



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 First Quarter Earnings and a Quarterly Dividend

Winnipeg, June 14, 2011 (TSX:NWC): The North West Company Inc. (the “Company” or “North West”) today reported its unaudited interim financial results for the first quarter ended April 30, 2011 prepared under International Financial Reporting Standards (“IFRS”). It also announced that the Board of Directors have declared a dividend of \$0.24 per share to shareholders of record on June 30, 2011, payable on July 15, 2011.

Financial Highlights

Sales increased 1.8% to \$346.3 million compared to the first quarter last year. Sales excluding the foreign exchange impact were up 3.6% and were up 1.8%¹ on a same store basis. Strong food sales growth more than offset soft general merchandise sales performance across all of our banners.

First quarter consolidated net earnings were \$12.4 million compared to last year’s IFRS restated first quarter earnings of \$17.8 million and diluted earnings per share for the quarter were \$0.26 compared to \$0.37 per unit last year. The conversion to a share corporation effective January 1, 2011 and the resulting increase in income tax expense negatively impacted diluted earnings per share by approximately \$0.10 per share.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 0.2% to \$28.4 million compared to \$28.3 million in the first quarter last year as lower gross profit rates and higher selling, operating and administration expenses offset the increase in sales. Excluding the foreign exchange impact, trading profit increased 1.3% and was 8.2% as a percentage to sales compared to 8.4% last year.

“Our International business delivered a solid quarter and we were pleased with the impact of our perishable and in-stock improvement work across all banners”, commented Edward Kennedy, President and CEO. “In Canada we made a significant reduction in our northern food prices on April 1st that is helping our customers deal with the high cost of living in the north, especially with fuel prices significantly above last year’s levels. Seasonal sales were a challenge for all of our North American stores as we faced cool weather conditions.”

The Company’s first quarter report to shareholders, management’s discussion and analysis and unaudited interim condensed 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

First Quarter Conference Call

The Company is also hosting a conference call for its first quarter results on June 14, 2011 at 2:00 p.m. (Central Daylight Time). To access the call, please dial 416-695-7806 or 888-789-9572 with a pass code of 3453100. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 5506870 on or before July 21, 2011.

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., through its subsidiaries, 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 231 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 "NWC".

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