



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 Fourth Quarter Earnings and a Quarterly Dividend

Winnipeg, March 16, 2011 (TSX:NWF): The North West Company Inc. (the “Company” or “North West”) today reported its unaudited financial results for the fourth quarter ended January 31, 2011. It also announced that the Board of Directors have declared a dividend of \$0.24 per share to shareholders of record on March 31, 2011, payable by April 15, 2011.

Financial Highlights

Fourth quarter consolidated net earnings were \$17.3 million, a decrease of 14.6% from last year and diluted earnings per share for the quarter was \$0.36 compared to \$0.42 last year. Sales increased 1.1% to \$374.5 million compared to the fourth quarter last year. Sales excluding the foreign exchange impact were up 2.8% and were up 1.7%¹ on a same store basis. Strong food sales growth in our northern Canada and Alaska banners was partially offset by continued sales weakness in our International Operations wholesale business and soft general merchandise sales performance in our Cost-U-Less stores.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) decreased 4.6% to \$30.9 million compared to \$32.3 million in the fourth quarter last year. Lower gross profit rates and higher expenses in Canadian Operations were the leading factors contributing to this decrease. Excluding the foreign exchange impact, trading profit decreased 3.9% and was 8.3% as a percentage to sales compared to 8.8% last year.

“Shorter-term cost pressures continued into the fourth quarter” said Edward Kennedy, President & CEO, “This challenge, combined with underperformance from our discount banners, more than offset strong sales gains in our Alaska and northern Canada stores.”

The Company’s fourth quarter report to shareholders, management’s discussion and analysis and unaudited interim consolidated financial statements can be found in the investor section of the Company’s website at www.northwest.ca.

¹ Excluding the foreign exchange impact

² See Non-GAAP Measures Section of Management’s Discussion & Analysis



Fourth Quarter Conference Call

The Company is also hosting a conference call for its fourth quarter results on March 16, 2011 at 2:00 p.m. CST (3:00 p.m. EST). To access the call, please dial 1-866-696-5910 or 1-416-340-2217, Pass Code 1723356, a few minutes in advance. The conference call will be archived and can be accessed until March 23, 2011 by dialing 1-800-408-3053 or 905-694-9451, Pass Code 4684310.

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.

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, 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, and those risks and uncertainties detailed in the section entitled "Risk Factors" in North West'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.

Company 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.

The common shares of North West trade on the Toronto Stock Exchange under the symbol "NWF".

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