

TIM HORTONS INC. AND SUBSIDIARIES
Consolidated Balance Sheet
(in thousands of Canadian dollars)

	As at	
	January 2, 2011	January 3, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 574,354	\$ 121,653
Restricted cash and cash equivalents (note 1)	67,110	60,629
Restricted investments (note 1)	37,970	20,186
Accounts receivable, net (note 5)	182,005	179,942
Notes receivable, net (note 6)	12,543	20,823
Deferred income taxes (note 7)	7,025	3,475
Inventories and other, net (note 8)	100,712	80,490
Advertising fund restricted assets (note 20)	27,402	26,681
Total current assets	1,009,121	513,879
Property and equipment, net (note 9)	1,373,670	1,494,032
Notes receivable, net (note 6)	3,811	3,475
Deferred income taxes (note 7)	13,730	8,919
Intangible assets, net (note 10)	5,270	8,405
Equity investments (note 11)	44,767	45,875
Other assets	31,147	19,706
Total assets	\$2,481,516	\$2,094,291
Liabilities and Equity		
Current liabilities		
Accounts payable (note 12)	\$ 142,444	\$ 135,248
Accrued liabilities:		
Salaries and wages	20,567	23,268
Taxes	65,654	27,586
Other (note 12)	209,663	111,401
Deferred income taxes (note 7)	2,205	376
Advertising fund restricted liabilities (note 13 and note 20)	41,026	43,944
Current portion of long-term obligations	9,937	7,821
Total current liabilities	491,496	349,644
Long-term obligations		
Long-term debt (note 13)	344,726	336,302
Advertising fund restricted debt (note 13 and note 20)	468	415
Capital leases (note 15)	82,217	67,156
Deferred income taxes (note 7)	8,237	10,159
Other long-term liabilities (note 12)	111,930	74,929
Total long-term obligations	547,578	488,961
Commitments and contingencies (note 16)		
Equity		
Equity of Tim Hortons Inc.		
Common shares (\$2.84 stated value per share). Authorized: unlimited shares. Issued: 170,664,295 and 177,318,614, respectively (note 17)	484,050	502,872
Common shares held in Trust, at cost: 278,082 and 278,500 shares, respectively (note 17)	(9,542)	(9,437)
Retained earnings	1,105,882	796,235
Accumulated other comprehensive loss	(143,589)	(120,061)
Total equity of Tim Hortons Inc.	1,436,801	1,169,609
Noncontrolling interests	5,641	86,077
Total equity	1,442,442	1,255,686
Total liabilities and equity	\$2,481,516	\$2,094,291

See Accompanying Notes to the Consolidated Financial Statements.

Approved on behalf of the Board:

By: /s/ DONALD B. SCHROEDER

Donald B. Schroeder, Director

By: /s/ MICHAEL J. ENDRES

Michael J. Endres, Director