



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 8, 2016 (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, 2016. It also announced that the Board of Directors have declared a dividend of \$0.31 per share to shareholders of record on June 30, 2016, to be paid on July 15, 2016.

Financial Highlights

Sales increased 6.0% to \$439.0 million compared to \$414.0 million in the first quarter last year driven by food same store sales gains, the impact of foreign exchange on the translation of the International Operations sales and one extra day of sales in the quarter as a result of February 29. Excluding the foreign exchange impact, consolidated sales increased 3.7% and were up 2.0%¹ on a same store basis. Food sales¹ increased 4.6% and were up 2.8% on a same store basis with all banners contributing to the sales growth. General merchandise sales¹ increased 0.5% but were down 2.0% on a same store basis as sales growth from International Operations was largely offset by weaker sales performance in Canada.

Earnings from operations increased 8.2% to \$25.6 million compared to \$23.7 million in the first quarter last year. Gross profit dollars were up 6.5% driven by sales growth, the impact of foreign exchange and a 14 basis point increase in the gross profit rate compared to last year. Selling, operating and administrative expenses increased 6.1% and were up 3 basis points as a percentage of sales. This increase was due in part to higher store-based payroll costs in Canadian Operations and the impact of foreign exchange on the translation of International Operations expenses. Higher amortization expense related to an increase in capital investments in Top Markets and the impact of new stores were also factors. These factors were partially offset by a decrease in share-based compensation costs and lower fuel-related utility costs in International Operations. Excluding the impact of foreign exchange, earnings from operations increased 4.5% to last year.

Earnings before interest, income taxes, depreciation and amortization (EBITDA²) increased 9.3% to \$37.6 million led by EBITDA gains in International Operations and the impact of foreign exchange. Excluding the foreign exchange impact, EBITDA was up 6.3% compared to last year and as a percentage to sales was 8.7% compared to 8.5% last year.

Net earnings increased \$2.1 million or 13.3% to \$17.8 million and diluted earnings per share were \$0.36 per share compared to \$0.32 per share last year led by earnings growth in International Operations, the impact of foreign exchange and a lower effective tax rate. Excluding the impact of foreign exchange, net earnings increased 8.9% compared to last year.

"Northern Canada food sales were a highlight in the quarter, combined with continued performance gains in the Caribbean region", commented North West President & CEO Edward Kennedy. "Work on Top Categories is delivering results led by our fresh food service, convenience merchandise and targeted general merchandise product groups. We have the right 'get sales' focus and the experience of multi-year programs now in place. These will be key factors as we manage through a very mixed consumer environment over the rest of the year".

Further information on the financial results is available in the Company's 2016 first quarter Report to Shareholders, Management's Discussion and Analysis and unaudited interim period 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

Annual General Meeting

The North West Company Inc. will hold its annual general meeting of shareholders on Wednesday, June 8, 2016 at 11:30 a.m. (Central Standard 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/7543>. 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 will host a conference call for its first quarter results on June 8, 2016 at 2:00 p.m. (Central Standard Time). To access the call, please dial 416-695-7806 or 866-696-5910 with a pass code of 9790909. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 1173917 until June 15, 2016.

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, capital expenditures or achievements of North West to differ materially from anticipated future results, performance, capital expenditures 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, business performance, 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, 2016. 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 228 stores under the trading names Northern, NorthMart, Giant Tiger, AC Value Center and Cost-U-Less and has annualized sales of approximately CDN\$1.8 billion.

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

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