Exhibit 99.1

FOR IMMEDIATE RELEASE
(All amounts in Canadian dollars)

Tim Hortons Inc. Announces 2008 Third Quarter Results
Operating income increases 12.7% to $122.1 million

Financial & Sales Highlights

Third Quarter Ended	September 28, 2008	September 30, 2007	% Change
Total Revenues	$ 509.0	$ 490.5	**3.8%**
Operating Income	$ 122.1	$ 108.3	**12.7%**
Effective Tax Rate	32.5%	35.2%	
Net Income	$ 78.8	$ 67.4	**16.9%**
Diluted Earnings Per Share	$ 0.43	$ 0.36	**20.2%**
Fully Diluted Shares	182.7	187.9	**(2.8)%**

($ in millions except EPS. Fully diluted shares in millions. All numbers rounded.)

Same-Store Sales	Q3 2008	Q3 2007
Canada	3.8%	7.7%
United States	(0.6)%	4.5%

Same-store sales calculation methodology includes restaurants beginning the 13th month after opening.

As of September 28, 2008, 99.5% of system restaurants in Canada and 92.9% of U.S. restaurants were franchised.

Highlights

- Third quarter systemwide sales(1) increased 7.8%
- Operating income increased to $122.1 million, up 12.7%
- 49 restaurants opened
- Board declares quarterly dividend of $0.09 per share
- 1.6 million shares purchased as part of the share repurchase program

OAKVILLE, ONTARIO, (November 7, 2008): Tim Hortons Inc. (NYSE:THI, TSX: THI) today announced operating results for the third quarter ended September 28, 2008.

Systemwide sales(1), which include sales from Company-operated and Franchise restaurants, grew 7.8% in the third quarter compared to the third quarter of 2007. Canadian same-store sales increased 3.8% and U.S. same-store sales were down 0.6%. Total revenues rose 3.8% to $509.0 million compared to $490.5 million in the same period last year. Operating income increased 12.7% to $122.1 million compared to $108.3 million last year. Net income was up 16.9% to $78.8 million compared to $67.4 million in the third quarter of 2007. Earnings per diluted share were $0.43, up 20.2% compared to $0.36 in the third quarter of last year.

"Our earnings performance and positive same-store sales growth in Canada demonstrates our brand strength in the face of unprecedented economic and consumer challenges," said Don Schroeder, President and CEO. "While our brand in the U.S. is less developed and we faced sales and earnings challenges due in large part to the current economic conditions, we delivered strong consolidated performance in the third quarter."

Consolidated Performance

The Company opened 49 restaurants during the quarter, compared to 40 units in the same period of last year.

During the quarter, promotional programs included Chocolate Brownie and Hazelnut Iced Capp Supremes, Gourmet Cookies and the Bagel B.E.L.T. Various baked goods featured during the quarter included Strawberry Blossom Donut and European Style Pastries. In the U.S., promotional activities also included Iced Coffee and a new Combo program called "Fresh Choice Sides" which included combos of apples, hashbrowns, muffins and donuts as part of a hot breakfast sandwich combo program. In September we also featured Hearty Potato Bacon soup and Italian Wedding soup in the U.S. market.

Total revenues were $509.0 million in the third quarter, up 3.8% compared to $490.5 million in the third quarter of 2007. Sales, consisting primarily of distribution sales, increased 2.0% to $333.6 million compared to $327.0 million during the same period last year. Underlying product demand, excluding the impact of pricing, increased but year-over-year growth comparisons were impacted by specific sales items in 2007 that did not recur including a new uniform program. Total revenues and sales growth were both affected by our continued initiative to convert Company-operated restaurants to an owner-operator model, reducing revenues from Company-operated restaurants. There were 27 net fewer Company-operated restaurants at the end of the quarter versus the prior year, bringing the total number of Company-operated restaurants in the system to 43 compared to 70 in the same period of 2007. Revenues from Company-operated restaurants were down a corresponding 30.4%, or $3.9 million compared to last year, offset in part by sales increases related to restaurants consolidated in accordance with FIN 46R. A total of 98.7% of the systemwide restaurants are now franchised.

Revenues from rents and royalties were up 8.2% in the third quarter to $155.2 million, consistent with systemwide sales growth, compared to $143.4 million in the third quarter last year. Franchise fees were flat at $20.2 million in the quarter compared to $20.1 million last year. Increased openings and franchise renewal fees were mostly offset by lower resales and replacement fees and fewer equipment sales recognized from our U.S. franchise incentive program.

During the third quarter franchise fee costs decreased 2.9% compared to last year. Lower franchise fee costs resulted from fewer resales and replacements with lower associated costs per unit, and lower equipment costs recognized under the U.S. franchise incentive program. These factors were partially offset by higher costs from the increased number of restaurant openings and higher support costs associated with establishing a franchisee's business.

Cost of sales increased modestly, growing 1.7% in the quarter on a year-over-year basis. Warehouse cost of sales was the primary driver of the increase coupled with an increase in FIN 46R consolidated restaurants. These factors were partially offset by a decrease in Company-operated restaurants. Operating expenses increased 3.8% in the quarter compared to the third quarter of last year. The increase was mainly due to the increased number of restaurant openings and higher variable rent on existing properties due primarily to growth in the Canadian business, offset by the timing of certain expenses incurred in the prior year.

General and administrative costs were $30.0 million in the third quarter, down 2.5% from 2007 costs of $30.8 million. The year-over-year decrease in general and administrative costs was due primarily to a range of factors in the prior year that did not recur, the most significant of which was costs incurred in 2007 for the Company's franchisee convention.

Equity income was $9.4 million in the third quarter, a decrease of 4.4% compared to the same period of 2007. The Company had slightly higher earnings contributions from both of its largest joint ventures in the third quarter. An asset disposition in the third quarter of 2007 that did not recur reduced equity income on a year-over-year basis.

Operating income was up 12.7% to $122.1 million, compared to $108.3 million in the third quarter of 2007. Higher rents and royalties driven by increased systemwide sales was the most significant contributor to strong operating income growth. Other positive contributing factors included higher other income, higher franchise license renewals and lower general and administrative costs due to some costs in 2007 that did not recur in 2008. These positive factors were partially offset by lower equity income.

Net interest expense was 24.1% higher in the third quarter at $5.3 million, compared to $4.3 million in the same period of 2007. The increase in net interest expense was due primarily to lower interest income as a result of rate reductions and lower cash on hand.

Net income grew 16.9% in the quarter to $78.8 million, compared to $67.4 million in the third quarter of last year. The higher growth was the result primarily of a lower effective tax rate during the quarter of 32.5%, versus 35.2% in the comparable period of 2007. The decrease in effective tax rate was due primarily to a lower Canadian statutory rate in the third quarter as well as items that impacted the effective tax rate in 2007 that did not recur this year.

Diluted earnings per share (EPS) grew 20.2% to $0.43 compared to $0.36 last year in the third quarter. EPS growth was due primarily to higher net income and lower weighted average shares outstanding, which decreased 2.8% to 182.7 million shares due to the Company's share repurchase program.

Segmented Performance

Same-store sales in the third quarter for the Canadian segment were up 3.8%, most of which was due to previous price increases. The Canadian segment lapped very strong same-store sales growth of 7.7% in the comparable period of 2007.

Segment margins in Canada increased during the quarter primarily due to growth in rents and royalties from systemwide sales growth, higher franchise fee income and higher distribution income. Canadian operating income was $132.9 million, an increase of 11.6% compared to $119.1 million in the third quarter last year. A total of 30 restaurants were opened in Canada, bringing the total to 75 restaurants opened on a year-to-date basis.

Compared to the third quarter of 2007, U.S. same-store sales declined 0.6%, which includes the impact of about 3.2% of previously introduced pricing. The U.S. segment had a loss of $2.1 million in the third quarter. Higher franchisee relief accounted for most of the year-over-year change, more than offsetting the positive impact of the higher number of openings in the quarter.

A total of 19 restaurants were opened in the U.S. this quarter, and 30 units year-to-date. The Company has opened several new restaurants as part of its planned Syracuse expansion and is making substantial progress in opening locations as part of its recently announced agreement with Tops Friendly Markets. Under terms of this agreement, Tim Hortons sites, which will be primarily self-serve units, will be established in about 80 Tops stores in western and central New York, and northern Pennsylvania.

Based on year-to-date same-store sales performance of 1.2%, and continued economic weakness in the U.S., the Company does not expect to meet its 2008 same-store sales target in the U.S. of 2%-4% growth. The Company does expect to exceed the restaurant expansion target of 90-110 locations, with a stronger orientation toward non-standard restaurants in the U.S. and self-serve kiosks consistent with the Tops Friendly Markets agreement.

The Company's focus on U.S. profitability has resulted in several proactive initiatives including conversion of Company-operated restaurants to the owner-operator model, seeding the brand through less capital intensive means including strategic alliances, and recently introducing product bundles with various value price points. As part of its profitability focus, the Company plans to rationalize some underperforming Company-operated restaurants in southern New England between the end of 2008 and early next year.

"Our brand has experienced tremendous systemwide growth in the U.S. over the past several years. The plan to close underperforming restaurants is consistent with management's efforts to improve profitability in the U.S. segment. We expect rationalization of underperforming restaurants will ultimately contribute to improved profitability, and improve sales performance at our remaining restaurants nearby," said Don Schroeder, president and CEO.

The Company's operating income performance to the end of the third quarter was generally consistent with its annualized expectations for operating income growth of 10% excluding the $3.1 million charge in the second quarter. While rationalization of some underperforming restaurants in southern New England will contribute to future earnings, the 2008 operating income target did not contemplate a charge for closed restaurants that will likely occur in the fourth quarter.

As part of its international platform, the number of Tim Hortons licensed sites in the Republic of Ireland and the United Kingdom has expanded to 261 locations.

Capital Expenditures

The Company invested $46.0 million in capital expenditures in the third quarter, and $112.1 million year-to-date, primarily on its restaurant expansion program and renovations. Due primarily to a higher number of leased restaurants versus owned restaurants and a higher mix of non-standard restaurants, the Company does not expect to spend the targeted 2008 capital expenditure range of $200 million to $250 million.

Corporate Developments

Ronald W. Osborne appointed to Board

The Board has appointed Mr. Ronald W. Osborne as a director of the Company. Mr. Osborne has been the Chairman of the Board of Directors of Sun Life Financial Inc. and Sun Life Assurance since May 2005. Mr. Osborne served as President and Chief Executive Officer and as a director of Ontario Power Generation Inc., and its predecessor company Ontario Hydro. He was formerly President of BCE Inc. and President and Chief Executive Officer of Bell Canada. Mr. Osborne is a director of RioCan Real Estate Investment Trust and Torstar Corporation. He is also a member of the board of governors of the Corporation of Massey Hall and Roy Thomson Hall, a member of the advisory board of Brookfield Power, a director of St. Lawrence Cement Group Inc., and a fellow of the Institute of Chartered Accountants of Ontario.

Share Repurchase Program

The Company spent $49.5 million in the third quarter to repurchase a total of approximately 1.6 million shares as part of its 2007-2008 share repurchase program. In 2008, $149.8 million was spent to purchase 4.5 million shares as part of the program to return value to shareholders. As of October 30, 2008, the Company has completed its 2007-2008 program.

The Company's Board of Directors has approved a 2009 share repurchase program for up to $200 million, planned to commence during the first quarter 2009. For future years, commencement of the program at the beginning of the year will allow the Company to fully align its annual budgeting and capital allocation process, including capital expenditures, dividends, and share repurchases. Implementation of the 2009 share repurchase program, and the extent of respective purchases under the program, are subject to regulatory compliance and will be at management's discretion given prevailing market conditions and cost considerations.

Board Declares Dividend Payment of $0.09 per Share

The Board of Directors has declared a quarterly dividend of $0.09 per share payable on December 4th, 2008 to shareholders of record as of November 20th, 2008. The Company's current dividend policy is to pay a total of 20-25% of prior year, normalized annual net earnings in dividends each year.

Dividends are 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 November 26th, 2008 at the daily noon rate established by the Bank of Canada and paid in U.S. dollars on December 4th, 2008.

Tim Hortons to Host Conference Call Today at 10:30 a.m. EST

Tim Hortons will host a conference call to discuss its third quarter results beginning at 10:30 a.m. Eastern Standard Time (EST) on Friday, November 7th, 2008. Investors and the public may listen to the conference call by calling 416-641-6707 or 1-888-633-8490 (no access code required), or through simultaneous webcast by visiting the investor relations website at www.timhortons-invest.com, and clicking on the "Events and Presentations" tab. A slide presentation will be available to coincide with the conference call on this site. The conference call will be available for replay on the website for a period of one-year.

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 February 26, 2008 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 www.timhortons.com/en/about/safeharbor.html

(1) Total systemwide sales growth includes restaurant level sales at both Company and Franchise restaurants. Approximately 98.7% of our system is franchised as at September 28, 2008. 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 third quarter of 2008, systemwide sales growth was up 7.8% compared to the third quarter of 2007. 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 systemwide restaurants. Management believes systemwide sales data is useful and important in assessing the overall health and financial performance of the brand and the Company's Franchisee base, and ultimately, the financial performance of the Company on a consolidated and segmented basis.

Tim Hortons Inc. Overview

Tim Hortons is the fourth largest publicly-traded quick service restaurant chain in North America based on market capitalization, and the largest in Canada. Tim Hortons appeals to a broad range of consumer tastes, with a menu that includes premium coffee and donuts, flavored cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. As of September 28, 2008, Tim Hortons had 3,294 systemwide restaurants, including 2,870 in Canada and 424 in the United States. More information about the Company is available at www.timhortons-invest.com.

CONTACTS:

INVESTORS: Scott Bonikowsky: (905) 339-6186 or investor_relations@timhortons.com
MEDIA: Rachel Douglas: (905) 339-6277 or douglas_rachel@timhortons.com

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

	(Unaudited) Third Quarter Ended September 28, 2008	*(Unaudited)* Third Quarter Ended September 30, 2007	$ Change	% Change
REVENUES				
Sales	$ 333,581	$ 327,020	$ 6,561	2.0%
Franchise revenues				
Rents and royalties	155,214	143,449	11,765	8.2%
Franchise fees	20,200	20,072	128	0.6%
	175,414	163,521	11,893	7.3%
TOTAL REVENUES	508,995	490,541	18,454	3.8%
COSTS AND EXPENSES				
Cost of sales	293,056	288,168	4,888	1.7%
Operating expenses	53,596	51,617	1,979	3.8%
Franchise fee costs	19,840	20,432	(592)	(2.9)%
General & administrative expenses	29,986	30,758	(772)	(2.5)%
Equity (income)	(9,429)	(9,861)	432	(4.4)%
Other (income) expense, net	(126)	1,090	(1,216)	N/M
TOTAL COSTS & EXPENSES, NET	386,923	382,204	4,719	1.2%
OPERATING INCOME	122,072	108,337	13,735	12.7%
Interest (expense)	(6,288)	(6,118)	(170)	2.8%
Interest income	957	1,823	(866)	(47.5)%
INCOME BEFORE INCOME TAXES	116,741	104,042	12,699	12.2%
INCOME TAXES	37,984	36,661	1,323	3.6%
NET INCOME	$ 78,757	$ 67,381	$11,376	16.9%
Basic earnings per share of common stock	$ 0.43	$ 0.36	$ 0.07	20.2%
Diluted earnings per share of common stock	$ 0.43	$ 0.36	$ 0.07	20.2%
Basic shares of common stock (in thousands)	182,431	187,684	(5,253)	(2.8)%
Diluted shares of common stock (in thousands)	182,662	187,879	(5,217)	(2.8)%
Dividend per share of common stock	$ 0.09	$ 0.07	$ 0.02	

N/M—not meaningful
(all numbers rounded)

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

	(Unaudited) Year-to-Date Ended September 28, 2008	*(Unaudited)* Year-to-Date Ended September 30, 2007	$ Change	% Change
REVENUES				
Sales	$ 975,960	$ 913,364	$62,596	6.9%
Franchise revenues				
Rents and royalties	444,640	410,803	33,837	8.2%
Franchise fees	59,404	56,239	3,165	5.6%
	504,044	467,042	37,002	7.9%
TOTAL REVENUES	1,480,004	1,380,406	99,598	7.2%
COSTS AND EXPENSES				
Cost of sales	858,440	805,419	53,021	6.6%
Operating expenses	158,227	148,881	9,346	6.3%
Franchise fee costs	58,028	53,909	4,119	7.6%
General & administrative expenses	96,996	90,318	6,678	7.4%
Equity (income)	(26,792)	(28,873)	2,081	(7.2)%
Other (income) expense, net	(596)	1,870	(2,466)	N/M
TOTAL COSTS & EXPENSES, NET	1,144,303	1,071,524	72,779	6.8%
OPERATING INCOME	335,701	308,882	26,819	8.7%
Interest (expense)	(18,608)	(17,882)	(726)	4.1%
Interest income	4,020	5,143	(1,123)	(21.8)%
INCOME BEFORE INCOME TAXES	321,113	296,143	24,970	8.4%
INCOME TAXES	105,562	102,262	3,300	3.2%
NET INCOME	$ 215,551	$ 193,881	$21,670	11.2%
Basic earnings per share of common stock	$ 1.17	$ 1.03	$ 0.14	13.8%
Diluted earnings per share of common stock	$ 1.17	$ 1.02	$ 0.14	13.8%
Basic shares of common stock (in thousands)	184,735	189,049	(4,314)	(2.3)%
Diluted shares of common stock (in thousands)	185,013	189,319	(4,306)	(2.3)%
Dividend per share of common stock	$ 0.27	$ 0.21	$ 0.06	

N/M—not meaningful
(all numbers rounded)

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

	September 28, 2008 (Unaudited)	December 30, 2007
ASSETS		
Current assets		
Cash and cash equivalents	$ 67,614	$ 157,602
Restricted cash and cash equivalents	7,712	37,790
Restricted investments	11,959	—
Accounts receivable, net	118,091	104,889
Notes receivable, net	15,879	10,824
Deferred income taxes	10,680	11,176
Inventories and other, net	60,293	60,281
Advertising fund restricted assets	24,714	20,256
Total current assets	316,942	402,818
Property and equipment, net	1,260,679	1,203,259
Notes receivable, net	16,862	17,415
Deferred income taxes	26,026	23,501
Intangible assets, net	2,740	3,145
Equity investments	132,929	137,177
Other assets	12,745	9,816
Total assets	$1,768,923	$1,797,131

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

	September 28, 2008	December 30, 2007
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 109,291	$ 133,412
Accrued liabilities:		
Salaries and wages	13,673	17,975
Taxes	17,206	34,522
Other	64,982	95,777
Advertising fund restricted liabilities	43,602	39,475
Current portion of long-term obligations	6,768	6,137
Total current liabilities	255,522	327,298
Long-term liabilities		
Term debt	330,737	327,956
Advertising fund restricted debt	8,471	14,351
Capital leases	57,858	52,524
Deferred income taxes	14,716	16,295
Other long-term liabilities	66,050	56,624
Total long-term liabilities	477,832	467,750
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	930,932	931,084
Treasury stock, at cost: 11,246,722 and 6,750,052 shares, respectively	(384,405)	(235,155)
Common stock held in trust, at cost: 439,864 and 421,344 shares, respectively	(15,089)	(14,628)
Retained earnings	624,761	458,958
Accumulated other comprehensive (loss)	(120,919)	(138,465)
Total stockholders' equity	1,035,569	1,002,083
Total liabilities and stockholders' equity	$1,768,923	$1,797,131

TIM HORTONS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)

	(Unaudited) Year-to-Date Ended	
	September 28, 2008	September 30, 2007
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	$ 244,826	$ 236,049
CASH FLOWS (USED IN) PROVIDED FROM INVESTING ACTIVITIES		
Capital expenditures	(112,060)	(114,611)
Purchase of restricted investments	(11,959)	—
Principal payments on notes receivable	2,563	5,285
Other investing activities	(8,979)	(2,715)
Net cash used in investing activities	(130,435)	(112,041)
CASH FLOWS (USED IN) PROVIDED FROM FINANCING ACTIVITIES		
Purchase of treasury stock	(149,770)	(135,039)
Dividend payments	(49,748)	(39,744)
Purchase of common stock held in trust	(3,842)	(7,202)
Purchase of common stock for settlement of restricted stock units	(226)	(110)
Proceeds from issuance of debt, net of issuance costs	2,068	2,588
Principal payments on other long-term debt obligations	(4,897)	(3,433)
Net cash used in financing activities	(206,415)	(182,940)
Effect of exchange rate changes on cash	2,036	(7,191)
Decrease in cash and cash equivalents	(89,988)	(66,123)
Cash and cash equivalents at beginning of period	157,602	176,083
Cash and cash equivalents at end of period	$ 67,614	$ 109,960
Other data:		
Depreciation and amortization	$ 66,811	$ 62,502

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

(Unaudited)

	Third Quarter Ended			
	September 28, 2008	% of Total	September 30, 2007	% of Total
REVENUES				
Canada	$ 472,430	92.8%	$ 453,408	92.4%
U.S.	36,565	7.2%	37,133	7.6%
Total Revenues	$ 508,995	100.0%	$ 490,541	100.0%
SEGMENT OPERATING INCOME (LOSS)				
Canada	$ 132,892	101.6%	$ 119,066	100.2%
U.S.	(2,119)	(1.6)%	(288)	(0.2)%
Reportable Segment Operating Income	130,773	100.0%	118,778	100.0%
Corporate Charges	(8,701)		(10,441)	
Consolidated Operating Income	122,072		108,337	
Interest, net	(5,331)		(4,295)	
Income taxes	(37,984)		(36,661)	
Net Income	$ 78,757		$ 67,381	

	Year-to-date Ended			
	September 28, 2008	% of Total	September 30, 2007	% of Total
REVENUES				
Canada	$ 1,369,012	92.5%	$ 1,267,151	91.8%
U.S.	110,992	7.5%	113,255	8.2%
Total Revenues	$ 1,480,004	100.0%	$ 1,380,406	100.0%
SEGMENT OPERATING INCOME (LOSS)				
Canada	$ 369,860	101.4%	$ 341,719	101.3%
U.S.	(5,188)	(1.4)%	(4,327)	(1.3)%
Reportable Segment Operating Income	364,672	100.0%	337,392	100.0%
Corporate Charges	(28,971)		(28,510)	
Consolidated Operating Income	335,701		308,882	
Interest, net	(14,588)		(12,739)	
Income taxes	(105,562)		(102,262)	
Net Income	$ 215,551		$ 193,881	

	Third Quarter Ended			
	September 28, 2008	September 30, 2007	$ Change	% Change
Sales is comprised of:				
Warehouse sales	$ 289,174	$ 280,015	$ 9,159	3.3%
Company-operated restaurant sales	8,869	12,741	(3,872)	(30.4)%
Sales from restaurants consolidated under FIN 46R	35,538	34,264	1,274	3.7%
	$ 333,581	$ 327,020	$ 6,561	2.0%

	Year-to-date Ended			
	September 28, 2008	September 30, 2007	$ Change	% Change
Sales is comprised of:				
Warehouse sales	$ 841,968	$ 776,808	$ 65,160	8.4%
Company-operated restaurant sales	31,610	43,683	(12,073)	(27.6)%
Sales from restaurants consolidated under FIN 46R	102,382	92,873	9,509	10.2%
	$ 975,960	$ 913,364	$ 62,596	6.9%

TIM HORTONS INC. AND SUBSIDIARIES
SYSTEMWIDE RESTAURANT COUNT

	As of September 28, 2008	As of June 29, 2008	Increase/ (Decrease) From Prior Quarter	As of September 30, 2007	Increase/ (Decrease) From Prior Year
Tim Hortons					
Canada					
Company-operated	13	21	(8)	23	(10)
Franchise	2,857	2,830	27	2,735	122
	2,870	2,851	19	2,758	112
% Franchised	*99.5 %*	*99.3 %*		*99.2 %*	
U.S.					
Company-operated	30	33	(3)	47	(17)
Franchise	394	373	21	305	89
	424	406	18	352	72
% Franchised	*92.9 %*	*91.9 %*		*86.6 %*	
Total Tim Hortons					
Company-operated	43	54	(11)	70	(27)
Franchise	3,251	3,203	48	3,040	211
	3,294	3,257	37	3,110	184
% Franchised	*98.7 %*	*98.3 %*		*97.7 %*	

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 restaurants that are consolidated in accordance with FIN 46R.
Rents and Royalties	Includes franchisee royalties and rental revenues.
Franchise Fees	Includes the sales revenue from initial equipment packages, as well as fees related to establishing a franchisee's business.
Cost of Sales	Includes costs associated with our distribution business, 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. Cost of sales also includes food, paper and labour costs for Company-operated restaurants and 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 commencement 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, depreciation of office equipment, the majority of our 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 closure costs, currency adjustments, real estate sales, minority interest related to the consolidation of restaurants pursuant to FIN 46R, and other asset write-offs.
Comprehensive Income	Represents the change in our net assets during the reporting period from transactions and other events and circumstances from non-owner sources. It includes net income and other comprehensive income such as foreign currency translation adjustments and the impact of cash flow hedges.