



For Immediate Release

**KAHALA CORP AND TIM HORTONS ANNOUNCE MULTI-STORE
CO-BRANDING TEST INITIATIVE BETWEEN COLD STONE CREAMERY
BRAND AND TIM HORTONS**

Cold Stone Creamery and Tim Hortons to Transition Up To 50 Stores Each to Co-branded Sites by Spring 2009

Scottsdale, Ariz. and Oakville, Ont. – February 6, 2009— Kahala Corp, parent company of Cold Stone Creamery, and Tim Hortons Inc., today announced an agreement to test co-branding of Cold Stone Creamery and Tim Hortons in up to 50 stores in each chain in the United States by spring 2009.

Co-branded stores will leverage complementary traffic patterns, creating cost efficient opportunities for further growth of both brands. Cold Stone Creamery drives significant customer traffic and sales in the evening market while Tim Hortons creates a substantial portion of its traffic and sales in the morning and lunch dayparts.

"We are pleased to expand our association with Tim Hortons," said Kevin Blackwell, Chief Executive Officer & Founder of Kahala Corp. "Successful results from our initial test stores suggest that bringing our concepts together will increase the customer bases for both brands, allowing further sales growth opportunities."

The companies recently co-branded the concepts in two existing Tim Hortons locations in Rhode Island with successful early results. In mid-February Tim Hortons products will be offered in an existing Cold Stone Creamery location in Ohio.

"Continued development and awareness of the Tim Hortons brand beyond our base of 500 restaurants in the United States is a key element of our overall approach to U.S. growth," said Don Schroeder, President and CEO, Tim Hortons. "Co-branding selected locations with Cold Stone Creamery, one of the most popular ice cream concepts in the United States, is a complementary opportunity we are looking forward to pursuing as part of this test initiative."

Existing Cold Stone Creamery and Tim Hortons locations in Michigan, Western New York, Ohio, Rhode Island, Maine, and Connecticut will be identified and reconfigured to offer both brand concepts. Once a store is identified as a potential co-branded site, the franchisee will be approached with the opportunity to expand their offerings with the complementary brand.

"Cold Stone Creamery is pleased to collaborate with such a dominant and respected brand in North America, said Lee Knowlton, Chief Operating Officer of Kahala Corp.

Cold Stone Creamery is known for its signature ice cream indulgences which are handcrafted onsite with a variety of mix-ins on a frozen granite block. Tim Hortons is known for its premium coffee, wide-range of beverages, always fresh baked goods, and breakfast and lunch offerings, all at reasonable prices.

"The combination of Tim Hortons and Cold Stone Creamery products is ideal for both businesses and the customers," said David Clanachan, Chief Operation's Officer of Tim Hortons. "That is why Cold Stone Creamery is the best partner for this test."

About Cold Stone Creamery

Cold Stone Creamery delivers *The Ultimate Ice Cream Experience*® through a community of franchisees who are passionate about ice cream. The secret recipe for smooth and creamy ice cream is handcrafted fresh daily in each store, and then customized by combining a variety of mix-ins on a frozen granite stone. Headquartered in Scottsdale, Arizona, Cold Stone Creamery is subsidiary of Kahala Corp, one of the fastest growing franchising companies in the world, with a portfolio of 12 quick service restaurant brands. Cold Stone Creamery operates more than 1,450 locations in 11 countries worldwide.

For more information about Cold Stone Creamery, visit the brand's Web site at www.coldstonecreamery.com. For more information about Kahala, visit the company's Web site at www.kahalacorp.com.

About Tim Hortons Inc.

Tim Hortons appeals to a broad range of consumer tastes, with a menu that includes premium coffee, flavored cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. Founded in 1964, Tim Hortons is the fourth largest publicly-traded quick service restaurant chain in North America based on market capitalization, and the largest in Canada. As of September 28, 2008, Tim Hortons had 3,294 systemwide restaurants. There are more than 500 Tim Hortons restaurants in the United States. More information about the Company is available at www.timhortons.com or www.timhortons-invest.com.

Tim Hortons 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 Tim Hortons 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, Tim Hortons 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 Tim Hortons Safe Harbor Statement at timhortons.com/en/about/safeharbor.html.

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