



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 Fourth Quarter Earnings and an Increase in the Quarterly Dividend***

**Winnipeg, March 16, 2012 (TSX:NWC):** The North West Company Inc. (the “Company” or “North West”) today reported its unaudited financial results for the fourth quarter ended January 31, 2012 prepared under International Financial Reporting Standards (“IFRS”). It also announced that the Board of Directors have declared a dividend of \$0.26 per share, an increase of 8.3%, to shareholders of record on March 30, 2012, payable on April 16, 2012.

#### **Financial Highlights**

Fourth quarter net earnings were \$13.5 million, an increase of 47.3% compared to last year’s IFRS restated fourth quarter earnings of \$9.2 million. Diluted earnings per share were \$0.27 compared to \$0.19 per unit last year. The conversion to a share corporation effective January 1, 2011 and the resulting impact on the Canadian Operations income tax expense accounted for the increase in diluted earnings per share. Excluding the impact of the Canadian income tax expense, diluted earnings per share would have decreased \$0.02 per share compared to the fourth quarter last year.

Sales increased 6.2% to \$397.6 million compared to the fourth quarter last year. Sales excluding the foreign exchange impact were up 5.7% and increased 5.1%<sup>1</sup> on a same store basis as a result of strong food and general merchandise sales across all of our banners.

Earnings from Operations decreased 4.0% to \$21.1 million compared to the fourth quarter last year as increases in sales and gross profit were offset by higher selling, operating and administrative expenses related largely to higher incentive plan expenses. Excluding the foreign exchange impact and the increase in incentive plan expense, earnings from operations increased 14.2% compared to the fourth quarter last year.

Trading profit<sup>2</sup> or earnings before interest, income taxes, depreciation and amortization (EBITDA) decreased 1.2% to \$30.6 million compared to \$31.0 million last year. Excluding the foreign exchange impact and the increase in incentive plan expense, trading profit increased 11.7% and was 8.8% as a percentage to sales compared to 8.3% last year.

“We achieved our highest sales increases in the past two years by being in-stock, investing in lower prices and delivering more great, new items to our customers” commented North West President and CEO, Edward Kennedy. “Moving into the current year we continue to see the benefit of a disciplined but also enterprising focus on the growth and improvement potential within the four walls of our existing store base. And again, it’s our people that make the difference, especially as we recognize their contribution to our success in 2012, our 25<sup>th</sup> year as an independent company.”

Further information on the financial results is available in the Company’s fourth 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](http://www.northwest.ca).

<sup>1</sup> Excluding the foreign exchange impact

<sup>2</sup> See Non-GAAP Measures Section of Management’s Discussion & Analysis

### **Fourth Quarter Conference Call**

The Company is also hosting a conference call for its fourth quarter results on March 16, 2012 at 2:00 p.m. (Central 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 2238316 on or before March 23, 2012.

### **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 229 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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