



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 14, 2013 (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, 2013. It also announced that the Board of Directors have declared a quarterly dividend of \$0.28 per share, an increase of \$0.02 per share or 7.7%, to shareholders of record on March 28, 2013, to be paid on April 15, 2013.

Financial Highlights

Sales decreased 2.8% to \$386.6 million compared to the fourth quarter last year primarily due to weaker performance from general merchandise categories and the impact of previously announced store closures. Sales excluding the foreign exchange impact were down 1.9% and were down 1.2%¹ on a same store basis. Food sales¹ decreased 0.3% but were up 0.6% on a same store basis and general merchandise sales¹ decreased 7.3% and were down 6.8% on a same store basis.

Earnings from Operations² increased 8.3% to \$22.8 million compared to \$21.1 million in the fourth quarter last year due to gross profit rate improvements and lower selling, operating and administrative expenses. The gross profit rate improvement is primarily due to the availability of special item buys, favourable product mix changes, and reduction in product waste within perishable food categories. Selling, operating and administrative expenses decreased 2.4% compared to last year due in part to lower incentive plan expenses in the International Operations and were up 8 basis point as a percentage to sales. Excluding the foreign exchange impact, earnings from operations increased 9.2% compared to last year.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) increased 4.7% to \$32.1 million compared to \$30.6 million last year as gains within Canadian Operations more than offset a decrease in the International Operations. Excluding the foreign exchange impact, trading profit increased \$1.7 million or 5.5% and was 8.3% as a percentage to sales compared to 7.7% last year.

Fourth quarter net earnings were \$15.8 million, an increase of 17.3% compared to last year’s fourth quarter net earnings of \$13.5 million, and diluted earnings per share were \$0.32 compared to \$0.27 per share last year.

“We were very successful in achieving productivity and shrink reduction improvements in the fourth quarter,” commented NWC President and CEO Edward Kennedy. “These have been priorities for the last two years and they will carry forward into 2013. Sales were a disappointment in discretionary general merchandise categories and led to higher markdowns in the quarter. In 2013 we will continue to focus on the growth potential in our food business and be more selective on the general merchandise opportunities we choose to pursue.”

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.

¹ Excluding the foreign exchange impact

² See Non-GAAP Measures Section of Management’s Discussion & Analysis

Fourth Quarter Conference Call

The Company is hosting a conference call for its fourth quarter unaudited results on March 14, 2013 at 2:00 p.m. (Central Time). To access the call, please dial 416-340-2217 or 866-696-5910 with a pass code of 3591756. The conference call will be archived and can be accessed by dialing 905-694-9451 or 800-408-3053 with a pass code of 1920847 on or before March 21, 2013.

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 223 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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