

**Important U.S. Federal Income Tax Information for
Shareholders of Wendy's International, Inc.
Concerning the Tim Hortons Inc. Share Distribution**

October 2006

On September 29, 2006, Wendy's International, Inc. ("Wendy's") distributed all of the outstanding shares of Tim Hortons Inc. ("Hortons") that it owned to Wendy's shareholders of record as of the close of business on September 15, 2006. In the distribution (the "Spin-Off"), you received 1.3542759 shares of Hortons common stock for every one (1) Wendy's common share you owned. You received cash for any fractional share of Hortons stock that was distributed to you and sold on your behalf.

This letter explains certain U.S. federal income tax consequences of the Spin-Off and describes how to allocate your tax basis between your shares of Wendy's common stock and the shares of Hortons common stock you received in the Spin-Off.

Tax Treatment of the Spin-Off. Wendy's has received a ruling from the Internal Revenue Service to the effect that the Spin-Off qualifies as a tax-free distribution for U.S. federal income tax purposes. Therefore, you will not recognize gain or loss for U.S. federal income tax purposes on receipt of the Hortons shares in the Spin-Off. If, however, you received cash for any fractional share distributed, but not delivered to you, you will recognize gain or loss as described below. Non-U.S. shareholders should consult their tax advisors for local tax consequences of the Spin-Off to them.

Fractional Shares. Only whole shares of Hortons common stock have been delivered to shareholders. Wendy's disbursing agent did not deliver any fractional shares of Hortons stock to you in connection with the Spin-Off. Instead, the disbursing agent, on behalf of the shareholders, aggregated all shares of Hortons common stock representing the fractional share interests and sold those shares in the public market on October 2, 2006. Shareholders entitled to a fractional share received a check in an amount equal to their pro rata share of the total net proceeds of that sale (approximately \$25.92 per share, which is net of pro rated selling costs). The taxable gain or loss that you recognize with respect to any cash you received is equal to the difference between the amount of cash you received and your tax basis (determined as described below) in the fractional share of Hortons stock.

Tax Basis. Your tax basis in the Wendy's shares you owned immediately before the Spin-Off must be allocated between your Wendy's shares and the shares of Hortons common stock you received in the Spin-Off (including any fractional share for which you received cash). This allocation is based on the relative fair market values of your Wendy's shares and your Hortons shares. U.S. federal tax law does not specifically identify how you should determine the fair market values of the Wendy's shares and the Hortons shares after the Spin-Off. There are several possible methods of measuring these values, including: (i) the opening trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-off (October 2, 2006); (ii) the average of the high and low trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-off (October 2, 2006); and (iii) the closing trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-off (October 2, 2006). You and your tax advisor may find the attached Exhibit 1

helpful in allocating your cost basis between Wendy's shares and Hortons shares after the Spin-off.

If you acquired your Wendy's shares at different times and at different prices, you will need to calculate your tax basis in each block of Wendy's shares and then allocate a portion of that basis to the Hortons shares you received. Wendy's suggests you retain this letter to support your determination of your basis in your Wendy's shares and your Hortons shares.

Example: This example assumes you choose to use the opening trading prices as the method of determining the fair market values of the Wendy's common shares and the Hortons shares. Using this method, after the Spin-off the fair market value per share of Wendy's was \$32.35 and the fair market value per share of Hortons was \$26.09, as shown in Table 1 in Exhibit 1. Therefore, the fair market value of Hortons relative to one share of Wendy's was \$35.33 ($\26.09×1.3542759). Your basis in your Wendy's shares would be apportioned 47.798% to the Wendy's shares and 52.202% to your Hortons shares, as shown in Table 2 in Exhibit 1. This calculation may be illustrated as follows:

- Assume you owned 100 Wendy's common shares with a tax basis of \$30 per share (total tax basis of \$3,000).
- You were entitled to receive 135.42759 shares of Hortons common stock in the Spin-Off. Because no fractional shares were delivered, you received 135 shares of Hortons shares and cash for the 0.42759 fractional share component (approximately \$11.08 ($0.42759 \times \25.92)).
- Your total tax basis in your 100 Wendy's shares would be allocated \$1,433.94 to the Wendy's shares (47.798% of \$3,000), or \$14.34 per share, and \$1,566.06 to the 135.42759 Hortons shares (52.202% of 3,000).
- The basis allocated to the 0.42759 fractional share of Hortons for which you received approximately \$11.08 in cash is \$4.94, resulting in gain to you of approximately \$6.14.
- The tax basis in your 135 Hortons shares you received is \$1,561.12, or \$11.56 per share.
- In summary, the original tax basis of \$3,000 has been allocated as follows:

100 shares Wendy's	\$1,433.94
135 shares Hortons	1,561.12
Fractional shares	<u>4.94</u>
Total basis allocated	\$3,000.00

If you own Wendy's shares with a different basis for alternative minimum tax ("AMT") purposes than your basis for regular tax purposes, you would need to allocate your AMT basis between your Wendy's shares and your Hortons shares in the same manner as described above.

Consult Your Tax Advisor: The information regarding the U.S. federal income tax consequences of the Spin-Off presented in this letter is for general reference only and does not constitute tax advice. The letter does not purport to cover all U.S. federal income tax consequences that may apply to all categories of shareholders. All shareholders should consult their own tax advisors regarding the federal, foreign, state and local tax consequences of the Spin-Off to their particular circumstances. This document was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

Exhibit 1

Information for Use in Determining the Fair Market Values of Wendy's and Hortons Common Stock after the Spin-Off

The Spin-Off occurred on September 29, 2006. The first regular trading day for the Hortons common stock and the Wendy's common stock after the Spin-Off was October 2, 2006.

U.S. federal tax law does not specifically identify how you should determine the fair market values of the Wendy's shares and the Hortons shares after the Spin-Off. There are several possible methods of measuring these values, including:

- 1) The opening trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-Off (October 2, 2006);
- 2) The average of the high and low trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-Off (October 2, 2006);
- and
- 3) The closing trading prices of the Wendy's shares and the Hortons shares on the first regular trading day after the Spin-Off (October 2, 2006).

You and your tax advisor may find the information in the following tables useful in allocating your cost basis between the Wendy's shares and the Hortons shares after the Spin-Off. Table 1 sets forth the market prices for each of the valuation methods described above. Table 2 sets forth the percentages you can use to allocate current cost basis between your existing Wendy's shares and your newly acquired Hortons shares.

Table 1
Trading Prices

Common Shares	Opening Trading Price on October 2, 2006	Average High-Low Trading Price on October 2, 2006	Closing Trading Price on October 2, 2006
Wendy's	32.35	32.14	32.52
Hortons (value per share)	26.09	25.98	25.93
Hortons (relative value*)	35.33	35.18	35.12

* based on 1.3542759 distribution ratio

Table 2
Basis Allocation Percentages

Common Shares	Opening Trading Price Allocation %	Average High-Low Trading Price Allocation %	Closing Trading Price Allocation %
Wendy's	47.798	47.742	48.078
Hortons	52.202	52.258	51.922