



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

North West Company Fund Announces Third Quarter Earnings and a Quarterly Distribution

Winnipeg, December 9, 2010 (TSX:NWF.UN): North West Company Fund (the “Fund” or “North West”) today reported its unaudited financial results for the third quarter ended October 31, 2010 and announced that the Trustees have approved a quarterly distribution of \$0.34 per unit to unitholders of record on December 31, 2010, distributable by January 15, 2011. The Fund’s obligation to pay this quarterly distribution will be assumed by The North West Company Inc. upon the closing of the conversion of the Fund to a share corporation, which is expected to occur on January 1, 2011.

Financial Highlights

Third quarter consolidated net earnings were \$22.1 million, a decrease of 11.3% from last year and diluted earnings per unit for the quarter was \$0.45 compared to \$0.51 last year. Sales increased 1.8% to \$367.3 million compared to the third quarter last year. Sales excluding the foreign exchange impact were up 3.4% and were up 2.6%¹ on a same store basis. Strong sales growth in our northern banners was partially offset by weaker performance at our Cost-U-Less stores and International wholesale business combined with the negative impact of foreign exchange on the conversion of U.S. denominated sales.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) decreased 5.4% to \$34.1 million compared to \$36.1 million in the third quarter last year. Lower sales and gross profit in the International Operations and higher expenses in the Canadian Operations were the leading factors contributing to the decrease. Excluding the foreign exchange impact, trading profit decreased 4.2% compared to last year.

“Business conditions continue to vary within our mix of markets,” commented North West’s President and Chief Executive Officer, Edward Kennedy. “We are capturing market share within a healthier northern economy. However, we are disappointed with our progress at our Cost-U-Less stores in the south, and to a lesser degree, at our Giant Tiger stores in Western Canada. The current quarter is improving slightly, but will require more repositioning work as we head into a similar environment in 2011.”

The Fund’s third quarter report to unitholders, management’s discussion and analysis and unaudited interim consolidated financial statements can be found in the investor section of the Fund’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 Fund is also hosting a conference call for its third quarter results on December 9, 2010 at 2:00 p.m. (Central Time). To access the call, please dial 1-866-696-5910 or 416-340-2217 with a pass code of 3680260. The conference call will be archived and can be accessed by dialing 1-800-408-3053 or 905-694-9451 with a pass code of 1546488 on or before December 16, 2010.

Notice to Readers

Certain forward-looking statements are made in this news release, within the meaning of applicable securities laws. These statements reflect the 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, ongoing business strategies or prospects, the proposed conversion from an income trust to a corporation and the timing thereof; and those risks and uncertainties detailed in the section entitled "Risk Factors" in the Fund'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. The Fund 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 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 230 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 units of the Fund trade on the TSX Toronto Stock Exchange under the symbol "NWF.UN".

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