



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 5, 2013 (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, 2013. It also announced that the Board of Directors have declared a dividend of \$0.28 per share to shareholders of record on June 28, 2013, to be paid on July 15, 2013.

Financial Highlights³

Sales were relatively flat at \$364.5 million compared to a 5.6% increase to \$365.5 million in the first quarter last year as sales growth in International Operations was offset by lower sales in Canadian Operations due to the impact of store closures in the fourth quarter of 2012. The impact of one extra day of sales last year as a result of February 29 was also a factor. Sales excluding the foreign exchange impact were down 1.1% but were up 0.8%¹ on a same store basis. Food sales¹ decreased 0.1% but were up 1.5% on a same store basis and general merchandise sales¹ decreased 6.7% and were down 2.5% on a same store basis.

Earnings from Operations² increased 0.5% to \$20.5 million compared to \$20.4 million in the first quarter last year as gross profit rate improvements were partially offset by higher selling, operating and administrative expenses. The gross profit rate improvement is primarily due to better inventory and shrink management and favourable product mix changes. Selling, operating and administrative expenses increased 1.8% compared to last year and were up 47 basis points as a percentage to sales. This was largely due to expenses related to a new Cost-U-Less store in Barbados and higher share-based compensation costs. The increase in share-based compensation expense is related to a \$2.28 per share or 9.9% increase in the share price in the quarter. Excluding the foreign exchange impact, earnings from operations increased 0.1% compared to last year.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 0.9% to \$30.0 million compared to \$29.7 million last year as gains within Canadian Operations more than offset a decrease in the International Operations. Excluding the foreign exchange impact, trading profit increased 0.5% and was 8.3% as a percentage to sales compared to 8.1% last year.

First quarter net earnings decreased 2.5% to \$12.9 million and diluted earnings per share were flat to last year at \$0.27 per share as earnings growth in the Canadian Operations was more than offset by lower earnings in the International Operations.

“Sales momentum was our biggest challenge in the first quarter and it will be a priority for the rest of the year” commented President & CEO, Edward Kennedy. “We also continue to invest in productivity initiatives, new products and services and in sharper pricing to take our business to the next level.”

¹ Excluding the foreign exchange impact

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

³ Certain of the 2012 comparative figures have been restated in accordance with the implementation of the revised IAS19, Employee Benefits accounting standard. Further information is provided in the 2013 first quarter Management’s Discussion & Analysis or Note 3 in the Company’s 2013 first quarter unaudited interim condensed consolidated financial statements.

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.

First Quarter Conference Call

North West is also hosting a conference call for its first quarter results on June 5, 2013 at 2:00 p.m. (Central Time). To access the call, please dial 416-340-2217 or 866-696-5910 with a pass code of 7457548. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 6596846 on or before June 12, 2013.

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 225 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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