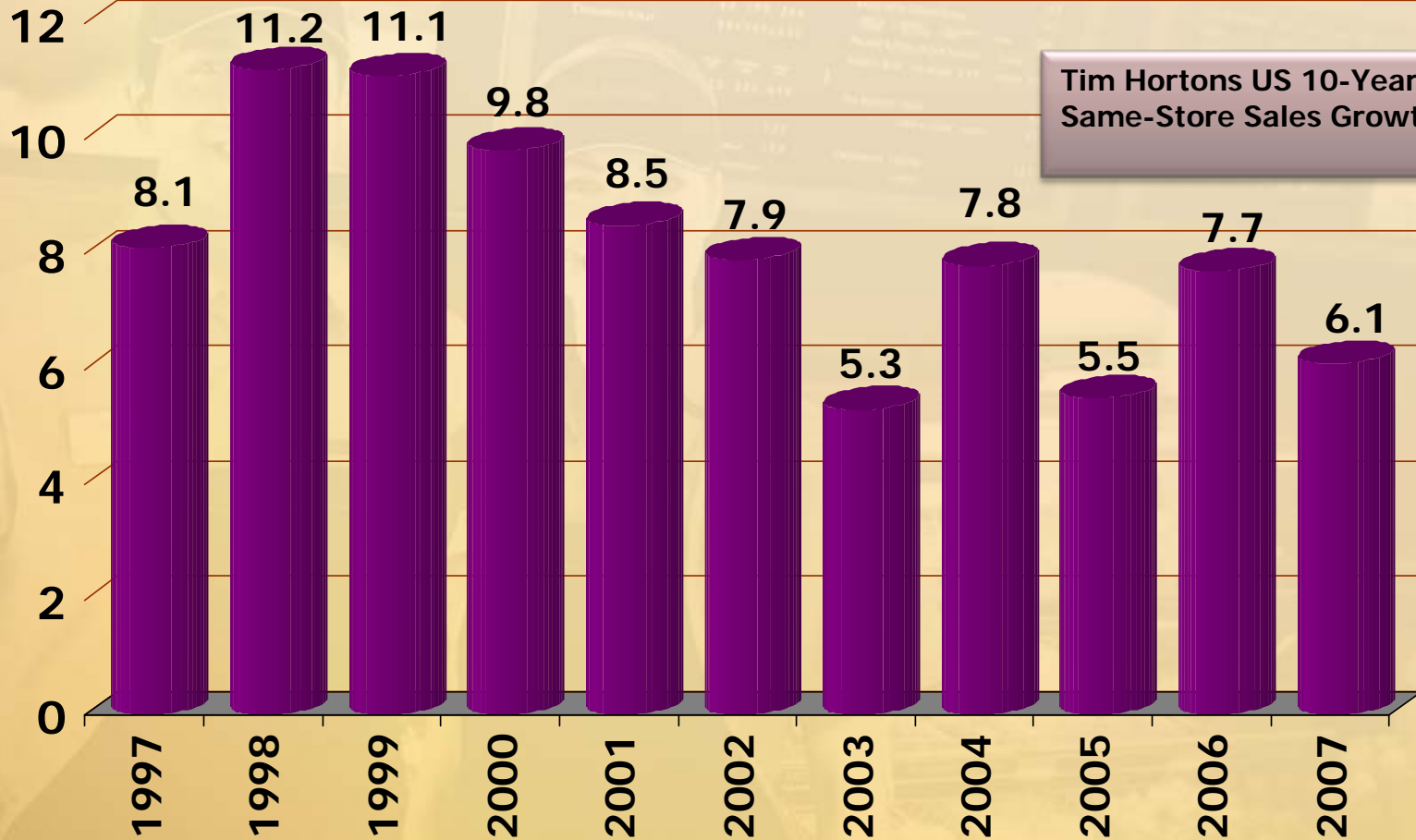
CAGR:
12.7%



* Including pretax non-cash impairment charges of \$53.1 million, 2005 Operating Income was \$290 million. Adjusting to add back the impairment charge, 2005 operating income would have been \$343 million.

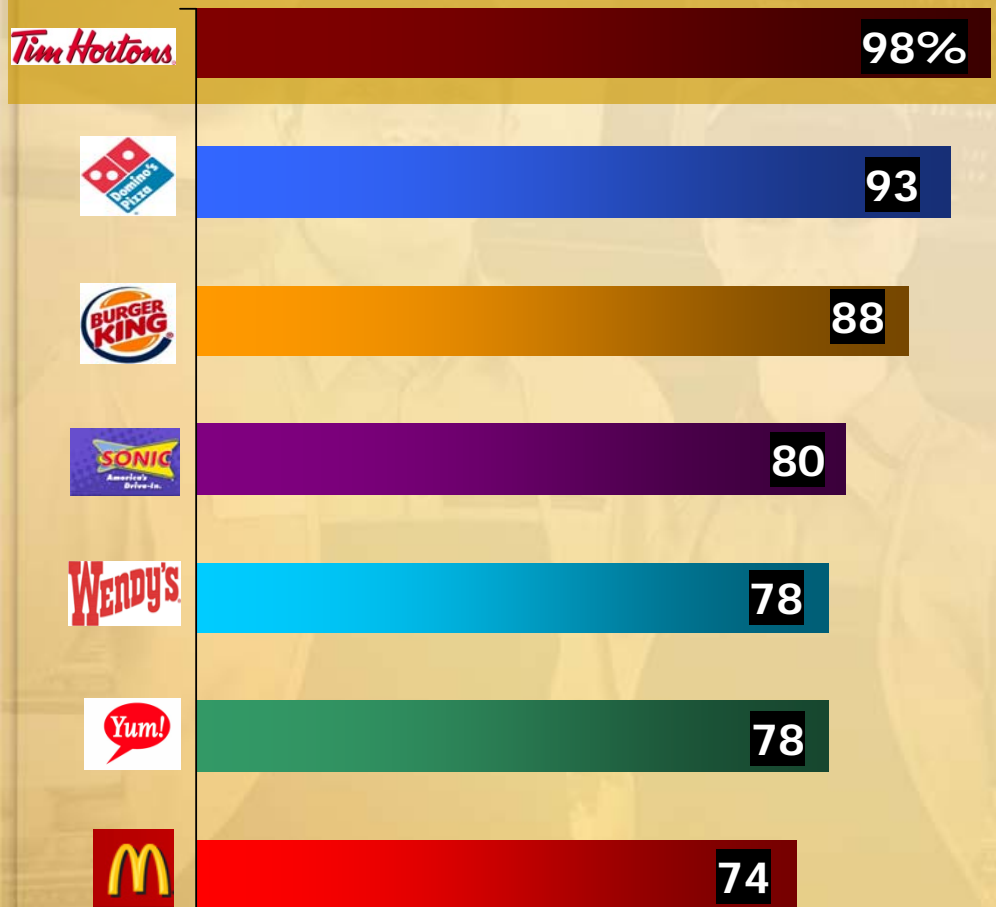
Proven performance over the long-term

10-Year Canadian Same-Store Sales Performance

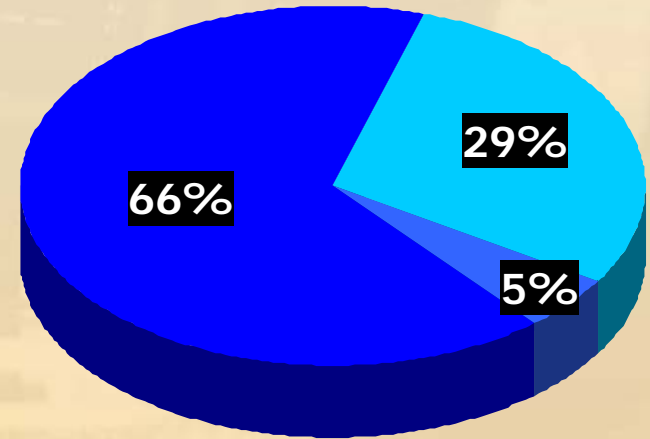


Franchising is the core of our system: Model generates several ongoing earnings streams

% of restaurants franchised



% of Tim Hortons revenues for fiscal year 2007

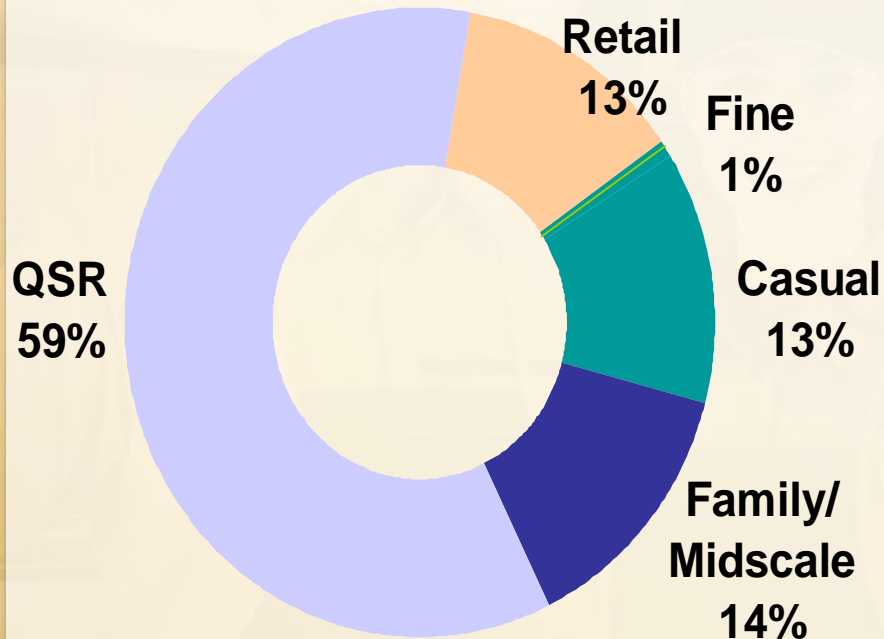


- Sales / Distribution
- Rent & Royalties
- Franchise Fees



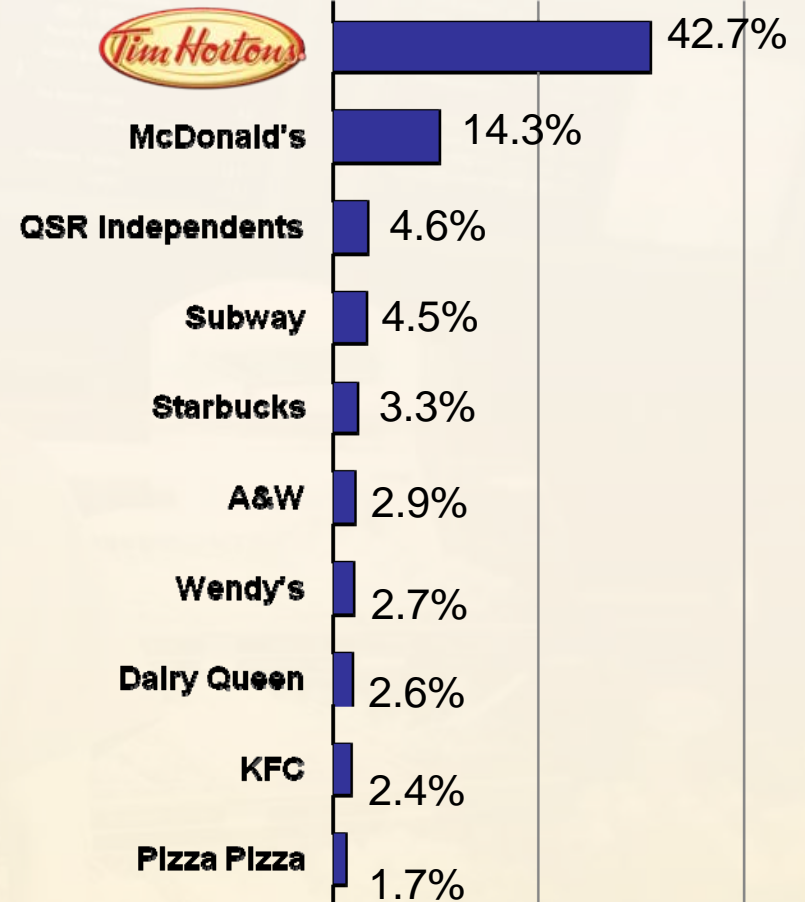
Tim Hortons is well positioned

QSR represents 59% of Food Service Sector



Share of Food Service Sector traffic

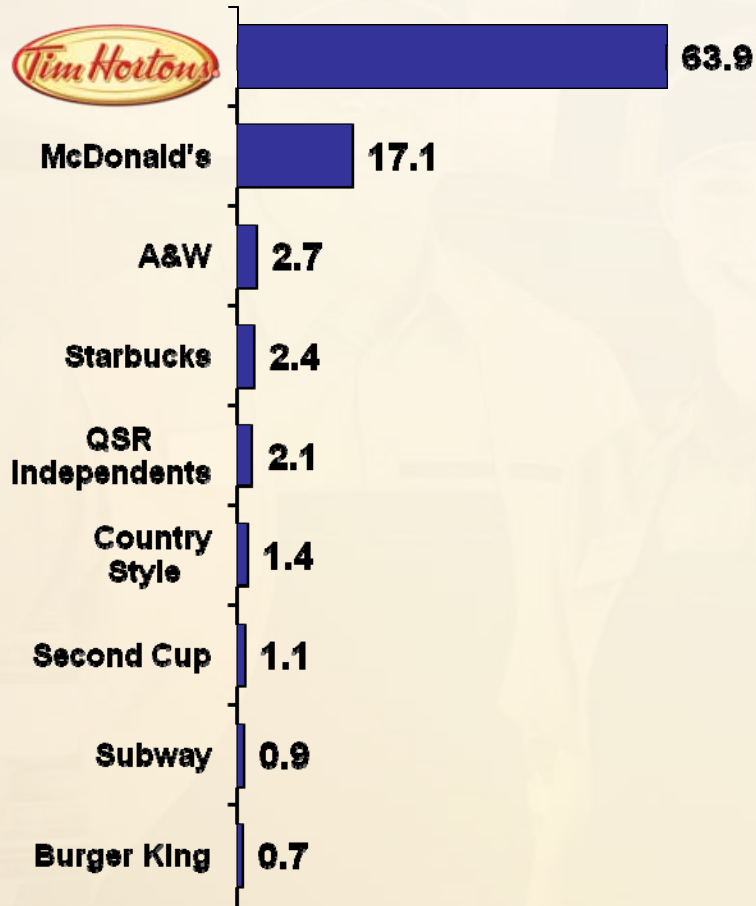
Tim Hortons represents 42% of QSR Traffic



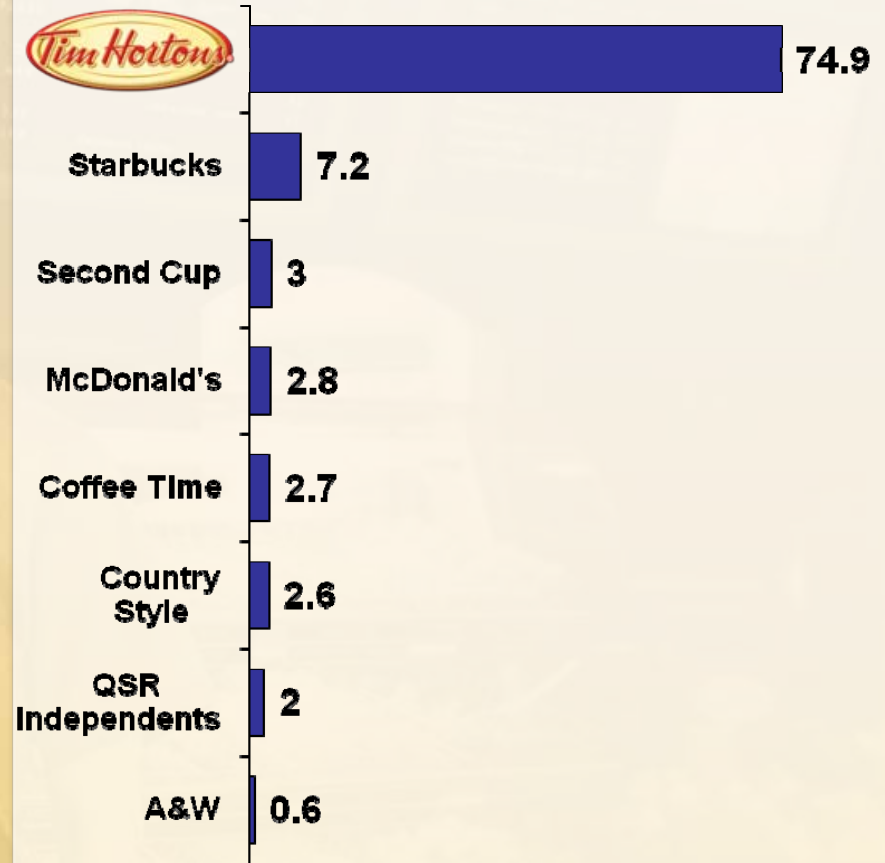
Source: NPD Group, Canadian data 12 months ending November 2007

Morning daypart a core competitive strength

QSR: % Traffic Share of Breakfast / Brunch



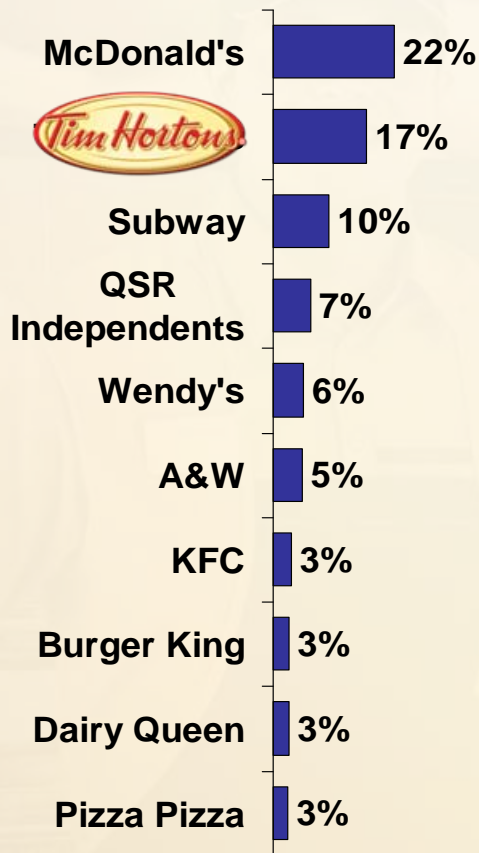
QSR: % Traffic Share of AM Snack



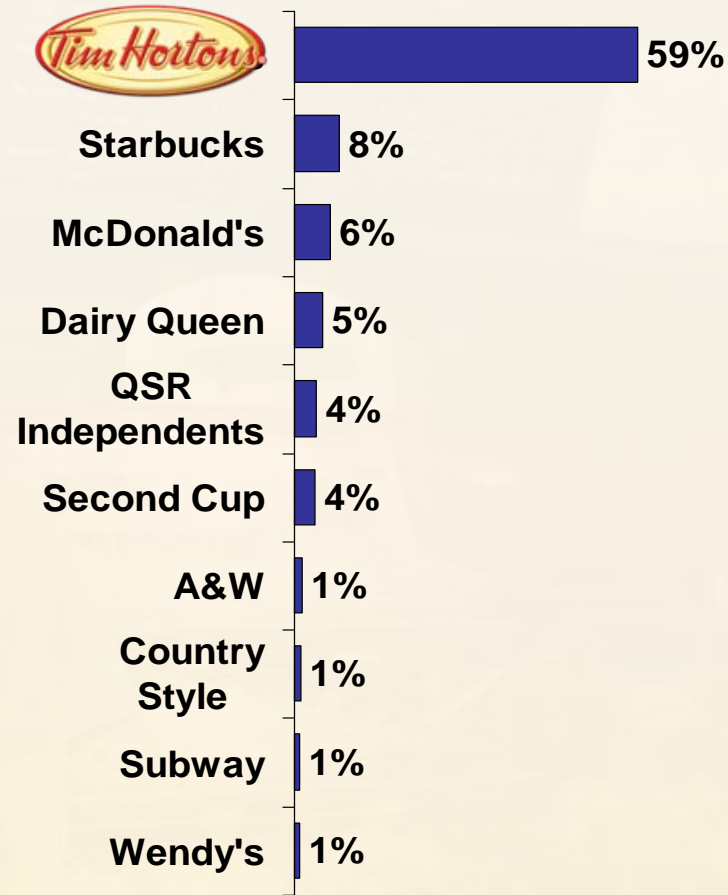
Source: NPD Group, Canadian data, 12 months ending November 2007

Strong, growing #2 position at lunch daypart; significant lead in afternoon snack daypart

QSR: % Traffic Share of Lunch



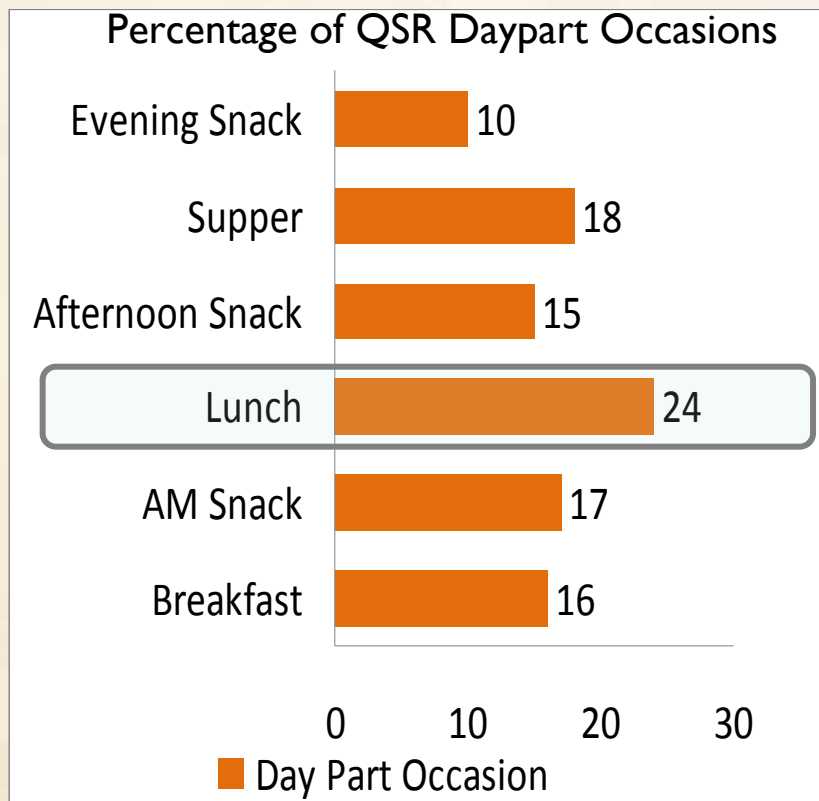
QSR: % Traffic Share of Afternoon Snack



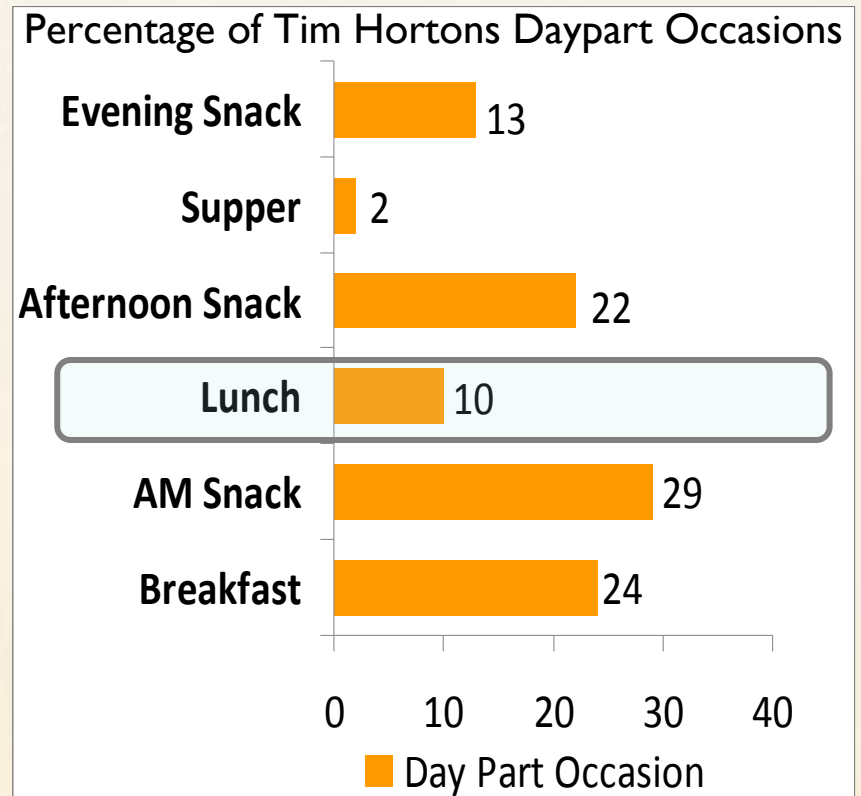
Source: NPD Group, Canadian data, 12 months ending November 2007

Lunch represents a growing opportunity

Lunch represents QSR's biggest daypart



...and only 10% of our total eater occasions



Catalysts for Growth



Strategic Plan for Leadership

Building Sales Growth

Systemwide Store
Growth



Building Sales Growth



Menu



Promotions



Operations



Same-Store Sales Growth Drivers

- **Product innovation**
 - Breakfast daypart
 - Lunch daypart – hot signature sandwich
 - Snacking occasions
- **Emphasis on overall customer experience and speed of service**
- **Brand awareness and loyalty**



Systemwide Unit Growth

5-Year Cumulative Restaurant Openings



Unit Expansion



Canada



- Potential to triple size of Quebec units
- Western Canada
- Major urban markets



Unit Expansion



United States



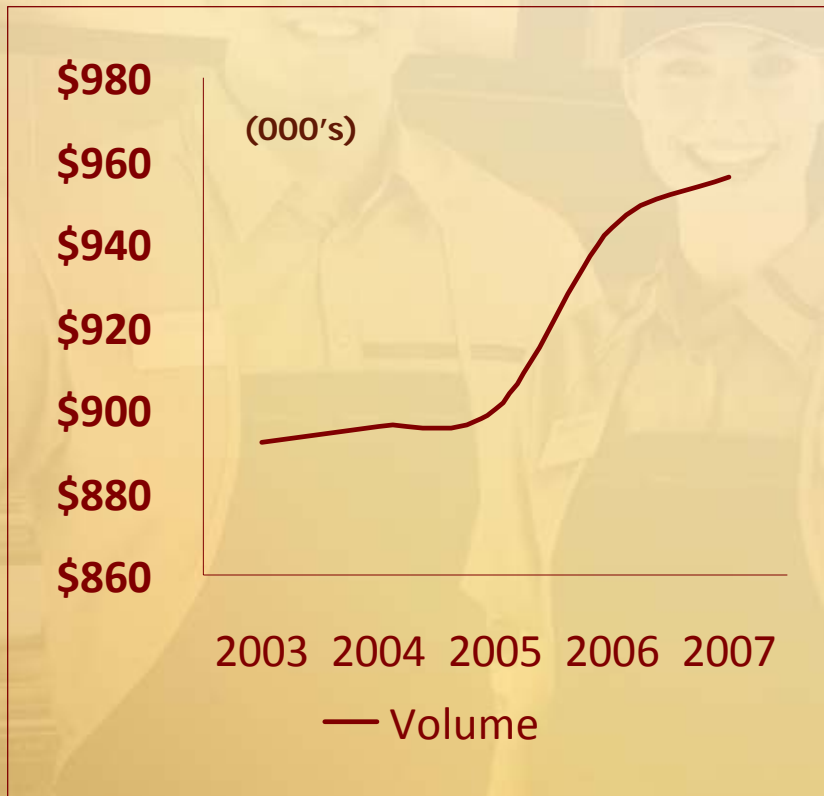
- Build out core markets
- Once critical mass reached in core markets, expand to adjacent markets
- “Seed” the brand with minimal capital outlays in core and emerging markets and through strategic alliances



Average unit sales volumes have historically experienced positive trending over time

Tim Hortons US

Average sales per standard restaurant



Tim Hortons Canada

Average sales per standard restaurant



US figures in US currency

Unit Expansion International



- Expand European presence beyond existing 213 licensed self-serve kiosk platform locations in Ireland and the UK
- Refine broader international growth strategy



2008 Targets*

- Same-store sales targets
 - Canada: 4-6%
 - U.S.: 2-4%
- Operating income growth of approximately 10%, excluding the impact of a \$3.1 million restructuring charge
- CAPEX of \$200-250 million
- Tax rate of 33-35%



* Targets announced February 20, 2008 and not updated except as set forth in quarterly Securities filings. Refer to the Company's public filings for current information.

Systemwide Unit Growth Targets

2008 Restaurant Development Goals



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* may include self-serve kiosks



Capital Structure

- Capital structure is sufficient to support business needs
 - Debt currently consists primarily of \$300 million, five-year term loan maturing in 2011
 - US \$100 million revolver and \$200 million Canadian revolver exist, both substantially undrawn,
- Dividend policy of up to 20-25% of annual normalized prior-year net income: announced 28.6% increase to dividend rate to \$0.09 per share for 2008
- Share repurchase authorization
 - C\$200 million program announced in Q4 2007 and concluding in October 2008, following completion of the 2006-2007 \$200 million program





**A history of innovation
and growth**