



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, a Quarterly Dividend and the Refinancing Terms of its International Operations Loan Facility

Winnipeg, June 10, 2015 (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, 2015. It also announced that the Board of Directors have declared a dividend of \$0.29 per share to shareholders of record on June 30, 2015, to be paid on July 15, 2015.

Financial Highlights

Sales increased 10.0% to \$414.0 million compared to \$376.3 million in the first quarter last year driven by strong sales gains and the impact of foreign exchange on the translation of International Operations sales. Excluding the foreign exchange impact, consolidated sales increased 5.2% and were up 5.0%¹ on a same store basis. Food sales¹ increased 5.8% and were up 4.9% on a same store basis with all banners contributing to the sales growth. General merchandise sales¹ increased 6.6% and were up 5.3% on a same store basis as sales growth in Canadian Operations more than offset lower sales in International Operations.

Earnings from operations² increased 18.4% to \$23.7 million compared to \$20.0 million in the first quarter last year. Gross profit dollars were up 9.7% driven by sales growth and the impact of foreign exchange as the gross profit rate decreased 8 basis points compared to last year. Selling, operating and administrative expenses increased 7.7% but were down 49 basis points as a percentage to sales. The expense increase was substantially due to the impact of foreign exchange on the translation of International Operations expenses and higher short-term incentive plan costs. These factors were partially offset by lower share-based compensation costs and the impact of employee head office restructuring costs last year. Excluding the impact of foreign exchange, earnings from operations increased 13.4% to last year.

Earnings before interest, income taxes, depreciation and amortization (EBITDA²) increased 14.0% to \$34.4 million led by strong EBITDA growth in the International Operations and the impact of foreign exchange. Excluding the impact of foreign exchange, EBITDA was up 9.6% compared to last year and as a percentage to sales was 8.5% compared to 8.1% last year.

Net earnings increased \$3.0 million or 23.8% to \$15.7 million and diluted earnings per share was \$0.32 per share compared to \$0.26 per share last year with both the Canadian and International Operations contributing to the net earnings growth. The impact of foreign exchange on the translation of International Operations earnings was also a factor. Excluding the impact of foreign exchange, net earnings increased 18.7% compared to last year.

"Our diversified mix of store types and markets was a big advantage in the first quarter and should be a 'plus' for the rest of the year", commented North West President & CEO Edward Kennedy. "We are running better stores and seeing a tourism recovery in the Caribbean, better market conditions for our GT stores in western Canada and market share gains by our Alaska stores. All of this is helping to drive results while we make major long-term investments in our northern Canada business."

Further information on the financial results is available in the Company's 2015 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

Loan Facility Refinancing

The Company has, subject to the completion of a definitive agreement and customary closing conditions, refinanced the US\$30.0 million revolving loan facility in the International Operations that matures on October 31, 2015. The new, increased committed revolving loan facility provides the Company with a US\$40.0 million revolving loan facility for working capital and general corporate purposes. The new loan facility will mature October 31, 2020 and will bear a floating rate of interest based on US LIBOR plus a spread. The loan facility will be secured by certain accounts receivable and inventories of the International Operations.

Annual General and Special Meeting

The North West Company Inc. will hold its annual general and special meeting of shareholders on Wednesday, June 10, 2015 at 11:30 a.m. (Central Time) (the "Meeting") in the Muriel Richardson Auditorium at the Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba. Shareholders of North West are invited to attend the Meeting, where there will be an opportunity to ask questions and meet management and North West's Directors.

North West will also host a webcast of the Meeting. To access the Meeting, log onto <http://www.gowebcasting.com/6547>. 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 10, 2015 at 3:00 p.m. (Central Time). To access the call, please dial 416-695-7806 or 866-696-5910 with a pass code of 1490000. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 3698216 until June 17, 2015.

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, 2015. 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\$1.6 billion.

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

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