TIM HORTONS INC. AND SUBSIDIARIES

Consolidated Statement of Equity
(in thousands of Canadian dollars)

	Year ended		
	January 3, 2010	December 28, 2008	December 30, 2007
Common shares			
Balance at beginning of year	$ —	$ —	$ —
Converted from common stock (note 17)	513,318	—	—
Repurchase of common shares	(10,446)	—	—
Balance at end of year	$ 502,872	$ —	$ —
Common stock			
Balance at beginning of year	$ 289	$ 289	$ 289
Converted to common shares (note 17)	(289)	—	—
Balance at end of year	$ —	$ 289	$ 289
Capital in excess of par value			
Balance at beginning of year	$ 929,102	$ 931,084	$ 918,043
Stock-based compensation	(322)	(1,982)	3,925
Tax sharing payment from Wendy's	—	—	9,116
Converted to common shares (note 17)	(928,780)	—	—
Balance at end of year	$ —	$ 929,102	$ 931,084
Treasury stock (note 17)			
Balance at beginning of year	$ (399,314)	$ (235,155)	$ (64,971)
Purchased during the year	(16,701)	(165,258)	(170,604)
Reissued during the year (note 18)	264	1,099	420
Cancelled and retired during the year (note 17)	415,751	—	—
Balance at end of year	$ —	$ (399,314)	$ (235,155)
Common shares held in Trust (note 17)			
Balance at beginning of year	$ (12,287)	$ (14,628)	$ (9,171)
Purchased during the year	(713)	(3,842)	(7,202)
Disbursed or sold from Trust during the year (note 18)	3,563	6,183	1,745
Balance at end of year	$ (9,437)	$ (12,287)	$ (14,628)
Retained earnings			
Balance at beginning of year	$ 677,550	$ 458,958	$ 248,980
Opening adjustment – adoption of ASC 740-10 (formerly FIN 48) (note 6)	—	—	(6,708)
Adjusted opening retained earnings	677,550	458,958	242,272
Net income attributable to Tim Hortons Inc.	296,367	284,678	269,551
Dividends	(72,506)	(66,086)	(52,865)
Repurchase of common shares – excess of stated value (note 17)	(105,176)	—	—
Balance at end of year	$ 796,235	$ 677,550	$ 458,958
Accumulated other comprehensive loss			
Balance at beginning of year	$ (54,936)	$ (138,465)	$ (74,766)
Other comprehensive income/(loss)	(65,690)	83,529	(63,699)
Balance at end of year	$ (120,626)	$ (54,936)	$ (138,465)
Total Equity of Tim Hortons Inc.	$1,169,044	$1,140,404	$1,002,083
Noncontrolling interests			
Balance at beginning of year	$ 1,605	$ 2,361	$ 2,183
Net income attributable to noncontrolling interests	1,511	2,216	2,361
Distributions and other to noncontrolling interests	(1,222)	(2,972)	(2,183)
Balance at end of year	$ 1,894	$ 1,605	$ 2,361
Total equity	$1,170,938	$1,142,009	$1,004,444

See Accompanying Notes to the Consolidated Financial Statements.