

**TIM HORTONS INC. AND SUBSIDIARIES**

**Consolidated Balance Sheet  
(in thousands of Canadian dollars)**

	As at	
	January 3, 2010	December 28, 2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 103,267	\$ 101,636
Restricted cash and cash equivalents (note 1)	60,629	62,329
Restricted investments (note 1)	20,186	—
Accounts receivable, net (note 4)	170,757	159,505
Notes receivable, net (note 5)	38,609	22,615
Deferred income taxes (note 6)	3,388	19,760
Inventories and other, net (note 7)	68,289	71,505
Advertising fund restricted assets (note 8)	26,681	27,684
<b>Total current assets</b>	<u>491,806</u>	<u>465,034</u>
<b>Property and equipment, net (note 9)</b>	1,340,757	1,332,852
<b>Notes receivable, net (note 5)</b>	9,782	17,645
<b>Deferred income taxes (note 6)</b>	8,919	29,285
<b>Intangible assets, net (note 10)</b>	6,034	2,606
<b>Equity investments (note 11)</b>	120,939	132,364
<b>Other assets</b>	18,416	12,841
<b>Total assets</b>	<u>\$1,996,653</u>	<u>\$1,992,627</u>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Accounts payable (note 12)	\$ 129,563	\$ 157,210
Accrued liabilities:		
Salaries and wages	20,324	18,492
Taxes	25,220	25,605
Other (note 12)	112,173	110,518
Deferred income taxes (note 6)	376	—
Advertising fund restricted liabilities (note 8 and note 13)	43,944	47,544
Current portion of long-term obligations	7,642	6,691
<b>Total current liabilities</b>	<u>339,242</u>	<u>366,060</u>
<b>Long-term obligations</b>		
Term debt (note 13)	335,995	332,506
Advertising fund restricted debt (note 8 and note 13)	415	6,929
Capital leases (note 15)	67,156	59,052
Deferred income taxes (note 6)	4,603	13,604
Other long-term liabilities	78,304	72,467
<b>Total long-term obligations</b>	<u>486,473</u>	<u>484,558</u>
<b>Commitments and contingencies (note 16)</b>		
<b>Equity</b>		
<b>Equity of Tim Hortons Inc.</b>		
Common shares, (\$2.84 stated value per share). Authorized: unlimited shares and nil, respectively. Issued: 177,318,614 and nil, respectively (note 17)	502,872	—
Common stock, (par value per share nil and US\$0.001, respectively). Authorized: nil and 1,000,000,000 shares, respectively. Issued: nil and 193,302,977, respectively (note 17)	—	289
Capital in excess of par value	—	929,102
Treasury stock, at cost: nil and 11,754,201 shares, respectively (note 17)	—	(399,314)
Common shares held in Trust, at cost: 278,500 and 358,186 shares, respectively (note 17)	(9,437)	(12,287)
Retained earnings	796,235	677,550
Accumulated other comprehensive loss	(120,626)	(54,936)
<b>Total equity of Tim Hortons Inc.</b>	<u>1,169,044</u>	<u>1,140,404</u>
<b>Noncontrolling interests</b>	1,894	1,605
<b>Total equity</b>	<u>1,170,938</u>	<u>1,142,009</u>
<b>Total liabilities and equity</b>	<u>\$1,996,653</u>	<u>\$1,992,627</u>

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