



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 Third Quarter Earnings and a Quarterly Dividend

Winnipeg, December 8, 2011 (TSX:NWC): The North West Company Inc. (the “Company” or “North West”) today reported its unaudited interim financial results for the third quarter ended October 31, 2011 prepared under International Financial Reporting Standards (“IFRS”). It also announced that the Board of Directors have declared a dividend of \$0.24 per share to shareholders of record on December 30, 2011, payable on January 16, 2012.

Financial Highlights

Third quarter net earnings were \$17.0 million compared to last year’s IFRS restated third quarter earnings of \$22.4 million. Diluted earnings per share were \$0.35 compared to \$0.46 per unit last year. The conversion to a share corporation effective January 1, 2011 and the resulting increase in income tax expense accounted for this difference, negatively impacting diluted earnings per share by approximately \$0.11 per share.

Sales increased 3.0% to \$378.4 million compared to the third quarter last year. Sales excluding the foreign exchange impact were up 4.0% and increased 3.4%¹ on a same store basis. Strong food sales across all of our banners continued to be the leading factor contributing to the sales growth.

Earnings from operations of \$25.4 million were flat to last year as the increase in sales was offset by higher selling, operating and administrative expenses and lower earnings from the Company’s Canadian Arctic shipping investment compared to its record third quarter last year. Excluding the foreign exchange and shipping investment impact, earnings from operations increased 4.5% from the third quarter last year.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 0.8% to \$34.5 million compared to \$34.2 million last year. Excluding the foreign exchange and shipping investment impact, trading profit increased \$1.4 million or 4.2% and was 9.4% as a percentage to sales compared to 9.3% last year.

“We are making good progress on ‘More Growth in Store’ work related to being in-stock and improving our fresh food business” commented North West President and CEO, Edward Kennedy. “The results have helped to deliver solid food sales growth in most of our stores. In non-foods there is more improvement required especially within our Giant Tiger and Cost-U-Less stores where we are also facing more challenging economic factors.”

Further information on the financial results is available in the Company’s third 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

Third Quarter Conference Call

The Company is also hosting a conference call for its third quarter results on December 8, 2011 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 4213843. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 8783135 on or before December 15, 2011.

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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