



NEWS RELEASE – FOR IMMEDIATE RELEASE

The North West Company Inc. to Acquire 76% Ownership in Roadtown Wholesale Trading Ltd. (operating as Riteway Food Markets)

Landmark agreement brings together two long-standing retail companies to deliver more selection, services and value to help Virgin Islanders live well.

WINNIPEG, MB, January 13, 2017 (TSX:NWC) The North West Company Inc. (“North West”) and Roadtown Wholesale Trading Ltd. (“RTT”) today announced that North West has entered into definitive purchase agreements to acquire 76% of the shares of RTT. The approvals required to operate RTT under North West majority ownership have also been obtained from the Government of the British Virgin Islands, and the Board of Directors of both North West and RTT have unanimously approved the transaction.

“When we decided to sell this interest in our life’s work, we wanted to make sure that we partnered with a company that was committed to our customers, to our employees and to the BVI,” said Peter Haycraft, founder and majority owner of RTT. “North West is uniquely qualified in all of these respects and will bring enhancements to our business beyond what we could achieve on our own, especially within today’s changing retail environment.”

“We are very pleased to join with Riteway Food Markets and Roadtown Wholesale Trading Limited and to become part of the BVI,” said North West President & CEO Edward Kennedy, “Through this long process of working with RTT’s owners, government and other BVI stakeholders, we have gained an even greater appreciation of our opportunity to be a valued partner, including within the following areas:

- Offering a broader range of retail and wholesale products at better prices to attract more of the provisioning and other retail spending that occurs outside of the BVI.
- Continuing to operate RTT under the trade names, Riteway Food Markets and Roadtown Wholesale Trading.
- Ensuring that BVI shareholders are well represented on RTT’s Board of Directors.
- Recognizing the strength of BVI’s workforce by making RTT an administration center for North West.
- Enhancing community support wherever possible and in consultation with all stakeholders.”

Subject to the satisfaction of customary closing conditions, North West will pay approximately US\$32 million for its 76% ownership interest in RTT, plus approximately US\$5 million in acquisition related costs, which include stamp duties to the Government of the British Virgin Islands. The acquisition, which is expected to close in early February, 2017, is expected to contribute approximately US\$5 million of annualized net income to North West.

North West will pay approximately 90% of the purchase price in cash, financed through its existing credit facilities, and approximately 10% through the issuance of North West common shares, in accordance with the form of consideration elected to be received by RTT shareholders.

About RTT and North West

RTT is a privately-held company with seven retail outlets, one Cash and Carry, and one wholesale operation serving the British Virgin Islands. North West is a Canadian-based, widely-held publicly traded retailer that specializes in serving smaller countries and regions. North West's retail presence in the Caribbean includes Cost-U-Less stores in Cayman Islands, Barbados, Curaçao, St. Maarten, St. Thomas and St. Croix.

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

Forward Looking Information

Certain information included in this press release is forward looking, within the meaning of applicable securities laws. Readers are cautioned not to place undue reliance on forward looking statements. Actual results and developments may differ materially from those contemplated by these statements. There can be no assurance that this transaction will occur. North West does not intend to provide further updates regarding this transaction unless and until there are material developments, in which case North West will disclose those developments in accordance with its disclosure obligations under applicable law.

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