



Tim Hortons continues 2006 sales momentum with solid second-quarter results in Canada and U.S.

OAKVILLE, Ontario (July 5, 2006) – Tim Hortons Inc. (TSX/NYSE: THI) today announced preliminary same-store sales increases of 6.0% to 6.1% at restaurants in Canada and 8.1% to 8.3% at restaurants in the United States for the second quarter, which ended on Sunday, July 2, 2006.

Second Quarter Same-Store Sales Summary

	2Q 2006	2Q 2005	2006 YTD
Tim Hortons Canada*	6.0% to 6.1%	5.6%	7.3% to 7.4%
Tim Hortons U.S.*	8.1% to 8.3%	9.1%	8.9% to 9.0%

* As of April 2, 2006, 99% of the Company's stores in Canada -- and 78% of the stores in the U.S. -- were franchised.

"We are extremely pleased to see our strong 2006 sales momentum continue during the second quarter in both Canada and the U.S., especially against solid 2005 performance," said Chief Executive Officer and President Paul House. "Both our second-quarter and year-to-date results are above our expectations of 4.0 to 5.0% in Canada and 6.0% to 7.0% in the United States."

In April Tim Hortons® promoted its new caramel-themed baked goods, including caramel-chocolate donuts, caramel apple fritters, caramel streusel cakes and caramel turnovers. In May the Company promoted iced cappuccino with "flavour shots" of butter caramel, French vanilla, hazelnut or raspberry. These flavour shots can also be added to other beverages. Through May and June, Tim Hortons introduced a new chunky chicken salad wrap, and later in June promoted strawberry-themed desserts, featuring a strawberry tart.

On "Camp Day," June 7, the Company and its store owners raised C\$7.2 million (US\$6.5 million) through coffee sales and donations for the Tim Horton Children's Foundation. This exceeded last year's total of C\$6.4 million. Due in large part to the funds raised on Camp Day, more than 11,000 deserving children from Canada and the U.S. will attend one of six Children's Foundation camps this year – all expenses paid.

Tim Hortons shares to be spun off to existing Wendy's shareholders by October 1

Wendy's International, Inc. (NYSE: WEN) recently announced that its Board of Directors has confirmed its intent to spin off the 160.0 million shares of Tim Hortons that it currently owns. The shares represent an 82.75% ownership stake in Tim Hortons. Wendy's is now targeting Oct. 1, 2006, to complete the Tim Hortons spin-off, assuming it has received from the IRS a ruling on the tax-free status of the distribution by that time.

Tim Hortons to release second-quarter earnings July 27

Tim Hortons will release second-quarter earnings at 1 p.m. on Thursday, July 27, and host a conference call beginning at 3:00 p.m. (Eastern) the same day. Investors and the public may participate in the conference call in either one of the following ways:

- Phone Call: The dial-in number is (877) 572-6014 (Canada and U.S.) or (706) 679-4852 (International). No need to register in advance.
- Simultaneous Web Cast: Available at www.timhortons-invest.com and www.wendys-invest.com. The call will also be archived at that site.

Monthly Same-Store Sales Summary for April*, May, and June

	April 2006	April 2005	May 2006	May 2005	June 2006	June 2005
Tim Hortons Canada	5.0%	6.5%	6.4%	6.3%	7.0% to 7.3%	3.7%
Tim Hortons U.S.	5.6%	11.5%	10.0%	9.0%	9.4% to 9.7%	6.2%

* April sales results were impacted by an Easter shift, as the holiday was in the first quarter a year ago, but was in the second quarter this year.

Safe Harbor statement

Certain information in this news release, particularly information regarding future economic performance and finances, and plans, expectations and objectives of management, is forward-looking. Factors set forth in the Company's Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at <http://www.timhortons.com/safeharbor.html>.

Tim Hortons Inc. overview

Tim Hortons Inc. is Canada's largest quick service restaurant chain. Founded in 1964 as a coffee and donut shop, Tim Hortons has evolved to meet consumer tastes, with a menu that now includes premium coffee, flavoured cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. As of April 2, 2006, Tim Hortons system-wide restaurants numbered 2,611 in Canada and 292 in the United States. More information about the Company is available at www.timhortons.com.

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