



For Immediate Release

**TIM HORTONS AND COLD STONE CREAMERY ANNOUNCE
THREE NEW YORK CITY SITES FOR CO-BRANDED TEST LOCATIONS**

DUBLIN, OHIO and SCOTTSDALE, ARIZ., June 30, 2009: Tim Hortons Inc. (NYSE: THI, TSX: THI), one of North America's largest quick service restaurant chains with more than 3,500 locations in Canada and the United States, today announced that its premium coffee, always fresh baked goods and variety of soups and sandwiches will soon be available to New Yorkers as part of its ongoing co-branding test with Cold Stone Creamery.

Tim Hortons will open co-branded stores in August at three Cold Stone Creamery locations in Manhattan, including Cold Stone's flagship Times Square location on West 42nd Street.

The two organizations announced a co-branding test initiative in March 2009, involving up to 50 locations in the United States for each chain, following a successful test in two Rhode Island Tim Hortons locations. In June, the companies announced a similar initiative in Canada with six co-branded test locations. Currently, more than 40 restaurants have been fully rebranded to the new combined Cold Stone Creamery and Tim Hortons concept.

Tim Hortons is the number one quick service restaurant in Canada, the fourth largest in North America by market capitalization and has more than 500 stores in the United States, where it has operated a headquarters in Dublin, Ohio since 1996.

"Culturally and commercially, New York is a market we are eager to pursue," said David Clanachan, chief operations officer for U.S. and international, Tim Hortons Inc. "The ongoing co-branding program with Cold Stone Creamery is a good way to test the market. We're encouraged by the success of existing co-branded test locations in the U.S. and Canada and look forward to extending the Tim Hortons commitment of freshness, quality and affordability to New Yorkers."

"The conversion of our flagship store to a Tim Hortons-Cold Stone co-brand represents the continued success of the co-branding initiative between two world-class brands," said Kevin Blackwell, chairman and CEO of Kahala Corp, the parent company of Cold Stone Creamery. "The addition of Tim Hortons allows us to offer our customers even more fresh and delicious options morning, noon and night."

About Tim Hortons Inc.

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 coffee and donuts, premium coffees, flavored cappuccinos, specialty teas, home-style soups, fresh sandwiches and fresh baked goods. As of March 29, 2009, Tim Hortons had 3,457 systemwide restaurants, including 2,930 in Canada and 527 in the United States. More information about the Company is available at www.timhortons.com.

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, Ariz., 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 12 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.

Tim Hortons Safe Harbor Statement

Certain information in this news release, particularly information regarding future economic performance, finances, and plans, expectations and objectives of management, is forward-looking as contemplated under the Private Securities Litigation Reform Act of 1995. Various factors including those described as "risk factors" in the Company's 2008 Annual Report on Form 10-K, filed February 26, 2009, and those risk factors set forth in our Safe Harbor Statement available on our website, as well as other possible factors not listed or described in the foregoing, 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 and time made.

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 timhortons.com/en/about/safeharbor.html.

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