



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

Winnipeg, June 11, 2014 (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, 2014. It also announced that the Board of Directors have declared a dividend of \$0.29 per share to shareholders of record on June 30, 2014, to be paid on July 15, 2014.

Financial Highlights

Sales increased 3.2% to \$376.3 million compared to \$364.5 million in the first quarter last year as sales growth in the International Operations and the impact of foreign exchange on the translation of U.S. denominated sales more than offset weaker sales in the Canadian Operations. Excluding the foreign exchange impact, sales increased 0.3% and were up 0.2%¹ on a same store basis. Food sales¹ increased 1.0% and were up 0.7% on a same store basis and general merchandise sales¹ decreased 2.1% and were down 1.8% on a same store basis.

Earnings from Operations² decreased 2.6% to \$20.0 million compared to \$20.5 million in the first quarter last year. Gross profit dollars increased 2.4% driven by sales growth as gross profit rate decreased 24 basis points compared to last year. The decrease in gross profit rate was largely due to lower food margins in the Canadian Operations. Selling, operating and administrative expenses increased 3.6% compared to last year and were up 8 basis points as a percentage to sales. The increase in expenses is primarily due to the impact of foreign exchange on the translation of U.S. denominated expenses. Excluding the foreign exchange impact, earnings from operations decreased 4.1% compared to last year.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 0.7% to \$30.2 million compared to \$30.0 million last year, as a 5.0% increase in trading profit in the International Operations and the impact of foreign exchange was partially offset by a decrease in trading profit in the Canadian Operations related to lower food gross profit rates. Excluding the foreign exchange impact, trading profit decreased 1.2% compared to last year and as a percentage to sales was 8.1% compared to 8.3% last year.

First quarter net earnings decreased 1.8% to \$12.7 million and diluted earnings per share decreased to \$0.26 per share from \$0.27 per share last year.

"Our business assessment tells us we have terrific upside by reinvesting in our largest markets, fastest growing categories and in our store management and staff", President & CEO Edward Kennedy commented. "These will be our priorities for the next three to five years. They play to our core strengths and give us the ability to increase sales profitably regardless of the economic environment we face".

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 2014 Annual General Meeting

North West is hosting a webcast of its annual general meeting of shareholders. To access the meeting, log onto <http://www.gowebcasting.com/5380>. 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

North West is also hosting a conference call for its first quarter results on June 11, 2014 at 3:00 p.m. (Central Time). To access the call, please dial 416-340-2217 or 866-696-5910 with a pass code of 9296035. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 9122089 on or before June 18, 2014.

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, both for the year-ended January 31, 2014. 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 226 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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