FOR IMMEDIATE RELEASE
(All amounts in Canadian dollars)

Tim Hortons Inc. Announces First Quarter Results

Revenues up 13.9%
Operating Income Increased by 13.3%

Financial and Operational Highlights

($ million except EPS. Fully diluted shares in millions)

First Quarter Ended	04/01/2007	04/02/2006	% Change
Revenue	$ 424.6	$ 372.8	13.9%
Operating Income	$ 94.2	$ 83.1	13.3%
Effective Tax Rate	34.6%	14.8%	n/a
Net Income	$ 59.3	$ 63.6	-6.8%
EPS	$ 0.31	$ 0.39	-20.5%
Fully Diluted Shares	190.6	161.8	17.8%

Same Store Sales	04/01/2007	04/02/2006
Tim Hortons Canada	6.3%	8.7%
Tim Hortons U.S.	4.0%	9.8%

As of April 1, 2007, 99% of the Company's stores in Canada -- and 84% of the stores in the U.S. -- were franchised.

- Same-store sales grew 6.3% and 4.0% in Canada and the U.S., respectively
- 21 new restaurants opened in the first quarter of 2007
- Revenue up 13.9%, operating income up 13.3%
- Company declares fourth consecutive $0.07 quarterly dividend
- $45.0 million spent to repurchase 1.26 million shares in the first quarter of 2007

OAKVILLE, ONTARIO, May 3, 2007 - Tim Hortons Inc. (NYSE:THI, TSX: THI) today announced its results for the first quarter ended April 1, 2007.

Total revenues were $424.6 million in the first quarter, up 13.9% compared to $372.8 million in the first quarter of 2006. First quarter same-store sales increased 6.3% in Canada (8.7% in Q1 2006) and increased 4.0% in the U.S. (9.8% in Q1 2006). Tim Hortons® opened a total of 21 restaurants in the quarter compared to 27 restaurants in the first quarter last year. Systemwide sales growth(1), which includes both franchised and Company-operated restaurants, was 10.4%.

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During the quarter, the company launched its annual Roll Up the Rim to Win contest. As of April 30, 2007, millions of food prizes were awarded to customers in Canada and the U.S. as well as grand prizes including 24 Toyota Camry Hybrids, 83 Panasonic plasma televisions, 386 cash prizes of $1,000 and 5,584 Apple iPod Nano Digital Music Players.

Other featured promotions during the quarter were Yogurt and Berries, the Breakfast Sandwich, Cherry Cake Ring donut, Mini Cinnamon Rolls and a Cinnamon Roll Hot Smoothie in both Canada and the U.S.. Flavoured coffee with a bagel was also marketed in the U.S.

"Tim Hortons continued to deliver strong revenue growth and operating income growth in the first quarter," said Chairman and Chief Executive Officer Paul House. "In Canada, our same store sales increased 6.3%, which was above our long-term expectations. In the U.S. market, which represents approximately 10% of our stores, same store sales growth of 4% in the first quarter was below our long term target. We believe this is a result of a milder winter last year compared to this year and heavier competition, as well as the number of new stores opened late in 2006. We remain optimistic we can achieve our previously-announced targets for 2007."

Operating income in the first quarter was $94.2 million compared to $83.1 million for the same period in 2006. The $11.1 million year-over-year improvement in operating income was primarily due to:

- Higher year-over-year revenue due to system wide sales growth;

- An increase in franchise sales due to a higher number of resales in the first quarter of 2007 compared to the first quarter of 2006.

- Continued expansion of three-channel delivery in Ontario through our Guelph distribution centre;

- Higher equity income primarily from a non-cash tax benefit at one of our joint ventures, as well as a moderate gain in operating income at our two key joint ventures. The Company does not expect its investment to realize tax benefits of a similar nature in subsequent periods; and

Our operating gains were offset in part by:

- U.S. operating segment loss of $4.1 million compared to a profit of $0.4 million in the first quarter of 2006 due to the following factors: increased relief given to franchisees, in part due to the number of new store openings late in 2006; higher general and administrative expenses; lower profit in the Company's coffee roasting operations; higher corporate store losses; and lower franchise fee revenues; and

- Lower other income in the first quarter of 2007 of $1.5 million, primarily driven by foreign exchange gains recognized in the first quarter of 2006 that did not recur.

Net interest expense in the first quarter of 2007 was $3.6 million compared to $8.5 million in the same period last year. The lower net interest expense in 2007 was mainly the result of the repayment of a $1.1 billion note owing to Wendy's in early 2006. Proceeds from the Company's IPO in March, 2006, together with proceeds from its debt issuance in February, 2006, were used to repay the Wendy's note.

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First quarter net income was $59.3 million compared to $63.6 million last year. Reported diluted earnings per share (EPS) were $0.31 compared to $0.39 in the first quarter of 2006. Factors primarily contributing to reductions in net income and EPS for the quarter were:

- The effective tax rate in the first quarter of 2007 was 34.6% compared to 14.8% in 2006. The low 2006 rate reflected certain benefits that did not recur in 2007. The effective tax rate in the first quarter of 2007 reflects the implementation of FASB No. 48, Accounting for Uncertainty in Income Taxes, which was the primary reason the effective tax rate was approximately 0.6% over management's previously announced expectations of 34%; and

- diluted weighted average shares outstanding in the first quarter in 2007 of 190.6 million compared to 161.8 million in the same period last year. The 17.8% higher share count was as a result of the Company's IPO in March, 2006.

During the first quarter, the Guelph distribution facility continued to expand its operations with over 700 stores on three-channel delivery as at April 1, 2007. Three-channel delivery includes dry, refrigerated and frozen product all on the same truck. The increase in revenues associated with the additional stores drove a positive operating income contribution versus the first quarter of 2006. As previously announced, the Company expects to complete full implementation of the facility by late 2007. Once fully operational, this distribution centre will service approximately 85% of our Ontario stores for three-channel delivery.

Share repurchase program in the first quarter

In the first quarter, the Company purchased 1.26 million shares at an average cost of $35.86 for total cost of $45.0 million. The company has now completed $110 million of the previously announced $200 million share repurchase program.

Board declares quarterly dividend

The Board of Directors has approved a $0.07 quarterly dividend. The dividend is payable on May 30, to shareholders of record as of May 14. The payment of future dividends remains subject to the discretion of the Company's Board of Directors.

Tim Hortons dividend is paid in Canadian dollars to all shareholders with Canadian resident addresses whose shares are registered with Computershare (the Company's transfer agent). For all other shareholders, including all shareholders who hold their shares indirectly (i.e. through their broker) and regardless of country of residence, the dividend will be converted to U.S. dollars on May 22 at the daily noon rate established by the Bank of Canada and paid in U.S. dollars on May 30.

Shan Atkins added to the Board of Directors

On March 6, 2007, the Board appointed Ms. M. Shan Atkins to the Board. Ms. Atkins has been a managing director of Chetrum Capital LLC, a private investment firm, since 2001. Prior to her current position, Ms. Atkins held various positions with Sears Roebuck & Co., and Bain & Company, Inc. Ms. Atkins serves as a director of The Pep Boys – Manny, Moe & Jack, Spartan Stores Inc., and Shoppers Drug Mart Corporation.

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Tim Hortons to host conference call at 4:30 p.m. today, May 3

Tim Hortons will host a conference call beginning at 4:30 p.m. (Eastern) today. Investors and the public may listen to the conference call in either one of the following ways:

- Phone: The dial-in number is (416) 641-6675. No access code is required. A replay of the call will be available until midnight, May 10 and can be accessed at (416) 626-4100. The reservation number for the replay call is 21315855.

- Simultaneous Web Cast: Available at www.timhortons.com. The call will also be archived at that site.

Tim Hortons Annual Shareholders' Meeting

Tim Hortons will hold its Annual Shareholders' Meeting on Friday, May 4, 2007, at 10:00 a.m., (Eastern) at Theatre Aquarius, 190 King William Street, Hamilton, Ontario, Canada. A live web cast of the event will also be available at www.timhortons.com.

(1) Systemwide Sales Growth

Total systemwide sales growth includes restaurant level sales at both Company and franchise restaurants. Approximately 97% of our system is franchised as at April 1, 2007. Systemwide sales growth is determined using a constant exchange rate to exclude the effects of foreign currency translation. U.S. dollar sales are converted to Canadian dollar amounts using the average exchange rate of the base year for the period covered. For the first quarter of 2007, systemwide sales growth was 10.4% over the first quarter of 2006. Systemwide sales impact our franchise royalties and rental income, as well as our distribution sales. Changes in systemwide sales are driven by changes in average same store sales and changes in the number of restaurants.

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, including by reference the "risk factors" outlined in the Company's most recent Form 10-K filed March 9, 2007, in addition to other possible factors not listed or described in the Safe Harbor Statement, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. As such, readers are cautioned not to place undue reliance on forward-looking statements contained in this news release, which speak only as of the date hereof. Except as required by federal or provincial securities laws, the Company undertakes no obligation to publicly release any revisions to the forward looking statements contained in this release, or to update them to reflect events or circumstances occurring after the date of this release, or to reflect the occurrence of unanticipated events, even if new information, future events or other circumstances have made the forward-looking statements incorrect or misleading. Please review the Company's Safe Harbor Statement at http://www.timhortons.com/safeharbor.html.

Tim Hortons Inc. Overview

Tim Hortons 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, flavored cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. As of April 1, 2007, Tim Hortons system-wide restaurants numbered 2,724 in Canada and 340 in the United States. More information about the Company is available at www.timhortons.com.

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TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of Canadian dollars, except per share data)

(Unaudited)

	First Quarter Ended			
	April 1, 2007	April 2, 2006	$ Change	% Change
REVENUES				
Sales	$278,350	$242,651	$35,699	14.7%
Franchise revenues				
Rents and royalties	127,240	115,524	11,716	10.1%
Franchise fees	19,018	14,583	4,435	30.4%
	146,258	130,107	16,151	12.4%
TOTAL REVENUES	424,608	372,758	51,850	13.9%
COSTS AND EXPENSES				
Cost of sales	247,404	213,912	33,492	15.7%
Operating expenses	47,176	42,995	4,181	9.7%
Franchise fee costs	16,403	13,917	2,486	17.9%
General & administrative expenses	28,750	28,286	464	1.6%
Equity (income)	(9,777)	(8,453)	(1,324)	15.7%
Other (income) expense, net	447	(1,010)	1,457	N/M
TOTAL COSTS & EXPENSES, NET	330,403	289,647	40,756	14.1%
OPERATING INCOME	94,205	83,111	11,094	13.3%
Interest (expense)	(5,621)	(4,116)	(1,505)	36.6%
Interest income	1,996	2,429	(433)	(17.8%)
Affiliated interest (expense), net	-	(6,789)	6,789	N/M
INCOME BEFORE INCOME TAXES	90,580	74,635	15,945	21.4%
INCOME TAXES	31,319	11,045	20,274	183.6%
NET INCOME	$59,261	$63,590	($4,329)	(6.8%)
Basic earnings per share of common stock	$0.31	$0.39	($0.08)	(20.5%)
Diluted earnings per share of common stock	$0.31	$0.39	($0.08)	(20.5%)
Basic shares of common stock (in thousands)	190,383	161,785	28,598	17.7%
Diluted shares of common stock (in thousands)	190,563	161,785	28,778	17.8%
Dividend per share of common stock (post initial public offering)	$0.07	$0.00	$0.07	

N/M - not meaningful

TIM HORTONS INC. AND SUBSIDARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	April 1, 2007	Dec 31, 2006
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$82,921	$176,083
Accounts receivable, net	114,151	110,403
Notes receivable, net	13,057	14,248
Deferred income taxes	10,524	6,759
Inventories and other, net	62,024	53,888
Advertising fund restricted assets	21,760	25,513
	304,437	386,894
Property and equipment, net	1,167,984	1,164,536
Notes receivable, net	15,444	16,504
Deferred income taxes	22,543	23,579
Intangible assets, net	3,549	3,683
Equity investments	140,149	139,671
Other assets	10,243	10,120
	$1,664,349	**$1,744,987**

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	April 1, 2007	December 31, 2006
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$89,115	$115,570
Accrued expenses:		
Salaries and wages	6,980	18,927
Taxes	16,413	27,103
Other	42,965	66,262
Deferred income taxes	119	-
Advertising fund restricted liabilities	38,362	41,809
Current portion of long-term obligations	5,500	5,518
	199,454	275,189
Long-term obligations		
Term debt	325,523	325,590
Advertising fund restricted debt	21,139	23,337
Capital leases	44,743	44,774
	391,405	393,701
Deferred income taxes	13,785	17,879
Other long-term liabilities	51,300	39,814
Stockholders' equity		
Common stock, (US$0.001 par value per share), Authorized: 1,000,000,000 shares, Issued: 193,302,977 shares	289	289
Capital in excess of par value	919,040	918,043
Treasury stock, at cost: 3,185,544 and 1,930,244 shares, respectively	(109,974)	(64,971)
Common stock held in trust, at cost: 283,722 and 266,295 shares, respectively	(9,811)	(9,171)
Retained earnings	288,195	248,980
Accumulated other comprehensive income (expense):		
Cumulative translation adjustments and other	(79,334)	(74,766)
	1,008,405	1,018,404
	$1,664,349	**$1,744,987**

TIM HORTONS INC. AND SUBSIDIARIES
SEGMENT REPORTING
(In thousands of Canadian dollars)

(Unaudited)

	First Quarter Ended			
	April 1, 2007	% of Total	April 2, 2006	% of Total
REVENUES				
Canada	$388,212	91.4%	$339,340	91.0%
U.S.	36,396	8.6%	33,418	9.0%
Total Revenues	$424,608	100.0%	$372,758	100.0%
SEGMENT OPERATING INCOME (LOSS)				
Canada	$106,684	104.0%	$91,910	99.6%
U.S.	(4,118)	(4.0%)	393	0.4%
Reportable Segment Operating Income	102,566	100.0%	92,303	100.0%
Corporate Charges	(8,361)		(9,192)	
Consolidated Operating Income	94,205		83,111	
Interest, net	(3,625)		(8,476)	
Income taxes	(31,319)		(11,045)	
Net Income	$59,261		$63,590	

TIM HORTONS INC. AND SUBSIDIARIES
SYSTEMWIDE RESTAURANTS

	As of April 1, 2007	As of December 31, 2006	Increase/ (Decrease) From Prior Quarter	As of April 2, 2006	Increase/ (Decrease) From Prior Year
Tim Hortons					
U.S.					
Company	55	61	(6)	63	(8)
Franchise	285	275	10	229	56
	340	336	4	292	48
% Franchised	*83.8%*	*81.8%*		*78.4%*	
Canada					
Company	35	34	1	35	0
Franchise	2,689	2,677	12	2,576	113
	2,724	2,711	13	2,611	113
% Franchised	*98.7%*	*98.7%*		*98.7%*	
Total Tim Hortons					
Company	90	95	(5)	98	(8)
Franchise	2,974	2,952	22	2,805	169
	3,064	3,047	17	2,903	161
% Franchised	*97.1%*	*96.9%*		*96.6%*	

TIM HORTONS INC. AND SUBSIDIARIES
Income Statement Definitions

Sales	Primarily includes sales of products, supplies and restaurant equipment (except for initial equipment packages sold to franchisees as part of the establishment of their restaurant's business - see "Franchise Fees") that are shipped directly from our warehouses or by third party distributors to the restaurants, which we refer to as warehouse or distribution sales. Sales include canned coffee sales through the grocery channel. Sales also include sales from company-operated restaurants and sales from franchise restaurants that are consolidated in accordance with FIN 46R.
Rents and Royalties	Includes franchisee royalties and rental revenues.
Franchise Fees	Includes fees for various costs and expenses related to establishing a franchisee's business and include the sales revenue from initial equipment packages.
Cost of Sales	Includes costs associated with our distribution warehouses, including cost of goods, direct labour and depreciation as well as the cost of goods delivered by third party distributors to the restaurants and for canned coffee sold through grocery stores. It also includes food, paper and labour costs for company-operated restaurants and franchise restaurants that are consolidated in accordance with FIN 46R.
Operating Expenses	Includes rent expense related to properties leased to franchisees and other property-related costs (including depreciation).
Franchise fee costs	Includes costs of equipment sold to franchisees as part of the initiation of their restaurant business, as well as training and other costs necessary to ensure a successful restaurant opening.
General and Administrative	Includes costs that cannot be directly related to generating revenue, including expenses associated with our corporate and administrative functions, allocation of expenses related to corporate functions and services historically provided to us by Wendy's and depreciation of office equipment, information technology systems and head office real estate.
Equity Income	Includes income from equity investments in joint ventures and other minority investments over which we exercise significant influence. Equity income from these investments is considered to be an integrated part of our business operations and is therefore included in operating income. Income amounts are shown as reductions to total costs and expenses.
Other Income and Expense	Includes expenses (income) that are not directly derived from the Company's primary businesses. Items include restaurant closures, currency adjustments, real estate sales and other asset write-offs.