



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 6, 2012 (TSX:NWC): The North West Company Inc. (the “Company” or “North West”) today reported its unaudited financial results for the first quarter ended April 30, 2012. It also announced that the Board of Directors have declared a dividend of \$0.26 per share to shareholders of record on June 29, 2012, to be paid on July 16, 2012.

Financial Highlights

First quarter net earnings increased 9.1% to \$13.6 million and diluted earnings per share increased to \$0.28 compared to \$0.26 per share last year as a result of earnings growth in both the Canadian and International Operations and the impact of lower income tax rates in Canada.

Sales increased 5.6% to \$365.5 million compared to the first quarter last year led by strong sales growth in our Canadian Operations and one extra day of sales in the quarter as a result of February 29. Sales excluding the foreign exchange impact were up 4.9% and increased 3.1%¹ on a same store basis after deducting the estimated impact of the extra day.

Earnings from Operations² increased 6.1% to \$20.6 million compared to the first quarter last year as sales growth and gross profit rate improvements were partially offset by higher selling, operating and administrative expenses. Selling, operating and administrative expenses increased 7.9% compared to last year and were up 50 basis points as a percentage to sales largely due to an increase in share-based compensation, primarily related to a higher share price, and a non-comparable insurance gain in the first quarter last year. Higher insurance expense, pension costs in Canada and utility and employee medical insurance costs in the International Operations were also factors. Excluding the incremental share-based compensation expense and the insurance gain last year, earnings from operations increased 21.9% compared to the first quarter last year.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 5.3% to \$29.9 million compared to \$28.4 million last year. Excluding the incremental share-based compensation and the insurance gain last year, trading profit increased 15.8% and was 8.6% as a percentage to sales compared to 7.8% last year.

“All of our banners performed above last year in the first quarter with northern Canada leading the way,” commented President and CEO Edward Kennedy. “Our customers want to see more and more value for their dollar and where we have delivered it we have been rewarded with more of their business.”

Further information on the financial results is available in the Company’s first quarter report to shareholders, Management’s Discussion and Analysis and unaudited interim condensed consolidated financial statements which 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

Webcast for 2012 Annual General Meeting

The Company is hosting a webcast of its annual meeting of shareholders on Wednesday, June 6, 2012 at 11:30 a.m. (Central Daylight Time) (the "Meeting"). To access the Meeting, log onto <http://www.gowebcasting.com/3284>. Shareholders viewing the webcast will not be permitted to vote through the webcast, but will be permitted to ask questions of management. The webcast will be archived and available at www.northwest.ca.

First Quarter Conference Call

The Company is also hosting a conference call for its first quarter results on June 6, 2012 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 4848428. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 7591477 on or before June 13, 2012.

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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