UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 20, 2014

TIM HORTONS INC.
(Exact name of registrant as specified in its charter)

Canada	001-32843	98-0641955
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

874 Sinclair Road, Oakville, ON, Canada	L6K 2Y1
(Address of principal executive offices)	(Zip Code)

(905) 845-6511
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 20, 2014, Tim Hortons Inc. (the "Corporation") issued a press release containing financial information regarding its fourth quarter and fiscal year 2013 financial results and certain other information. The press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

The Corporation will host a quarterly conference call to discuss its fourth quarter and fiscal year 2013 results on Thursday, February 20, 2014, at 10:00 a.m. (Eastern Standard Time). Investors and the public may listen to the conference call in the manner described in the Corporation's press release attached hereto as Exhibit 99.1.

Item 8.01 Other Events.

Dividends. On February 20, 2014, the Corporation announced that the Board of Directors has approved a 23.1% increase in the quarterly dividend to Cdn.$0.32 per common share and declared the first quarterly dividend at the new rate. The dividend is payable on March 18, 2014 to shareholders of record at the close of business on March 3, 2014. The declaration of any and all future dividends is subject to the Board's discretion. The full text of the Corporation's press release relating to the increase in the quarterly dividend and current dividend declaration is attached hereto as Exhibit 99.2.

Share Repurchase Program. On February 20, 2014, the Corporation announced that the Board has approved a new share repurchase program (the "2014 Program"), and that the Corporation had received regulatory approval from the Toronto Stock Exchange ("TSX") for the 2014 Program. Under the 2014 Program, the Corporation may repurchase up to Cdn. $440 million in common shares, not to exceed the regulatory maximum of 13,726,219 shares, representing 10% of the Corporation's "public float" as of February 14, 2014 (as defined under TSX rules). The 2014 Program is planned to commence on February 28, 2014 and continue until February 27, 2015, unless earlier terminated due to: the achievement of the Cdn.$440 million maximum; the purchase of the regulatory maximum of 13,726,219 shares; or, at the Corporation's discretion, subject to compliance with applicable regulatory requirements. There can be no assurance as to the precise number of shares that will be repurchased under the 2014 Program, or the aggregate dollar amount of the shares purchased. Shares purchased pursuant to the 2014 Program will be cancelled.

Subject to the negotiation and execution of a broker agreement, the Corporation's common shares will be repurchased under the 2014 Program through a combination of a 10b5-1 automatic trading plan, and at management's discretion in compliance with regulatory requirements, and given prevailing market, cost, and other considerations.

Repurchases will be made through the facilities of the TSX (and/or other Canadian marketplaces), the New York Stock Exchange ("NYSE"), or by such other means as may be permitted by the TSX and/or NYSE, and under applicable laws, including private agreements permitted under issuer bid exemption orders issued by a securities regulatory authority in Canada. Purchases made by way of private agreements under an issuer bid exemption order by a securities regulatory authority will be at a discount to the prevailing market price as provided in the exemption order.

Further information regarding the 2014 Program is set forth in the press release attached hereto as Exhibit 99.3.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1	Press release dated February 20, 2014, issued by the Corporation regarding the release of the fourth quarter and fiscal year 2013 financial results and other information.
Exhibit 99.2	Press release dated February 20, 2014, issued by the Corporation announcing the declaration of a Cdn. $0.32 per common share dividend.
Exhibit 99.3	Press release dated February 20, 2014, announcing a new Cdn.$440 million, 2014 share repurchase program planned to commence in the first quarter of 2014.
Exhibit 99.4	Safe Harbor Statement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TIM HORTONS INC.

Date: February 20, 2014

By: /s/ JILL E. SUTTON

Jill E. Sutton (formerly Aebker)
Executive Vice President, General Counsel and Secretary

Exhibit 99.1

FOR IMMEDIATE RELEASE
(Unaudited. All amounts in Canadian dollars and presented in accordance with U.S. GAAP.)

Tim Hortons Inc. announces 2013 fourth quarter results:

Same-store sales growth finished ahead of full year

Quarterly dividend increased 23.1% to $0.32 per common share; New share repurchase program of up to $440 million announced

Financial & Sales Highlights

Performance	Q4 2013	Q4 2012	% Change	2013 Full Year	2012 Full Year	% Change
Total revenues	$ 898.5	$ 811.6	10.7%	$ 3,255.5	$ 3,120.5	4.3 %
Operating income	$ 147.8	$ 150.4	(1.8)%	$ 621.1	$ 594.5	4.5 %
Adjusted operating income(1)	$ 167.5	$ 159.4	5.1%	$ 651.9	$ 613.4	6.3 %
Effective tax rate	25.2%	28.9%		26.8%	27.7%	
Net income attributable to THI	$ 100.6	$ 100.3	0.3%	$ 424.4	$ 402.9	5.3 %
Diluted earnings per share attributable to THI ("EPS")	$ 0.69	$ 0.65	6.2%	$ 2.82	$ 2.59	8.9 %
Fully diluted shares	145.5	154.1	(5.6)%	150.6	155.7	(3.2)%

(All numbers in millions, except EPS and effective tax rate. All numbers rounded.)

(1) Adjusted operating income is a non-GAAP measure, and excludes corporate reorganization expenses of $0.7 million in Q4 2013 ($11.8 million in fiscal 2013), Cold Stone Creamery de-branding costs of $19.0 million in Q4 2013 ($19.0 million in fiscal 2013), and corporate reorganization expenses of $9.0 million in Q4 2012 ($18.9 million in fiscal 2012). Please refer to "Information on non-GAAP Measure" and the reconciliation information in footnote (3) of this release for details of reconciling items.

Same-Store Sales(2)	Q4 2013	Q4 2012	2013 Full Year	2012 Full Year
Canada	1.6%	2.6%	1.1%	2.8%
U.S.	3.1%	3.2%	1.8%	4.6%

(2) Includes average same-store sales at franchised and Company-operated locations open for 13 months or more. Substantially all of our restaurants are franchised.

Highlights

- In Q4 both the Canadian and U.S. segments delivered same-store sales growth ahead of full year
- Q4 operating income affected by decisions to de-brand Cold Stone Creamery within Tim Hortons locations in Canada, and to close certain underperforming restaurants in the U.S.
- Completed 139 restaurant renovations and 639 drive-thru enhancements in Canada in Q4
- Completed $450 million private offering of senior unsecured notes during the fourth quarter

- Quarterly dividend increased 23.1% to $0.32 per common share
- Announced new share repurchase program of up to $440 million
- 2014 performance and financial targets announced

OAKVILLE, ONTARIO, (February 20, 2014): Tim Hortons Inc. (TSX: THI, NYSE: THI) today announced results for the fourth quarter and fiscal year ended December 29, 2013.

"During the fourth quarter, we made important strides to position the Company for further success," said Marc Caira, president and CEO. "We have worked to enhance our capital structure, as well as simplify our operations, strengthen our menu, and refresh our restaurants, all to provide the ultimate guest experience. I believe the choices we are making today and the strategic roadmap we are developing will set the stage for continued long-term growth and profitability."

Consolidated Results

All percentage increases and decreases represent year-over-year changes for the fourth quarter of 2013 compared to the fourth quarter of 2012, unless otherwise noted.

Systemwide sales(4) increased 5.4% on a constant currency basis. This growth resulted from new restaurant development in Canada and the U.S., and from same-store sales growth of 1.6% in Canada and 3.1% in the U.S.

Total revenues increased 10.7% to $898.5 million compared to $811.6 million last year. The revenue growth rate outpaced that of systemwide sales due to a significant increase in franchise fees, primarily resulting from higher levels of renovations and standard restaurant development, which also led to a significant increase in franchise fee costs. Increases of 6.0% in rents and royalties revenues and 5.2% in distribution sales were more in line with the growth in systemwide sales.

Variable interest entities ("VIEs") sales increased 5.0%, as higher sales more than offset a slight decline in the number of non-owned restaurants consolidated for accounting purposes compared to the fourth quarter of 2012.

Cost of sales increased by 3.7%, which was below the growth rate of sales due to lower underlying commodity costs. Franchise fee costs grew significantly due to increased renovation and development activity. G&A expenses increased by 6.7%, resulting primarily from higher professional fees. We recognized corporate reorganization expenses of $0.7 million, compared to $9.0 million in the fourth quarter of 2012. Operating expenses increased by 24.6%, which includes U.S. restaurant closure costs, as described below.

Operating income of $147.8 million was down 1.8% from $150.4 million a year earlier. Two key decisions impacted operating income during the fourth quarter. The first decision was to remove Cold Stone Creamery from Tim Hortons locations in Canada, following an evaluation of strategic considerations and the overall performance of the Cold Stone Creamery business in Tim Hortons restaurants in Canada. This decision, which will allow our restaurant owners to simplify their operations and focus entirely on their core business, resulted in de-branding costs of $19.0 million in the fourth quarter. This decision does not affect our U.S. Cold Stone Creamery co-branded operations, as the nature of the business, and the support required by the Company, is significantly different than in Canada. The second decision was to close a small number of underperforming restaurants in various U.S. markets in the fourth quarter, resulting in a $6.6 million charge, which has been included in operating expenses.

Adjusted operating income[3] of $167.5 million, which excludes the impact of the corporate reorganization and Cold Stone Creamery de-branding costs, increased 5.1%, in line with systemwide sales growth. (Please refer to "Information on non-GAAP Measure" below for a reconciliation of adjusted operating income to operating income, the most directly comparable GAAP measure).

Net income attributable to Tim Hortons Inc. was $100.6 million, a slight increase from $100.3 million a year earlier, as the impact of a lower effective tax rate, due to certain discrete items recognized in Q4 2013, was offset by reduced operating income.

EPS of $0.69 grew by $0.04 or 6.2% due to the expanded share repurchase program, which led to a decrease of 8.6 million shares outstanding year-over-year. The Cold Stone Creamery de-branding costs and corporate reorganization expenses negatively impacted EPS by $0.11 in Q4 2013, and corporate reorganization expenses negatively impacted EPS by $0.04 in Q4 2012.

For the full year, systemwide sales[4] increased 4.7% in 2013, on a constant currency basis. Total revenues rose 4.3% to $3.3 billion compared to $3.1 billion last year. Operating income was $621.1 million, up 4.5% from $594.5 million in 2012. Adjusted operating income[3] grew 6.3% to $651.9 million. (Please refer to "Information on Non-GAAP Measure" below for a reconciliation of adjusted operating income to operating income, the nearest GAAP measure.) Net income attributable to THI in 2013 was up 5.3% to $424.4 million.

EPS for the full year was $2.82, representing growth of 8.9%. The 2013 earnings outlook we communicated in February 2013 of $2.87 to $2.97 per share did not include the $0.06 per share corporate reorganization charge taken during the fiscal year, and did not contemplate the $0.10 per share impact of the Cold Stone Creamery de-branding. Full-year EPS benefited from 3.2% fewer shares in 2013, due to our share repurchase program, which was expanded mid-year. EPS also benefited from an effective tax rate of 26.8% for the full year, compared to the 28% rate assumed in our earnings outlook, and 27.7% in 2012.

Segmented Performance Commentary

We have reclassified the segment data for 2012 to conform to the current period's presentation, consistent with changes to our reportable segments announced in 2013.

We grew same-store sales in both Canada and the U.S. in the fourth quarter, in the face of ongoing challenges relating to macro-economic conditions, weak consumer confidence and persistent competitive intensity in the quick service restaurant sector.

<u>Canada</u>

Same-store sales in our Canadian segment grew by 1.6%, due to gains in average cheque, driven by favourable product mix and pricing. Same-store transactions were lower year-over-year, while systemwide transactions grew as a result of new restaurants added to our system.

Operating income in the Canadian segment was $165.5 million, a decrease of $3.8 million or 2.3%. The $19.0 million charge related to the removal of Cold Stone Creamery from Canadian Tim Hortons locations had the effect of reducing segment operating income growth by 11.2%. A higher allocation of supply chain income and increased rents and royalties income, both resulting from systemwide sales growth of 4.7%, and increased franchise fee income due to additional restaurant sales and renovations, contributed positively to operating income. We opened 89 restaurants in Canada in the fourth quarter.

On a full-year basis, 2013 same-store sales growth of 1.1% in the Canadian segment was below our original target range of 2% to 4%; we believe this was due to ongoing challenging economic conditions and increased competitive intensity in our industry. We opened 168 restaurants in 2013, within our targeted range of 160-180 openings, and we closed 16 locations. The Canadian segment delivered operating income of $665.7 million, an increase of 1.8% over 2012.

United States

U.S. same-store sales increased by 3.1% in the quarter, driven primarily by favourable product mix and pricing.

The U.S. segment had an operating loss of $1.1 million, compared to operating income of $2.4 million in the fourth quarter of 2012. Operating income was negatively affected by $6.6 million of restaurant closure costs. The segment benefited from increased franchise fee income due to a higher number of franchised restaurant openings, and from systemwide sales growth of 10.7%, which led to increased rents and royalties income. We opened 53 restaurants in the U.S. during the quarter.

On a full-year basis, same-store sales growth of 1.8% in the U.S. segment was below our targeted range of 3% to 5% growth. We opened 79 new locations in the U.S. in 2013, comprised of 74 standard and non-standard full-serve restaurants and five self-serve kiosks. Our targeted range was 70 to 90 full-serve restaurants. We also closed 20 full-serve and four self-serve locations during the year. Operating income for the segment was $5.1 million in 2013, compared to $9.6 million in 2012.

Corporate services

The operating loss in the Corporate services segment was $18.1 million, compared to a loss of $14.1 million in the fourth quarter of 2012. The increased loss was driven by higher G&A expenses associated with strategic activities, and by reduced distribution income due to the reversal of favourability from commodity cost changes recognized earlier in the year, as anticipated. The full-year operating loss in the segment was $44.5 million, compared to a loss of $57.0 million in 2012.

Our international partner, Apparel FZCO, opened five restaurants in the Gulf Cooperation Council (GCC) during the fourth quarter, and 14 locations for the full year. At year-end, we had 38 restaurants in the GCC.

Significant Developments & Initiatives

Private offering of $450 million Senior Notes completed

During the fourth quarter of 2013, we successfully completed a Canadian private placement of $450 million principal amount of senior unsecured 4.52% notes, due December 1, 2023. The debt offering was significantly oversubscribed, indicating strong market support for the Company. Net proceeds from the offering were used primarily to repay a bridge credit facility, which is available for general corporate purposes including share repurchases. The debt offering represented the first phase of our plan to raise up to $900 million in additional debt, as approved by our Board of Directors in August 2013.

Board declares dividend payment of $0.32 per common share

The Board of Directors has approved an increase in the quarterly dividend of approximately 23.1%, to $0.32 per common share, payable on March 18, 2014, to shareholders of record as of the close of business on March 3, 2014. The payment of future dividends remains subject to Board approval. Dividends declared will be paid in Canadian dollars to all shareholders with Canadian resident addresses. For U.S. shareholders, dividends paid will be converted to U.S. dollars based on prevailing exchange rates at the time of conversion by Tim Hortons for registered shareholders and by CDS Clearing and Depository Services Inc. for beneficial shareholders.

New share repurchase program of up to $440 million announced

Tim Hortons has obtained regulatory approval from the Toronto Stock Exchange (TSX) to commence a new share repurchase program for up to $440 million in common shares, not to exceed the regulatory maximum of 13,726,219 shares, representing 10% of the Company's public float as of February 14th, 2014, as defined under TSX rules. This normal course issuer bid is planned to commence on February 28th, 2014 and to expire on February 27th, 2015. The new program reflects the amount required to complete our expanded share repurchase, as approved by the Board in August 2013, in addition to our traditional annual program.

We have provided additional details on our new share repurchase program in a separate press release issued February 20, 2014.

Expanding single-serve coffee to retail channels

The Company announced that it will begin selling its single-serve coffee through the grocery channel this summer. We currently sell premium Tim Hortons coffee in the TASSIMO® and Tim Hortons RealCup™ formats exclusively through our network of nearly 4,500 restaurants, online through our website, and in the U.S. through selective other channels. By adding the grocery channel, through which we already distribute our canned coffee, we will increase the convenience for consumers who wish to purchase and enjoy Tim Hortons products. We anticipate that responding to this unmet consumer need will benefit both the Company and our restaurant owners.

Investor Conference and 2014 Outlook

On February 25th, 2014, we will communicate our strategic roadmap, including growth initiatives and long-term financial aspirations beyond 2014. Our Investor Conference will be webcast live, beginning at 11:00 a.m. (EST), at www.timhortons-invest.com under the Events and Presentations tab.

In 2014 we anticipate continued growth, but we will also be investing in key drivers intended to facilitate accelerated growth beyond 2014, which will be outlined at the Investor Conference. The Company has established the following 2014 performance targets:

- Diluted earnings per share (EPS) of $3.17 to $3.27
- 2014 same-store sales growth of 1% to 3% in Canada and 2% to 4% in the U.S.
- A total of 215 to 255 restaurant openings in Canada, the U.S. and the Gulf Cooperation Council, including:
    - 140 to 160 restaurant openings in Canada, approximately evenly split between standard and non-standard format restaurants
    - 40 to 60 full-serve restaurant openings in the U.S., approximately evenly split between standard and non-standard format restaurants
- Capital expenditures between $180 million to $220 million, including approximately US$30 million in the U.S.
- Effective tax rate of approximately 29%.

The operational objectives and financial outlook (collectively, targets) set forth above are for 2014 only, are forward-looking, and are based on our expectations and outlook and shall be effective only as of the date the targets were originally issued. The targets established for 2014 are based on accounting, tax and/or other regulatory or legislative rules in place at the time the targets were issued. The impact of future changes in accounting, tax and/or other regulatory or legislative rules that may or may not become effective in fiscal 2014, changes to our share repurchase activities, and accounting, tax, audit or other matters not contemplated at the time the targets were established, could affect our business and are not included in the determination of these targets.

Except as required by applicable securities laws, we do not intend to update our annual targets. These targets and our performance generally are subject to various risks and uncertainties ("risk factors") which may impact future performance and our achievement of these targets. Refer to our safe harbor statement, which incorporates by reference our "risk factors," set forth at the end of this release, and our Annual Report on Form 10-K for 2012 filed on February 21st, 2013, our Quarterly Report on Form 10-Q filed on November 7th, 2013, and our Annual Report on Form 10-K for 2013 (expected to be filed on or about February 25th, 2014).

Annual Meeting of Shareholders

The Board of Directors has set a record date of March 11th, 2014 for the annual meeting of shareholders. The meeting will be held on Thursday, May 8th at 10:30 a.m. EDT at the Metro Toronto Convention Centre, 255 Front Street West, in Toronto, Ontario.

Tim Hortons conference call today at 10:00 a.m. (EST) Thursday, February 20, 2014

Tim Hortons will host a conference call today to discuss fourth quarter results, scheduled to begin at 10:00 a.m. (EST). The dial-in number is (416) 915-3239 or (877) 881-1303. No access code is required. A simultaneous web cast of the call, including presentation material, will be available at www.timhortons-invest.com. A replay of the call will be available until February 27, 2014 and can be accessed at (800) 319-6413. The call replay reservation number is 6842#. The call and presentation material will also be archived for one year in the Events and Presentations section of our website.

Safe Harbor Statement

Certain information in this news release, particularly information regarding future economic performance, finances, and plans, expectations and objectives of management, and other information, constitutes forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We refer to all of these as forward-looking statements. Various factors including competition in the quick service segment of the food service industry, general economic conditions and others described as “risk factors” in the Company’s 2012 Annual Report on Form 10-K filed February 21st, 2013, our Quarterly Report on Form 10-Q filed on November 7th, 2013, and our 2013 Annual Report on Form 10-K expected to be filed on or about February 25th, 2014 with the U.S. Securities and Exchange Commission and Canadian Securities Administrators, could affect the Company’s actual results and cause such results to differ materially from those expressed in, or implied by, 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 to management’s expectations as of the date hereof.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: the absence of an adverse event or condition that damages our strong brand position and reputation; the absence of a material increase in competition or in volume or type of competitive activity within the quick service restaurant segment of the food service industry; our ability to obtain financing on favourable terms; our ability to maintain investment grade credit ratings; prospects and execution risks concerning our U.S. market strategy; general worldwide economic conditions; cost and availability of commodities; the ability to retain our senior management team or the inability to attract and retain qualified personnel; continuing positive working relationships with the majority of the Company's restaurant owners; the absence of any material adverse effects arising as a result of litigation; and there being no significant change in the Company's ability to comply with current or future regulatory requirements.

We are presenting this information for the purpose of informing you of management's current expectations regarding these matters, and this information may not be appropriate for any other purpose. We assume no obligation to update or alter any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law. Please review the Company's Safe Harbor Statement at www.timhortons.com/ca/en/about/safeharbor.html.

(3) **Information on non-GAAP Measure**

Adjusted operating income is a non-GAAP measure. Management uses adjusted operating income to assist in the evaluation of year-over-year performance and believes that it will be helpful to investors as a measure of underlying operational growth rates. This non-GAAP measure is not intended to replace the presentation of our financial results in accordance with GAAP. The Company's use of the term adjusted operating income may differ from similar measures reported by other companies. The reconciliation of operating income, a GAAP measure, to adjusted operating income, a non-GAAP measure, is set forth in the table below:

Reconciliation of Adjusted Operating Income

	Q4 2013	Q4 2012	YTD 2013	YTD 2012
	(in millions)		(in millions)	
Operating income	$ 147.8	$ 150.4	$ 621.1	$ 594.5
Add: Corporate reorganization expenses	0.7	9.0	11.8	18.9
Add: Cold Stone Creamery de-branding costs	19.0	0.0	19.0	0.0
Adjusted operating income	$ 167.5	$ 159.4	$ 651.9	$ 613.4

All numbers rounded

(4) **Total systemwide sales growth** includes restaurant level sales at both Company-operated and franchised restaurants. Approximately 99.6% of our systemwide restaurants were franchised as at December 29, 2013. Systemwide sales growth is determined using a constant exchange rate where noted, 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 fourth quarter of 2013, systemwide sales on a constant currency basis increased 5.4% compared to the fourth quarter of 2012. Systemwide sales growth in Canadian dollars, including the effects of foreign currency translation, was 5.9% in the fourth quarter of 2013. Full-year systemwide sales increased 4.7% on a constant currency basis in 2013, and 5.0% in Canadian dollars. Systemwide sales are important to understanding our business performance as they impact our franchise royalties and rental income, as well as our distribution income. Changes in systemwide sales are driven by changes in average same-store sales and changes in the number of systemwide restaurants, and are ultimately driven by consumer demand.

We believe systemwide sales and same-store sales growth provide meaningful information to investors regarding the size of our system, the overall health and financial performance of the system, and the strength of our brand and restaurant owner base, which ultimately impacts our consolidated and segmented financial performance. Franchised restaurant sales are not generally included in our Condensed Consolidated Financial Statements (except for certain non-owned restaurants consolidated in accordance with applicable accounting rules). The amount of systemwide sales impacts our rental and royalties revenues, as well as distribution revenues.

Tim Hortons Inc. Overview

Tim Hortons is one of the largest publicly-traded restaurant chains in North America based on market capitalization, and the largest in Canada. Operating in the quick service segment of the restaurant industry, Tim Hortons appeals to a broad range of consumer tastes, with a menu that includes premium coffee, hot and cold specialty drinks (including lattes, cappuccinos and espresso shots), specialty teas and fruit smoothies, fresh baked goods, grilled Panini and classic sandwiches, wraps, soups, prepared foods and other food products. As of December 29, 2013, Tim Hortons had 4,485 systemwide restaurants, including 3,588 in Canada, 859 in the United States and 38 in the Gulf Cooperation Council. More information about the Company is available at www.timhortons.com.

For Further information:

Investors: Scott Bonikowsky, (905) 339-6186 or bonikowsky_scott@timhortons.com
Media: Olga Petrycki, (905) 339-5960 or petrycki_olga@timhortons.com

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands of Canadian dollars, except share and per share data)
(Unaudited)

	Fourth quarter ended			
	December 29, 2013	**December 30, 2012**	**$ Change**	**% Change**
Revenues				
Sales	$ 597,655	$ 570,044	$ 27,611	4.8 %
Franchise revenues				
Rents and royalties	212,364	200,277	12,087	6.0 %
Franchise fees	88,485	41,278	47,207	n/m
	300,849	241,555	59,294	24.5 %
Total revenues	**898,504**	**811,599**	**86,905**	**10.7 %**
Costs and expenses				
Cost of sales	520,601	501,901	18,700	3.7 %
Operating expenses	90,810	72,877	17,933	24.6 %
Franchise fee costs	78,862	39,485	39,377	n/m
General and administrative expenses	44,030	41,277	2,753	6.7 %
Equity (income)	(3,830)	(3,637)	(193)	5.3 %
Corporate reorganization expenses	729	9,032	(8,303)	n/m
De-branding costs	19,016	—	19,016	n/m
Other (income) expense, net	515	260	255	n/m
Total costs and expenses, net	**750,733**	**661,195**	**89,538**	**13.5 %**
Operating income	147,771	150,404	(2,633)	(1.8)%
Interest (expense)	(12,087)	(8,652)	(3,435)	39.7 %
Interest income	974	1,102	(128)	(11.6)%
Income before income taxes	136,658	142,854	(6,196)	(4.3)%
Income taxes	34,449	41,258	(6,809)	(16.5)%
Net income	102,209	101,596	613	0.6 %
Net income attributable to non controlling interests	1,610	1,255	355	28.3 %
Net income attributable to Tim Hortons Inc.	**$ 100,599**	**$ 100,341**	**$ 258**	**0.3 %**
Basic earnings per common share attributable to Tim Hortons Inc.	**$ 0.69**	**$ 0.65**	**0.04**	**6.2 %**
Diluted earnings per common share attributable to Tim Hortons Inc.	**$ 0.69**	**$ 0.65**	**0.04**	**6.2 %**
Weighted average number of common shares outstanding (in thousands) – Basic	**145,083**	**153,713**	**(8,630)**	**(5.6)%**
Weighted average number of common shares outstanding (in thousands) – Diluted	**145,533**	**154,142**	**(8,609)**	**(5.6)%**
Dividends per common share	**$ 0.26**	**$ 0.21**	**0.05**	

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands of Canadian dollars, except share and per share data)
(Unaudited)

	Year-ended			
	December 29, 2013	December 30, 2012	$ Change	% Change
Revenues				
Sales	$ 2,265,884	$ 2,225,659	$ 40,225	1.8 %
Franchise revenues				
Rents and royalties	821,221	780,992	40,229	5.2 %
Franchise fees	168,428	113,853	54,575	47.9 %
	989,649	894,845	94,804	10.6 %
Total revenues	**3,255,533**	**3,120,504**	**135,029**	**4.3 %**
Costs and expenses				
Cost of sales	1,972,903	1,957,338	15,565	0.8 %
Operating expenses	321,836	284,321	37,515	13.2 %
Franchise fee costs	162,605	116,644	45,961	39.4 %
General and administrative expenses	159,523	163,885	(4,362)	(2.7)%
Equity (income)	(15,170)	(14,693)	(477)	3.2 %
Corporate reorganization expenses	11,761	18,874	(7,113)	(37.7)%
De-branding costs	19,016	—	19,016	n/m
Asset impairment	2,889	(372)	3,261	n/m
Other (income) expense, net	(925)	(18)	(907)	n/m
Total costs and expenses, net	**2,634,438**	**2,525,979**	**108,459**	**4.3 %**
Operating income	621,095	594,525	26,570	4.5 %
Interest (expense)	(39,078)	(33,709)	(5,369)	15.9 %
Interest income	3,612	3,296	316	9.6 %
Income before income taxes	585,629	564,112	21,517	3.8 %
Income taxes	156,980	156,346	634	0.4 %
Net income	428,649	407,766	20,883	5.1 %
Net income attributable to non controlling interests	4,280	4,881	(601)	(12.3)%
Net income attributable to Tim Hortons Inc.	**$ 424,369**	**$ 402,885**	**$ 21,484**	**5.3 %**
Basic earnings per common share attributable to Tim Hortons Inc.	**$ 2.83**	**$ 2.60**	**0.23**	**8.8 %**
Diluted earnings per common share attributable to Tim Hortons Inc.	**$ 2.82**	**$ 2.59**	**0.23**	**8.9 %**
Weighted average number of common shares outstanding (in thousands) – Basic	**150,155**	**155,160**	**(5,005)**	**(3.2)%**
Weighted average number of common shares outstanding (in thousands) – Diluted	**150,622**	**155,676**	**(5,054)**	**(3.2)%**
Dividends per common share	**$ 1.04**	**$ 0.84**	**0.20**	

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in thousands of Canadian dollars, except share and per share data)
(Unaudited)

	As at	
	December 29, 2013	December 30, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 50,414	$ 120,139
Restricted cash and cash equivalents	155,006	150,574
Accounts receivable, net	210,664	171,605
Notes receivable, net	4,631	7,531
Deferred income taxes	10,165	7,142
Inventories and other, net	104,326	107,000
Advertising fund restricted assets	39,783	45,337
Total current assets	574,989	609,328
Property and equipment, net	1,685,043	1,553,308
Notes receivable, net	4,483	1,246
Deferred income taxes	11,018	10,559
Equity investments	40,738	41,268
Other assets	117,552	68,470
Total assets	**$ 2,433,823**	**$ 2,284,179**
Liabilities and equity		
Current liabilities		
Accounts payable	$ 204,514	$ 169,762
Accrued liabilities	274,008	227,739
Deferred income taxes	—	197
Advertising fund liabilities	59,912	44,893
Short-term borrowings	30,000	—
Current portion of long-term obligations	17,782	20,781
Total current liabilities	586,216	463,372
Long-term obligations		
Long-term debt	843,020	406,320
Capital leases	121,049	104,383
Deferred income taxes	9,929	10,399
Other long-term liabilities	112,090	109,614
Total long-term obligations	1,086,088	630,716
Commitments and contingencies		
Equity		
Equity of Tim Hortons Inc.		
Common shares ($2.84 stated value per share). Authorized: unlimited shares. Issued: 141,329,010 and 153,404,839 shares, respectively	400,738	435,033
Common shares held in Trust, at cost: 293,816 and 316,923 shares, respectively	(12,924)	(13,356)
Contributed surplus	11,033	10,970
Retained earnings	474,409	893,619
Accumulated other comprehensive loss	(112,102)	(139,028)
Total equity of Tim Hortons Inc.	761,154	1,187,238
Non controlling interests	365	2,853
Total equity	761,519	1,190,091
Total liabilities and equity	**$ 2,433,823**	**$ 2,284,179**

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of Canadian dollars)
(Unaudited)

	Year-ended	
	December 29, 2013	December 30, 2012
Cash flows provided from (used in) operating activities		
Net income	$ 428,649	$ 407,766
Adjustments to reconcile net income to net cash provided from operating activities		
Depreciation and amortization	161,809	132,167
Stock-based compensation expense	21,989	11,862
Deferred income taxes	(4,885)	5,065
Changes in operating assets and liabilities		
Restricted cash and cash equivalents	(3,391)	(20,182)
Accounts receivable	(24,650)	(1,346)
Inventories and other	2,836	33,415
Accounts payable and accrued liabilities	46,766	6,692
Taxes	6,092	(18,065)
Settlement of interest rate forwards	(9,841)	—
Deposit with tax authorities	(36,532)	—
Other	9,893	1,913
Net cash provided from operating activities	**598,735**	**559,287**
Cash flows (used in) provided from investing activities		
Capital expenditures	(221,000)	(186,777)
Capital expenditures – Advertising fund	(21,970)	(49,031)
Other investing activities	5,708	(6,400)
Net cash (used in) investing activities	**(237,262)**	**(242,208)**
Cash flows (used in) provided from financing activities		
Repurchase of common shares	(720,549)	(225,200)
Dividend payments to common shareholders	(156,141)	(130,509)
Distributions, net to non controlling interest	(2,858)	(3,913)
Net proceeds from issue of debt	448,092	—
Net proceeds from issue of debt – Advertising fund	—	51,850
Short-term borrowing	30,000	—
Principal payments on long-term debt obligations	(36,175)	(7,710)
Other financing activities	3,550	(6,885)
Net cash (used in) financing activities	**(434,081)**	**(322,367)**
Effect of exchange rate changes on cash	**2,883**	**(1,070)**
(Decrease) in cash and cash equivalents	**(69,725)**	**(6,358)**
Cash and cash equivalents at beginning of period	**120,139**	**126,497**
Cash and cash equivalents at end of period	**$ 50,414**	**$ 120,139**
Supplemental disclosures of cash flow information:		
Interest paid	$ 36,268	$ 31,447
Income taxes paid	$ 191,503	$ 175,877
Non-cash investing and financing activities:		
Capital lease obligations incurred	$ 34,712	$ 26,095

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

	Fourth quarter ended		Year-ended	
	December 29, 2013	December 30, 2012	December 29, 2013	December 30, 2012
Revenues[1]				
Canada	$ 732,997	$ 671,993	$ 2,660,358	$ 2,595,921
U.S.	64,539	44,886	197,226	165,723
Corporate services	4,645	3,276	17,388	15,231
Total reportable segments	802,181	720,155	2,874,972	2,776,875
VIEs[2]	96,323	91,444	380,561	343,629
Total	**$ 898,504**	**$ 811,599**	**$ 3,255,533**	**$ 3,120,504**
Operating Income (Loss)				
Canada	$ 165,497	$ 169,340	$ 665,675	$ 653,916
U.S.	(1,107)	2,407	5,107	9,620
Corporate services	(18,103)	(14,111)	(44,517)	(57,013)
Total reportable segments	146,287	157,636	626,265	606,523
VIEs[2]	2,213	1,800	6,591	6,876
Corporate reorganization expenses	(729)	(9,032)	(11,761)	(18,874)
Consolidated Operating Income	147,771	150,404	621,095	594,525
Interest, net	(11,113)	(7,550)	(35,466)	(30,413)
Income before income taxes	**$ 136,658**	**$ 142,854**	**$ 585,629**	**$ 564,112**

(1) There are no inter-segment revenues included in the above table.
(2) Variable interest entities.

Consolidated Sales and Cost of sales comprise the following:

	Fourth quarter ended		Year-ended	
	December 29, 2013	December 30, 2012	December 29, 2013	December 30, 2012
Sales				
Distribution sales	$ 498,907	$ 474,438	$ 1,872,296	$ 1,860,683
Company-operated restaurant sales	5,171	6,515	23,738	26,970
Sales from VIEs	93,577	89,091	369,850	338,006
Total Sales	**$ 597,655**	**$ 570,044**	**$ 2,265,884**	**$ 2,225,659**

	Fourth quarter ended		Year-ended	
	December 29, 2013	December 30, 2012	December 29, 2013	December 30, 2012
Cost of sales				
Distribution cost of sales	$ 433,996	$ 416,480	$ 1,619,858	$ 1,631,091
Company-operated restaurant cost of sales	5,616	7,038	25,446	28,857
Cost of sales from VIEs	80,989	78,383	327,599	297,390
Total Cost of sales	**$ 520,601**	**$ 501,901**	**$ 1,972,903**	**$ 1,957,338**

TIM HORTONS INC. AND SUBSIDIARIES
Income Statement Definitions

Sales	Sales include Distribution sales, sales from Company-operated restaurants, and sales from consolidated Non-owned restaurants. Distribution sales comprise sales of products (including a minimal amount of manufacturing product sales to third parties), supplies, and restaurant equipment excluding equipment sales related to initial restaurant establishment or renovations (see "Franchise Fees") that are shipped directly from our warehouses or by third-party distributors to restaurants or retailers through our supply chain. Sales from Company-operated restaurants and consolidated Non-owned restaurants comprise restaurant-level sales to our guests. The consolidation of Non-owned restaurants essentially replaces our rents and royalties with restaurant sales, which are included in VIEs' sales.
Rents and royalties	Includes royalties and rental revenues earned, net of relief, and certain advertising levies associated with our Ad Fund relating primarily to the Expanded Menu Board Program.
Franchise fees	Includes revenues derived from license fees and equipment packages, at initiation of a restaurant and in connection with the renewal or renovation, and revenues related to master license agreements.
Cost of sales	Cost of sales includes costs associated with the management of our supply chain, including cost of goods, direct labour and depreciation, as well as the cost of goods delivered by third-party distributors to restaurants for which we manage the supply chain logistics, and for canned coffee sold through grocery stores. Cost of sales also includes food, paper and labour costs of Company-operated restaurants and consolidated Non-owned restaurants.
Operating expenses	Includes property-related costs, including depreciation and rent expense related to properties leased to restaurant owners and other property-related costs. Also included are certain operating expenses related to our distribution business such as utilities and product development costs.
Franchise fee costs	Includes the cost of equipment sold to restaurant owners at the commencement or in connection with the renovation of their restaurant business, including training and other costs necessary to assist with a successful restaurant opening. Also includes support costs related to project-related and/or operational initiatives.
General and administrative expenses	Includes costs that cannot be directly related to generating revenue, including expenses associated with our corporate and administrative functions, depreciation of head office buildings and office equipment, and the majority of our information technology systems.
Corporate reorganization expenses	Includes termination costs and professional fees related to the implementation of our new Corporate Centre and Business Unit organizational structure, as well as CEO transition costs.
De-branding costs	Represents de-branding costs related to removing the Cold Stone Creamery brand from Tim Hortons restaurants in Canada.
Asset Impairment	Represents non-cash charges relating to the impairment of long-lived assets, including any reversals of previously recognized charges deemed no longer required.
Other (income) expense, net	Includes (income) expenses that are not directly derived from the Company's primary businesses, such as foreign currency adjustments, gains and losses on asset sales, and other asset write-offs.

Exhibit 99.2

FOR IMMEDIATE RELEASE
(All amounts in Canadian dollars)

Tim Hortons Inc. increases quarterly dividend by 23.1% and declares a dividend of $0.32 per common share

OAKVILLE, ONTARIO, (February 20, 2014): Tim Hortons Inc. (TSX: THI, NYSE: THI) today announced that the Board of Directors has approved a 23.1% increase in the quarterly dividend to $0.32 per common share, which is within our targeted annual dividend payout range of 35% to 40% of prior year, normalized net income attributable to Tim Hortons Inc. The dividend is payable on March 18, 2014, to shareholders of record as of March 3, 2014.

"Paying a reliable and growing dividend stream continues to be our first priority in terms of returning capital to our shareholders. This is the seventh consecutive year we have announced a meaningful increase to our dividend," said Cynthia Devine, Chief Financial Officer.

Dividends are declared and paid in Canadian dollars to all shareholders with Canadian resident addresses. For U.S. shareholders, the dividends will be converted to, and paid in, U.S. dollars based on prevailing exchange rates at the time of conversion by Tim Hortons for registered shareholders and by CDS Clearing and Depository Services Inc. for beneficial shareholders. The payment of future dividends and the targeted payout range remain at the discretion of the Board of Directors.

Tim Hortons Inc. Overview

Tim Hortons is one of the largest publicly-traded restaurant chains in North America based on market capitalization, and the largest in Canada. Operating in the quick service segment of the restaurant industry, Tim Hortons appeals to a broad range of consumer tastes, with a menu that includes premium coffee, hot and cold specialty drinks (including lattes, cappuccinos and espresso shots), specialty teas and fruit smoothies, fresh baked goods, grilled Panini and classic sandwiches, wraps, soups, prepared foods and other food products. As of December 29, 2013, Tim Hortons had 4,485 systemwide restaurants, including 3,588 in Canada, 859 in the United States and 38 in the Gulf Cooperation Council. More information about the Company is available at www.timhortons.com.

For Further information:

Scott Bonikowsky: (905) 339-6186 or investor_relations@timhortons.com

Exhibit 99.3

FOR IMMEDIATE RELEASE

(All amounts in Canadian dollars)

Tim Hortons Inc. announces new share repurchase program for up to $440 million in common shares

OAKVILLE, ONTARIO, (February 20, 2014): Tim Hortons Inc. (TSX: THI, NYSE: THI) today announced that it plans to commence a new share repurchase program for up to $440 million in common shares.

The Company has obtained regulatory approval from the Toronto Stock Exchange (TSX) to commence a new share repurchase program (a “normal course issuer bid” or “bid”) for up to $440 million in common shares, not to exceed the regulatory maximum of 13,726,219 shares, representing 10% of the Company’s public float as of February 14, 2014, as defined under TSX rules. The bid is planned to commence on February 28, 2014 and is due to terminate on the earlier of February 27, 2015 or the date the maximum share or dollar amount is reached.

“The new share repurchase program is comprised of the remaining portion of our previously announced target of repurchasing $1 billion of shares in the 12 months ended August 2014, plus an additional amount of approximately $200 million,” said Cynthia Devine, Chief Financial Officer.

Subject to the negotiation and execution of a broker agreement, the Company’s common shares will be purchased under the bid through a combination of a 10b5-1 automatic trading plan as well as at management’s discretion in compliance with regulatory requirements, and given market, cost and other considerations.

Repurchases will be made through the facilities of the TSX (and/or other Canadian marketplaces), the New York Stock Exchange (NYSE), or by such other means as may be permitted by the TSX and/or the NYSE, and under applicable laws, including private agreements under an issuer bid exemption order issued by a securities regulatory authority in Canada. Purchases made by way of private agreements under an issuer bid exemption order issued by a securities regulatory authority will be at a discount to the prevailing market price as provided in the exemption order.

There can be no assurance as to the precise number of shares that will be repurchased under the bid, or the aggregate dollar amount of the shares purchased. Tim Hortons may discontinue purchases at any time, subject to compliance with applicable regulatory requirements. Shares purchased pursuant to the bid will be cancelled.

The maximum number of shares that may be purchased during any trading day may not exceed 25% of the average daily trading volume on the TSX, based on the previous six completed calendar months, for a daily total of 83,032 common shares. This limit, for which there are permitted exceptions, is determined in accordance with regulatory requirements. On February 3, 2014, Tim Hortons reached the regulatory maximum under the 2013 program, having purchased 15,239,531 shares at an average price of $59.88 per share. The 2013 program was thus terminated on February 3, 2014. As of February 14, 2014, Tim Hortons had 138,165,308 common shares outstanding.

Safe Harbor Statement

Certain information in this news release, particularly information regarding future economic performance, finances, and plans, expectations and objectives of management, and other information, constitutes forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We refer to all of these as forward-looking statements. Various factors including competition in the quick service segment of the food service industry, general economic conditions and others described as “risk factors” in the Company’s 2012 Annual Report on Form 10-K filed February 21, 2013, our Quarterly Report on Form 10-Q filed on November 7, 2013, and our 2013 Annual Report on Form 10-K expected to be filed on or about February 25, 2014 with the U.S. Securities and Exchange Commission and Canadian Securities Administrators, could affect the Company’s actual results and cause such results to differ materially from those expressed in, or implied by, 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 to management’s expectations as of the date hereof.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: the absence of an adverse event or condition that damages our strong brand position and reputation; the absence of a material increase in competition or in volume or type of competitive activity within the quick service restaurant segment of the food service industry; our ability to obtain financing on favourable terms; our ability to maintain investment grade credit ratings; prospects and execution risks concerning our U.S. market strategy; general worldwide economic conditions; cost and availability of commodities; the ability to retain our senior management team or the inability to attract and retain qualified personnel; continuing positive working relationships with the majority of the Company’s restaurant owners; the absence of any material adverse effects arising as a result of litigation; and there being no significant change in the Company’s ability to comply with current or future regulatory requirements.

We are presenting this information for the purpose of informing you of management’s current expectations regarding these matters, and this information may not be appropriate for any other purpose. We assume no obligation to update or alter any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law. Please review the Company’s Safe Harbor Statement at www.timhortons.com/en/about/safeharbor.html.

Tim Hortons Inc. Overview

Tim Hortons is one of the largest publicly-traded restaurant chains in North America based on market capitalization, and the largest in Canada. Operating in the quick service segment of the restaurant industry, Tim Hortons appeals to a broad range of consumer tastes, with a menu that includes premium coffee, hot and cold specialty drinks (including lattes, cappuccinos and espresso shots), specialty teas and fruit smoothies, fresh baked goods, grilled Panini and classic sandwiches, wraps, soups, prepared foods and other food products. As of December 29, 2013, Tim Hortons had 4,485 systemwide restaurants, including 3,588 in Canada, 859 in the

United States and 38 in the Gulf Cooperation Council. More information about the Company is available at www.timhortons.com.

For Further information:
Scott Bonikowsky: (905) 339-6186 or investor_relations@timhortons.com

Exhibit 99.4

TIM HORTONS INC.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995 and Canadian Securities Laws

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information, so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those disclosed in the statement. Canadian securities laws have corresponding safe harbor provisions, subject to certain additional requirements including the requirement to state the assumptions used to make the forecasts set out in forward-looking statements. Tim Hortons Inc. (the “Company”) desires to take advantage of these “safe harbor” provisions.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “seeks,” “outlook,” “forecast” or words of similar meaning, or future or conditional verbs, such as “will,” “should,” “could” or “may.” Examples of forward-looking statements that may be contained in our public disclosure from time-to-time include, but are not limited to, statements concerning management’s expectations relating to possible or assumed future results, our strategic goals and our priorities, and the economic and business outlook for us, for each of our business segments and for the economy generally. Many of the factors that could determine our future performance are beyond our ability to control or predict. The following factors, in addition to other factors set forth in our 2012 Annual Report on Form 10-K filed February 21, 2013, our Quarterly Report on Form 10-Q filed on November 7, 2013, and our 2013 Annual Report on Form 10-K expected to be filed on or about February 25, 2014 with the U.S. Securities and Exchange Commission (“SEC”) and the Canadian Securities Administrators (“CSA”), and in other press releases, communications, or filings made with the SEC or the CSA, could cause our actual results to differ materially from the expectation(s) included in forward-looking statements and, if significant, could materially affect the Company’s business, sales revenue, share price, financial condition, and/or future results, including causing the Company to (i) close restaurants, (ii) fail to realize same-store sales growth targets, which are critical to achieving our financial targets, (iii) fail to meet the expectations of our securities analysts or investors, or otherwise fail to perform as expected, (iv) experience a decline and/or increased volatility in the market price of its stock, (v) have insufficient cash to engage in or fund expansion activities, dividends, or share repurchase programs, or (vi) increase costs, corporately or at restaurant-level, which may result in increased restaurant-level pricing, which in turn may result in decreased guest demand for our products resulting in lower sales, revenue, and earnings. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also materially adversely affect our business, financial condition, and/or operating results. We assume no obligation to update or alter any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: the absence of an adverse event or condition that damages our strong brand position and reputation; the absence of a material increase in competition or in volume of type of competitive activity within the quick service restaurant segment of the food service industry; ability to obtain financing on favorable terms; ability to maintain investment grade credit ratings; prospects and execution risks concerning the U.S. market strategy; general worldwide economic conditions; cost and availability of commodities; the ability to retain our senior management team or the inability to attract and retain new qualified personnel; continuing positive working relationships with the majority of the Company’s restaurant owners; the absence of any material adverse effects arising as a result of litigation; and there being no significant change in the Company’s ability to comply with current or future regulatory requirements. We are presenting this information for the purpose of informing you of management’s current expectations regarding these matters, and this information may not be appropriate for any other purposes.

Factors Affecting Growth and Other Important Strategic Initiatives. There can be no assurance that the Company will be able to achieve new restaurant or same-store sales growth objectives, that new restaurants will be profitable or that strategic initiatives will be successfully implemented. Early in the development of new markets, the opening of new restaurants may have a negative effect on the same-store sales of existing restaurants in the market. The Company may also enter markets where its brand is not well-known and where it has little or no operating experience and, as a result, may not achieve the level of penetration needed in order to drive brand recognition, convenience, increased leverage to marketing dollars, and other benefits the Company believes penetration yields. When the Company enters new markets, it may be necessary to increase restaurant owner relief and support costs, which lowers its earnings. There can be no assurance that the Company will be able to successfully adapt its brand, development efforts, and restaurants to these differing market conditions. The Company’s failure to successfully implement growth and various other strategies and initiatives related to international development may have a negative impact on the overall operation of its business and may result in increased costs or inefficiencies that it cannot currently anticipate. The Company may also continue to selectively close restaurants that are not achieving acceptable levels of profitability or change its growth strategies over time, where appropriate. Such closures may be accompanied by impairment charges that may have a negative impact on the Company's earnings. The success of any restaurant depends in substantial part on its location. There can be no assurance that current locations will continue to be attractive as demographic patterns or economic conditions change. If we cannot obtain desirable locations for restaurants at reasonable prices, the Company's ability to affect its growth strategy will be adversely affected. The Company has vertically integrated manufacturing, warehouse and distribution capabilities which may at times result in delays or difficulties. The Company also intends to evaluate potential mergers, acquisitions, joint-venture investments, alliances, vertical integration opportunities and divestitures, which are subject to many of the same risks that also affect new store development as well as various other risks. In addition, there can be no assurance that the Company will be able to complete the desirable transactions, for reasons including restrictive covenants in debt instruments or other agreements with third parties. The Company may continue to pursue strategic alliances (including co-branding) with third parties for different types of development models and products and there can be no assurance that: significant value will be recognized through such strategic alliances; the Company will be able to maintain its strategic alliances; or, the Company will be able to enter into new strategic relationships in the future. Entry into such relationships as well as the expansion of the Company's current business through such initiatives may expose it to additional risks that may adversely affect the Company's brand and business. The Company's financial outlook and long-range targets are based on the successful implementation, execution and guest acceptance of the Company's strategic plans and initiatives; accordingly, the failure of any of these criteria could cause the Company to fall short of achievement of its financial objectives and long-range aspirational goals.

The Importance of Canadian Segment Performance and Brand Reputation. The Company's financial performance is highly dependent upon its Canadian operating segment, which accounted for 94.0% of our reportable segment revenues, and 97.5% of our reportable segment operating income in fiscal 2012. Any substantial or sustained decline in the Company's Canadian business would materially and adversely affect its financial performance. The Company's success is also dependent on its ability to maintain and enhance the value of its brand, its guests' connection to and perception of its brand, and a positive relationship with its restaurant owners. Brand value can be severely damaged, even by isolated incidents, including those that may be beyond the Company's control such as: actions taken or not taken by its restaurant owners relating to health, safety, environmental, welfare, labour, public policy or social issues; contaminated food; litigation and claims (including litigation by, other disputes with, or negative relationship with restaurant owners); failure of security breaches or other fraudulent activities associated with its networks and systems; illegal activity targeted at the Company; and negative incidents occurring at or affecting its strategic business partners (including in connection with co-branding initiatives, international licensing arrangements and its self-serve kiosk model), affiliates, and corporate social responsibility programs. The Company's brand could also be damaged by falsified claims or the quality of products from its vertically integrated manufacturing plants, and potentially negative publicity from various sources, including social media sites on a variety of topics and issues, whether true or not, which are beyond its control.

Competition. The quick service restaurant industry is intensely competitive with respect to price, service, location, personnel, qualified restaurant owners, real estate sites and type and quality of food. The Company and its restaurant owners compete with international, regional and local organizations, primarily through the quality, variety, and value perception of food products offered. The number and location of units, quality and speed of service, attractiveness of facilities, effectiveness of advertising/marketing, promotional and operational programs, discounting activities, price, changing demographic patterns and trends, changing consumer preferences and spending patterns, including weaker consumer spending in difficult economic times, or a desire for a more diversified menu, changing health or dietary preferences and perceptions, and new product development by the Company and its competitors are also important factors. Certain of the Company's competitors, most notably in the U.S., have greater financial and other resources than it does, including substantially larger marketing budgets and greater leverage from their marketing spend. In addition, the Company's major competitors continue to engage in discounting, free sampling and other promotional activities.

Economic Conditions. The Company's operating results and financial condition are sensitive to and dependent upon discretionary spending by guests, which may be affected by uncertainty in general economic conditions that could drive down demand for its products and result in fewer transactions or decrease average cheque per transaction at our restaurants. The Company cannot predict the timing or duration of suppressed economic conditions which could have an adverse effect on our business, results of operations and financial condition.

Product Innovation and Extensions. Achievement of the Company's same-store sales strategy is dependent, among other things, on its ability to extend the product offerings of its existing brands and introduce innovative new products. Although it devotes significant focus to the development of new products, the Company may not be successful in developing innovative new products or its new products may not be commercially successful. The Company's financial results and its ability to maintain or improve its competitive position will depend on its ability to effectively gauge the direction of the market and consumer trends and initiatives and successfully identify, develop, manufacture, market and sell new or improved products in response to such trends.

Senior Management Team. Our success will continue to depend to a significant extent on our executive management team and the ability of other key management personnel to replace executives who retire or resign. We may not be able to retain our executive officers and key personnel or attract additional qualified management personnel to replace executives who retire or resign. Failure to retain our leadership team and attract and retain other important personnel could lead to ineffective management and operations, which would likely decrease our profitability. We are currently in a CEO transition period and our Board of Directors has appointed Mr. Marc Caira to the position of President and Chief Executive Officer, effective July 2, 2013. With the change in leadership, there is a risk to retention of other members of senior management, even with the existing retention program in place, as well as to continuity of business initiatives, plans and strategies through the transition period. In August 2012, we announced the implementation of an organizational structure which includes a Corporate Centre and Business Unit design. We completed the process of realigning roles and responsibilities under that new structure at the end of the first quarter of 2013. As a result of the Corporate reorganization, there has been a slight net reduction in the size of our employee base due to the departure of certain employees. Any lack of required resources for a prolonged period of time could negatively impact our operations and ability to execute our strategic initiatives; harm our ability to retain and motivate employees; and negatively impact our ability to attract new employees.

Commodities. The Company is exposed to price volatility in connection with certain key commodities that it purchases in the ordinary course of business such as coffee, wheat, edible oils, sugar, and other product costs which can impact revenues, costs and margins. Although the Company monitors its exposure to commodity prices and its forward hedging program partially mitigates the negative impact of any costs increases, price volatility for commodities it purchases has increased due to conditions beyond its control, including recent economic and political conditions, currency fluctuations, availability of supply, weather conditions, pest damage and consumer demand and consumption patterns. Increases and decreases in commodity costs are largely passed through to restaurant owners and the Company and its restaurant owners have some ability to increase product pricing to offset a rise in commodity prices, subject to restaurant owner and guest acceptance, respectively. Notwithstanding the foregoing, while it is not our operating practice, we may choose not to pass along all price increases to our restaurant owners. As a result, commodity cost increases could have a more significant effect on our business and results of operations than if we had passed along all increases to our restaurant owners. Price fluctuations may also impact margins as many of these commodities are typically priced based on a fixed-dollar mark-up. Although the Company generally secures commitments for most of its key commodities that generally extend over a six-month period, these may be at higher prices than its previous commitments. If the supply of commodities, including coffee, fails to meet demand, the Company's restaurant owners may experience reduced sales which, in turn, would reduce our rents and royalty income as well as distribution income. Such a reduction in the Company's income may adversely impact the Company's business and financial results.

Food Safety and Health Concerns. Incidents or reports, whether true or not, of food-borne illness and injuries caused by or claims of food tampering, employee hygiene and cleanliness failures or impropriety at Tim Hortons, and the potential health impacts of consuming certain of the Company's products or other quick service restaurants unrelated to Tim Hortons, could result in negative publicity, damage the Company's brand value and potentially lead to product liability or other claims. Any decrease in guest traffic or temporary closure of any of the Company's restaurants as a result of such incidents or negative publicity may have a material adverse effect on its business, results of operations and financial condition.

Distribution Operations and Supply Chain. The occurrence of any of the following factors is likely to result in increased operating costs and decreased profitability of the Company's distribution operations and supply chain and may also injure its brand, negatively affect its results of operations and its ability to generate expected earnings and/or increase costs, and/or negatively impact the Company's relationship with its restaurant owners: higher transportation or shipping costs; inclement weather; increased food and other supply costs; having a single source of supply for certain of its food products; potential cost and disruption of a product recall; shortages or interruptions in the availability or supply of perishable food products and/or their ingredients; potential negative impacts on our relationship with our restaurant owners associated with an increase of required purchases, or prices, of products purchased from the Company's distribution business; and political, physical, environmental, labour or technological disruptions in the Company's or its suppliers' manufacturing and/or warehouse plants, facilities or equipment.

Importance of Restaurant Owners. A substantial portion of the Company's earnings come from royalties and other amounts paid by restaurant owners, who operated 99.5% of the Tim Hortons restaurants as of December 30, 2012. The Company's revenues and profits would decline and its brand reputation could also be harmed if a significant number of restaurant owners were to experience, among other things, operational or financial difficulties or labour shortages or significant increases in labour costs. Although the Company generally enjoys a positive working relationship with the vast majority of its restaurant owners, active and/or potential disputes with restaurant owners could damage its reputation and/or its relationships with the broader restaurant owner group. The Company's restaurant owners are independent contractors and, as a result, the quality of their operations may be diminished by factors beyond the Company's control. Any operational shortcoming of a franchise restaurant is likely to be attributed by consumers to the Company's entire system, thus damaging its brand reputation and potentially affecting revenues and profitability. There can be no assurance that the Company will be able to continue to attract, retain and motivate higher performing restaurant owners.

Litigation. The Company is or may be subject to claims incidental to the business, including: obesity litigation; health and safety risks or conditions of the Company's restaurants associated with design, construction, site location and development, indoor or airborne contaminants and/or certain equipment utilized in operations; employee claims for employment or labour matters, including potentially, class action suits regarding wages, discrimination, unfair or unequal treatment, harassment, wrongful termination, or overtime compensation claims; claims from restaurant owners and/or operators regarding profitability or wrongful termination of their franchise or operating (license) agreement(s); taxation authorities regarding certain tax disputes; and falsified claims. The Company's current exposure with respect to pending legal matters could change if determinations by judges and other finders of fact are not in accordance with management's evaluation of these claims and the Company's exposure could exceed expectations and have a material adverse effect on its financial condition and results of operations.

Government Regulation. The Company and its restaurant owners are subject to various international, federal, state, provincial, and local ("governmental") laws and regulations. The development and operation of restaurants depend to a significant extent on the selection, acquisition, and development of suitable sites, which are subject to laws and regulations regarding zoning, land use, environmental matters (including limitation of vehicle emissions in drive-thrus; anti-idling bylaws; regulation of litter, packaging and recycling requirements; regulation relating to discharge, storage, handling, release and/or disposal of hazardous or toxic substances; and other governmental laws and regulations), traffic, franchise, design and other matters. Additional governmental laws and regulations affecting the Company and its restaurant owners include: business licensing; franchise laws and regulations; health, food preparation, sanitation and safety; privacy; immigration, employment and labour (including applicable minimum wage requirements, benefits, overtime, working and safety conditions, family leave and other employment matters, and citizenship requirements); advertising and marketing; product safety and regulations regarding nutritional content, including menu labeling; existing, new or future regulations, laws, treaties or the interpretation or enforcement thereof relating to tax matters that may affect the Company's ongoing tax disputes, realization of the Company's tax assets, disclosure of tax-related matters, and expansion of the Company's business into new territories through its strategic initiatives, joint-ventures, or other types of programs, projects or activities; tax laws affecting restaurant owners' business; accounting and reporting requirements and regulations; anti-corruption; and new or future regulations regarding sustainability. Compliance with these laws and regulations and planning initiatives undertaken in connection therewith could increase the cost of doing business and, depending upon the nature of the Company's and its restaurant owners' responsive actions thereto, could damage the Company's reputation. Changes in these laws and regulations, or the implementation of additional regulatory requirements, particularly increases in applicable minimum wages, tax law, planning or other matters may, among other things, adversely affect the Company's financial results; anticipated effective tax rate, tax liabilities, and/or tax reserves; business planning within its corporate structure; its strategic initiatives and/or the types of projects it may undertake in furtherance of its business; or franchise requirements.

In addition, a taxation authority may disagree with certain views of the Company with respect to the interpretation of tax treaties, laws and regulations and take the position that material income tax liabilities, interests, penalties or amounts are payable by the Company, including in connection with certain of its public or internal company reorganizations. Contesting such disagreements or assessments may be lengthy and costly and, if the Company were unsuccessful in disputing the same, the implications could be materially adverse to it and affect its anticipated effective tax rate, projected results, future operations and financial condition, where applicable.

International Operations. The Company's international operations are and will continue to be subject to various factors of uncertainty, and there is no assurance that international operations will achieve or maintain profitability or meet planned growth rates. The implementation of the Company's international strategic plan may require considerable management time as well as start-up expenses for market development before any significant revenues and earnings are generated. Expansion into new international markets carries risks similar to those risks described above and more fully in the Form 10-K and the Form 10-Q relative to expansion into new markets in the U.S.; however, some or all of these factors may be more pronounced in markets outside Canada and the U.S. due to cultural, political, legal, economic, regulatory and other conditions and differences. Additionally, the Company may also have difficulty exporting its proprietary products into international markets or finding suppliers and distributors to provide it with adequate supplies of ingredients meeting its standards in a cost-effective manner.

Market and Other Conditions. The quick service restaurant industry is affected by changes in international, national, regional, and local economic and political conditions, consumer preferences and perceptions (including food safety, health or dietary preferences and perceptions), discretionary spending patterns, consumer confidence, demographic trends, seasonality, weather events and other calamities, traffic patterns, the type, number and location of competing restaurants, enhanced governmental regulation, changes in capital market conditions that affect valuations of restaurant companies in general or the value of the Company's stock in particular, and litigation relating to food quality, handling or nutritional content. Factors such as inflation, higher energy and/or fuel costs, food costs, the cost and/or availability of a qualified workforce and other labour issues, benefit costs, legal claims, legal and regulatory compliance (including environmental regulations), new or additional sales tax on the Company's products, disruptions in its supply chain or changes in the price, availability and shipping costs of supplies, and utility and other operating costs, also affect restaurant operations and expenses and impact same-store sales and growth opportunities. The ability of the Company and its restaurant owners to finance new restaurant development, improvements and additions to existing restaurants, acquire and sell restaurants, and pursue other strategic initiatives (such as acquisitions and joint-ventures), are affected by economic conditions, including interest rates and other government policies impacting land and construction costs and the cost and availability of borrowed funds. In addition, unforeseen catastrophic or widespread events affecting the health and/or welfare of large numbers of people in the markets in which the Company's restaurants are located and/or which otherwise cause a catastrophic loss or interruption in the Company's ability to conduct its business, would affect its ability to maintain and/or increase sales and build new restaurants. Unforeseen events, including war, armed conflict, terrorism and other international, regional or local instability or conflicts (including labour issues), embargos, trade barriers, public health issues (including tainted food, food-borne illness, food tampering and water supply or widespread/ pandemic illness such as the avian, H1N1 or norovirus flu), and natural disasters such as flooding, earthquakes, hurricanes, or other adverse weather and climate conditions could disrupt the Company's operations, disrupt the operations of its restaurant owners, suppliers, or guests, or result in political or economic instability.

Reliance on Systems. If the network and information systems and other technology systems that are integral to retail operations at system restaurants and at the Company's manufacturing and distribution facilities, and at its office locations are damaged or interrupted from power outages, computer and telecommunications failures, computer worms, viruses, phishing and other destructive or disruptive software, security breaches, catastrophic events and improper or personal usage by employees, such an event could have an adverse impact on the Company and its guests, restaurant owners and employees, including a disruption of its operations, guest dissatisfaction or a loss of guests or revenues. The Company relies on third-party vendors to retain data, process transactions and provide certain services. In the event of failure in such third-party vendors' systems and processes, the Company could experience business interruptions or privacy and/or security breaches surrounding its data. The Company continues to enhance its integrated enterprise resource planning system. The introduction of new modules for inventory replenishment, sustainability, and business reporting and analysis will be implemented. There may be risks associated with adjusting to and supporting the new modules which may impact the Company's relations with its restaurant owners, vendors and suppliers and the conduct of its business generally. If the Company fails to comply with new and/or increasingly demanding laws and regulations regarding the protection of guest, supplier, vendor, restaurant owner, employee and/or business data, or if the Company (or a third-party with which it has entered into a strategic alliance) experiences a significant breach of guest, supplier, vendor, restaurant owner, employee or Company data, the Company's reputation could be damaged and result in lost sales, fines, lawsuits and diversion of management attention. The use of electronic payment systems and the Company's reloadable cash card makes it more susceptible to a risk of loss in connection with these issues, particularly with respect to an external security breach of guest information that the Company, or third parties under arrangement(s) with it, control.

Other Significant Risk Factors. The following factors could also cause the Company's actual results to differ from its expectations: fluctuations in the U.S. and Canadian dollar exchange rates; an inability to adequately protect the Company's intellectual property and trade secrets from infringement actions or unauthorized use by others (including in certain international markets that have uncertain or inconsistent laws and/or application with respect to intellectual property and contract rights); liabilities and losses associated with owning and leasing significant amounts of real estate; changes in its debt levels and a downgrade on its credit ratings; and certain anti-takeover provisions that may have the effect of delaying or preventing a change in control.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date and time made. Except as required by federal or provincial securities laws, the Company undertakes no obligation to publicly release any revisions to forward-looking statements, or to update them to reflect events or circumstances occurring after the date forward-looking statements are made, or to reflect the occurrence of unanticipated events.