

## **Tim Hortons announces implementation of stock repurchase program of \$200 million, or up to 5% of outstanding shares.**

**Oakville, Ontario (October 27, 2006)** – Tim Hortons Inc. (NYSE/TSX: THI) today announced that a notice of intention to make a normal course issuer bid has been filed and has received approval from the Toronto Stock Exchange for the previously announced stock repurchase program authorizing the repurchase of up to 9,665,148, or 5% of its outstanding shares of common stock. As of October 25, 2006, there were 193,302,977 shares outstanding. The amount to be spent under the repurchase program is not expected to exceed C\$200 million. Tim Hortons will begin implementation of the program on November 1, 2006. The repurchases will be made on the TSX and/or the NYSE, subject to compliance with applicable regulatory requirements.

As part of the stock repurchase program, Tim Hortons also announced that it will enter into a Rule 10b5-1 repurchase plan with a broker in order to facilitate its stock repurchase activity. A Rule 10b5-1 repurchase plan allows the company to purchase its shares at times when it ordinarily would not be in the market due to regulatory or company restrictions. Purchases will be based upon the parameters of the Rule 10b5-1 plan. In addition to repurchases made pursuant to the Rule 10b5-1 plan, Tim Hortons may also make repurchases at management's discretion under its stock repurchase program from time to time, subject to market conditions, stock prices, its cash position and compliance with regulatory requirements.

The decision to implement the repurchase program was made based on Tim Hortons strong balance sheet, steady cash flow projections and company focus on returning value to shareholders.

The program was approved by the board of directors and previously announced on August 31, 2006, and is expected to be in place until September 28, 2007. The program will be terminated earlier if the limit of 5% of outstanding shares is reached, or more than C\$200 million aggregate consideration is paid. There can be no assurance as to the precise number of shares that will be repurchased under the stock repurchase program, and Tim Hortons may discontinue purchases at any time, subject to compliance with applicable regulatory requirements. Shares purchased pursuant to the stock repurchase program will either be cancelled or held in Tim Hortons treasury.

Tim Hortons previously purchased a total of approximately 195,000 shares of its common stock on May 1, 2006 and August 15, 2006 for an average price of C\$28.34. These purchases were made through the facilities of the TSX on behalf of, and credited directly to the account of, the employees entitled to these shares under the Tim Hortons 2006 Stock Incentive Plan.

### **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, in addition to other possible factors not listed, could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. Please review the Company's Safe Harbor Statement at [www.timhortons.com/safeharbor.html](http://www.timhortons.com/safeharbor.html).

## **Tim Hortons Inc. overview**

Tim Hortons Inc. is Canada's largest quick service restaurant chain. Founded in 1964 as a coffee and donut shop, Tim Hortons has evolved to meet consumer tastes, with a menu that now includes premium coffee, flavoured cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. As of October 1, 2006, Tim Hortons system-wide restaurants numbered 2,637 in Canada and 305 in the United States. More information about the Company is available at [www.timhortons.com](http://www.timhortons.com).

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