



The North West Company is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and the Caribbean.

NEWS RELEASE – FOR IMMEDIATE RELEASE

THE NORTH WEST COMPANY INC. ANNOUNCES THE COMPLETION OF THE CONVERSION OF NORTH WEST COMPANY FUND TO A CORPORATION

WINNIPEG, January 1, 2011 (TSX:NWF): The North West Company Inc. (“**North West**” or the “**Corporation**”) is pleased to announce that the conversion of North West Company Fund (the “**Fund**”) to a corporation named The North West Company Inc. was completed effective January 1, 2011, pursuant to a plan of arrangement (the “**Arrangement**”) under the *Canada Business Corporations Act*.

Pursuant to the Arrangement, holders of trust units of the Fund received one common share of the Corporation for each trust unit held.

Effective on the closing of the Arrangement, the Corporation now indirectly owns and operates the businesses which were held and operated by the Fund and its subsidiaries prior to the closing of the Arrangement. The senior management and trustees of the Fund are now the senior management and directors of the Corporation.

The common shares of North West are expected to commence trading on the Toronto Stock Exchange under the symbol “NWF” effective January 4, 2011, at which time the trust units of the Fund will be delisted.

Notice to Readers

Certain forward-looking statements are made in this news release, within the meaning of applicable securities laws. These statements reflect North West’s current expectations and are based on information currently available to management. The words “may”, “will”, “should”, “believe”, “expect”, “plan”, “anticipate”, “intend”, “estimate”, “predict”, “potential”, “continue”, or the negative of these terms, identify forward-looking matters. These statements speak only as of the date of this press release. The actual results could differ materially from those anticipated in these forward-looking statements. This news release contains forward-looking statements relating to the expected trading of common shares of the Corporation on the Toronto Stock Exchange, and such statements are based upon the current expectations of management.

Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of North West to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, inability to receive requisite approvals, fluctuations in interest rates and currency values, legislative and regulatory developments, legal developments, the occurrence of weather-related and other natural catastrophes, changes in tax laws, ongoing



business strategies or prospects, and those risks and uncertainties detailed in the section entitled “Risk Factors” in the Fund’s Management’s Discussion and Analysis and Annual Information Form. The preceding list is not an exhaustive list of possible factors. These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. North West undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

Corporate Profile

The North West Company Inc. is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and the Caribbean. North West operates 230 stores under the trading names Northern, NorthMart, Giant Tiger, AC Value Center and Cost-U-Less and has annualized sales of approximately CDN\$1.5 billion.

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