

TIM HORTONS INC. AND SUBSIDIARIES
Consolidated Statement of Comprehensive Income
(in thousands of Canadian dollars)

	Year ended		
	January 2, 2011	January 3, 2010	December 28, 2008
Net income	\$647,118	\$319,812	\$308,506
Other comprehensive income (loss)			
Translation adjustments	(22,073)	(62,340)	83,331
Unrealized gains (losses) from cash flow hedges:			
Net (loss) from change in fair value of derivatives	(8,412)	(11,152)	(3,204)
Amount of net loss reclassified to earnings during the year	6,957	8,779	2,990
Total cash flow hedges (loss)	(1,455)	(2,373)	(214)
Total other comprehensive income (loss)	(23,528)	(64,713)	83,117
Total comprehensive income	\$623,590	\$255,099	\$391,623
Total comprehensive income attributable to noncontrolling interests	23,159	23,445	23,828
Total comprehensive income attributable to Tim Hortons Inc.	<u>\$600,431</u>	<u>\$231,654</u>	<u>\$367,795</u>

Income tax (expense)/recovery components netted in the above table are detailed as follows:

	Year ended		
	January 2, 2011	January 3, 2010	December 28, 2008
Cash flow hedges:			
Income tax recovery from change in fair value of derivatives	\$ 3,196	\$ 987	\$3,048
Income tax expense reclassified to earnings	\$(3,368)	\$(1,602)	\$ (333)

See accompanying Notes to the Consolidated Financial Statements.