More growth in store...
All currency figures in this report are in Canadian dollars, unless otherwise noted.

### RESULTS FOR THE YEAR

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>($) in thousands, except per share information</th>
<th>Year Ended</th>
<th>($) in thousands, except per share information</th>
<th>Year Ended</th>
<th>($) in thousands, except per share information</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 31, 2011</td>
<td>$1,448,104</td>
<td>January 31, 2010</td>
<td>$1,444,366</td>
<td>January 31, 2009</td>
<td>$1,392,634</td>
</tr>
</tbody>
</table>

- **Sales**: $1,448,104
- **Same store sales % increase**: 2.7%
- **Trading profit** (earnings before interest, income taxes and amortization): $125,302
- **Earnings before interest and income taxes**: 89,810
- **Net earnings**: 76,594
- **Cash flow from operations**: 113,076

### FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>($) in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>$620,482</td>
</tr>
<tr>
<td><strong>Total debt</strong></td>
<td>192,596</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>302,497</td>
</tr>
</tbody>
</table>

### FINANCIAL RATIOS

| | | | | | |
|-------------------------------|----------------|----------------|----------------|
| Debt-to-equity | .64:1 | .72:1 | .78:1 |
| Return on net assets | 17.5% | 18.7% | 19.8% |
| Return on average equity | 25.8% | 29.3% | 28.6% |
| Sales blend: | | | |
| Food | 76.0% | 77.0% | 75.0% |
| General Merchandise | 20.0% | 20.0% | 22.0% |
| Other | 4.0% | 3.0% | 3.0% |

### PER SHARE ($) – DILUTED

<table>
<thead>
<tr>
<th></th>
<th>($) in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading profit</strong></td>
<td>$2.58</td>
</tr>
<tr>
<td><strong>Net earnings</strong></td>
<td>1.58</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>2.33</td>
</tr>
<tr>
<td><strong>Market price – January 31</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>low</td>
</tr>
</tbody>
</table>

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1. Same store sales, excluding the foreign exchange impact, on an equivalent year basis
2. See Non-GAAP measures section on page 26 in the Annual Financial Report which is available through SEDAR at www.sedar.com and the Company’s website at www.northwest.ca
3. Earnings before interest and income taxes as a percent of average net assets employed
4. Effective January 1, 2011, North West Company Fund converted to a share corporation called The North West Company Inc. The comparative information refers to the units of the Fund. All per unit information has been restated to reflect the three-for-one unit split that occurred on September 20, 2006.
Even more growth in store...

Last year, we unveiled our plans to increase sales and profitability by investing more – in our people and in the way we do business in our stores and distribution networks. This report summarizes our progress on this core work and explains how we are setting the foundation for even More Growth in Store during the years ahead.
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.

$1.448 Billion in Sales
230 Locations
6,902 Employees

1 Includes Quickstop stores
2 Includes Valu Lots, Solo Market, Fur Marketing outlets and a Drug Store
Why invest in North West?

90+

An extraordinary community store position
More than 90% of households served by our remote market banners* shop in our stores every month, which allows us to be a trusted local choice for a wide range of products and services.

87%

A growing focus on everyday needs
87% of our sales are derived from food and related everyday living products and services, a focus that lessens North West's exposure to the volatility of discretionary spending in difficult economic times.

$10,000 GROWS TO $101,711

A proven record of value creation
Shares in North West have produced a compound annual return of 26.1% over the past 10 years. A $10,000 investment in North West at January 31, 2001 was worth $101,711 at January 31, 2011.

85+

Leadership in hard-to-serve, remote markets
More than 85% of our remote banner* stores are a two-hour drive or farther from the “big box” stores that dominate urban markets.

7.0%

EBITDA CAGR

A strong financial position
With strong, reliable cash flows and prudent levels of debt, we invest to sustain and grow while returning approximately 50% of our cash flow to investors every year. Trading profit (EBITDA) at North West increased from $63.9 million to $125.3 million during the 10 years ending January 31, 2011, a compound annual growth rate of 7.0%.

1.5 TIMES

Positive market fundamentals
Our markets are home to younger, faster-growing populations with stable incomes tied to consistent levels of government funding, and income growth from resource development. The population growth in our remote markets is 1.5 times greater than the national averages in Canada and the United States.

* Remote market banners include Northern, NorthMart, AC Value Center and Cost-U-Less which collectively represent 87% of North West’s total sales.
More Growth in Store is much more than a tagline at North West. Last year it symbolized our continuing shift to becoming a more customer- and process-focused retailer. The initiatives that are described in this report will give you a sense of the real benefits we are getting from digging deep into key areas of our business that received too little of our time in the past.

2010 was a transition year for North West in many respects. At year end we changed the Company’s structure from an income trust to a share corporation. Our More Growth in Store work moved from planning and testing to making an impact at store level and helped deliver industry-leading food sales growth in our northern banners. We also invested significant time sizing up opportunities for improvement to our supply chain, especially our outbound logistics. This work coincided with major changes to the Canadian government’s transportation subsidy program for nutritious perishable foods sold in the North.
At heart, More Growth in Store is a repositioning of North West’s core abilities that will ultimately make us an even more compelling store to shop at and company to invest in. The most important accomplishment on this path in 2010 was a growing sense of purpose and confidence as this work delivered results across the organization. This year, we have the benefit of experienced teams who have learned where to look to find unrealized value and how to get these new approaches into our stores and in front of our customers.

As we made exciting progress on More Growth in Store, we faced one of the most varied economic and competitive climates in recent years. Rural Alaska and northern Canada regional GDP was up sharply after a sluggish 2009. The pillars of income growth were government stimulus and natural resource investment and we were in a great position to capture the boost in discretionary consumer spending. Our NorthMart, Northern and AC Value Center banners that capitalized on this opportunity also benefited the most from our perishable and in-stock performance improvement work and this helped deliver industry-leading food sales gains.

Our Giant Tiger and Cost-U-Less banners were at the other end of the spectrum. At Giant Tiger, we lost ground to our larger discount competitors who continued to add new space and drive down margins through more aggressive promotional pricing. While we stayed competitive with our prices, we will need to be better at standing out this year through an improved fashion apparel selection and by giving our customers more of the treasure hunt items that Giant Tiger is uniquely known for.

Cost-U-Less was our one banner that continued to see weak consumer spending in its markets. Tourism numbers were up modestly from their low point in 2009, but on-island spending did not rebound at the same pace due to the lower income profile of new visitors. As a result, local unemployment rates remained stubbornly high. Against this backdrop, Cost-U-Less held its position as a trusted store for value amidst an intense competitive environment that, like Giant Tiger’s, put heavy pressure on margin rates. By year end, margins were firming up and our promotional and seasonal activity was producing modest sales gains. This year our priorities are to introduce more lower-cost food items into Cost-U-Less’ mix and to solidify our leadership position in perishable quality, while delivering returns from our More Growth in Store work.

The contribution from our northern banners more than offset the performance at Giant Tiger and Cost-U-Less and, if that had been the entire story, we would have delivered a bottom line increase last year. Unfortunately, we also incurred $3.2 million in unusual costs mostly related to higher pension expenses that will start to drop in 2011, with the remainder due to the cost of our conversion from an income trust. Of more concern was our failure to execute on the integration of our two wholesale businesses in Alaska and ongoing operating cost challenges with our Winnipeg and new Edmonton distribution centres. We will recover from these two setbacks and what we have learned from them has already been addressed through our More Growth in Store initiatives. While I can’t promise we won’t make mistakes, I can assure you that we won’t fall short again from lack of preparation.
In 2012, The North West Company will celebrate a remarkable 25 years as an independent company. With this milestone in reach, I can only thank our energized people who have worked with more skill and commitment than ever over the past year.

There were also transitions within our senior management team in 2010. As earlier announced, Léo Charrière, our CFO for the past seven years, retired in June and was succeeded by John King, our Vice-President, Finance with 16 years of finance and accounting experience at North West. Some of Léo’s non-finance roles were assumed by Craig Gilpin who joined North West in March 2010 as Chief Corporate Officer. Craig’s most recent position had been President of Sobeys Ontario. Mike Sorobey joined North West at the same time as our new Vice-President of Logistics and Supply Chain Services, reporting to Craig. Both of these important additions have given us the focused leadership needed to address our supply chain challenges and opportunities.

At the end of March 2011, Karen Milani, Vice-President, Human Resources, left North West after an accomplished 14-year career with us. Karen’s last major contribution, among many, was the design and delivery of our highly acclaimed Leadership@North West learning programs across the organization.

The near future in Canadian retail promises to be more volatile than at any time over the past 20 years. More new selling space and more new formats will compete for sales from a consumer challenged by slow income growth and high debt loads. At North West, this is the time when we can stand out as a retailer with deeper-than-ever skills at selling to hard-to-reach customers.
I am confident about what we can influence, starting with knowing our customers better and our passion for mastering the unique craft of retail that draws on the legacy of the enterprising merchants who have preceded us.

In 2012, The North West Company will celebrate a remarkable 25 years as an independent company. With this milestone in reach, I can only thank our energized people who have worked with more skill and commitment than ever over the past year. They are the enduring and distinct advantage that makes us worthy of the continued support of our customers and the communities we are privileged to serve.

Edward S. Kennedy
President & CEO
April 6, 2011

The initiatives described in this year’s annual report share one common goal – to deliver substantially more value to our customers by running a better business. We are confident that this is the right direction for North West today, but we also know that successfully reaching our destination requires more than a good road map. It takes the skill of leaders at all levels, pulling together with a common understanding and purpose.

Two years ago, we introduced Leadership@North West, starting with our executive and senior management teams. Leadership@North West teaches proven practices that are based on the core principles we subscribe to: customer driven, accountability, trust, passion, enterprise and personal balance. Together, these principles reflect what we stand for and what it takes to realize our potential – as a business and as individuals. In 2010 and early 2011, we cascaded Leadership@North West to over 300 managers in store support positions and embedded our principles and practices into internal communications, human resource programs and other aspects of our business.

This year, leadership teaching is rolling out to store management through a practical, classroom- and web-based learning initiative called Managing@North West. The program incorporates real, everyday challenges to demonstrate how new business tools and processes can be used to improve planning and deliver better results. Above all, Managing@North West is meant to reinforce how being better at what we do promotes the interests of everyone touched by our business, starting with our customers.
“Direct feedback from our customers is the foundation of our selling strategies going forward... we are listening better than ever and bringing to our markets more quality products from the brands they expect.”

Brett Hargreaves, Category Manager, Entertainment, Media & Office Supplies
More Customer Insight

More growth from existing stores depends on a deep understanding of the people who matter most to North West’s success – our customers.

What we call community retailing at North West is all about the relationships between our stores and the friends and neighbours we serve every day. Tremendous insight into customer needs and expectations can be drawn from these relationships and we recognize more than ever the importance of learning and caring about our customers. The groundwork for our customer insight initiative began in 2009 with innovative research into our customers’ attitudes and buying preferences. Last year, we built on this foundation by making in-home and in-store interviews part of every store working trip or visit undertaken by our management team. Further insight into shopping behaviour is ongoing based on what different customers actually buy. And this year, we are getting even closer to our customers through social media and other web-based touch points.

What we’ve learned so far is enabling our marketing and merchandise category managers to get more sales by creating product offerings that better reflect the distinct and multiple needs within each customer household. Getting this work right represents an enormous opportunity to enhance customer loyalty, increase basket size, gain market share and become an even more integral part of the communities we are privileged to serve. And it all still begins with the friendly, welcoming relationship that we bring to our customers every day.

“Keeping in close contact with store staff and customers gives us the opportunity to ensure we develop assortments that meet customer needs and wants on current trends.”

Ed Lindquist, Category Manager, Toys & Seasonal

Intimate knowledge of our customers leads to sales growth...

Category Manager Ed Lindquist shows off one of our exclusive Northern Expedition bicycles to Northern store employee Kyle Lowe.
More Product In-Stock

Making certain that our customers’ favourite products are always in stock is the surest way to grow sales and loyalty.

An empty space on the shelf is never a welcome sight. As a community store serving towns and neighbourhoods with limited local shopping choices, we are counted on to deliver consistently, no matter what. For us it’s a matter of trust.

An empty space is also a lost sales opportunity. At North West, better in-stock performance represents our greatest untapped opportunity for revenue growth.

In the past, a big reason for stock-outs was lack of visibility into where we were out of stock and why. In the past year, we invested in information systems to better track zero sales data on fast-moving items. We also developed improved sales floor reporting and ordering tools to help our store people understand and fix high stock-out situations. These changes, combined with a company-wide focus on improvement, have produced dramatic results.

In-stock performance improved by 38 percent after the fall launch of this initiative, helping to drive same store food sales growth in our northern banners to some of the highest levels seen in North America last year. And the best is yet to come.

By the middle of 2011, we expect 95 percent of our store food order volume to be flowing through a technology platform that will give us unprecedented insight into the movement of product throughout our network. This will enable collaboration with store managers in real time to eliminate stock-outs and continuously refine our inventory replenishment and merchandising practices. The same technology will drive further improvements in non-food merchandise categories as well as deliver better assortment control and vendor cost management.

“Leveraging technology to deliver information when ordering decisions are made is creating higher rates of product availability and improved inventory management practices.”

Michael Beaulieu, In-Stock Project Lead
More Refreshing Performance
From Our Perishables

We are focused on bringing the performance of our perishable merchandise categories, starting with Produce, Dairy and Meats, to levels that deliver more value to our customers and to us.

In 2009, we measured our merchandising performance against internal and external benchmarks as well as our customers’ expectations. One area that really stood out was our fresh business, which includes Produce, Dairy, Meat, Deli, Bakery and Food Service areas. The results weren’t pretty. Neither were they surprising given the extreme weather, high energy costs and other supply chain conditions that affect the delivery and handling of perishable food in our remote markets. By the same token, getting these categories right represents our greatest opportunity for increased customer satisfaction and margin improvement.

Produce was the starting point in 2010. Here we focused our efforts on minimizing inventory shrink* and streamlining product assortment. Like our in-stock work, a key step forward was developing simpler and more accurate electronic processes for tracking the type, amount and causes of unsellable product in our stores.

In the majority of our stores we shifted to selling pre-packaged produce to minimize handling spoilage and to improve the consistency of our overall product offer. By the fourth quarter of last year, our action plan was in full stride and helped deliver a double-digit gain in Produce gross profit dollars.

In 2011, we will deliver a full year’s worth of gains from our Produce business and ramp up the same type of enhancements in our Meat and Dairy categories. This will include the expansion of a pre-cut and packaged Fresh Meat program that was successfully launched at 18 northern Canadian and 10 Giant Tiger stores last year. Similar to our Produce initiative, the benefits realized so far include reduced waste, lower labour and shipping costs and the delivery of a consistent and high-quality product.

*Shrink is defined as lost sales due to damage, expiration-date, theft or any other occurrence that makes a product non-sellable.

The quality of our produce and other fresh categories is important to Northern customers like Nathan Tulugak and Krista Tasseor.
“It is the stability of our dedicated and competent store staff that helps guarantee Alaska Commercial’s continued success.”

Walt Pickett, Vice-President & General Manager, Alaska Commercial Company
More Store Stability

Realizing the potential of our More Growth in Store initiatives depends on highly capable store managers who thrive in their roles as integral community members and true enterprising merchants.

We’ve learned a few things about frontier merchandising since our direct predecessors established the first trading post on James Bay more than 340 years ago. Success in remote retailing takes people who can operate independently and as members of the North West team, while embracing the unique business, cultural and social conditions that come with every market.

Success also takes time. That’s why North West introduced our store stability initiative in 2010. It’s aimed at increasing the average length of time our store management teams stay in position to a minimum of three years. The first phase encompassed one third of the stores in our Alaskan and northern Canadian network in 2010 with the remaining locations scheduled over the next two years.

To reach our goals we are working smarter to ensure that managers have the right skill set, are an excellent fit for their communities and have the right support team to get the job done. This includes the addition of dedicated administration and perishable management positions. These changes are designed to improve store efficiency while helping store managers spend more time doing what they do best – getting sales, leading their teams and being active in the community. We are also creating a better work experience for career-minded people who want to make a difference, as individuals and as long-term contributors to North West’s success. Our efforts include more formal career planning and development, revamped incentive-based compensation and valuable benefits such as subsidized food and better quality housing. For the right individual, store management at North West is an increasingly compelling career opportunity that attracts the very best people to one of the most rewarding and adventurous retail experiences in the world.

“Like snowflakes, no two communities are identical. Our store managers need to integrate, understand and build relationships over time. That is the fundamental platform to becoming the trusted community store of choice.”

Michael McMullen, Executive Vice-President, Northern Canada Retail

(top) Executive Vice-President Michael McMullen congratulates Northern Store Manager Belinda Lafferty-Kelland from Fort Vermilion, Alberta, on her 25-year anniversary with North West.

(bottom) Team spirit and a collective “can-do” attitude go far at store level. Here enthusiastic staff surround Northern Store Manager Terry Kent, Rankin Inlet.

2010 THE NORTH WEST COMPANY INC.
More Advantage From Our Supply Chain

The work we are doing on one of the world’s most complex retail logistic networks will yield substantial benefits for North West and our customers.

Like most retailers, North West faces special logistics challenges every day. What makes us different is the unusual length of our supply chain. It takes just as long to drive a load of fresh produce from our distribution centre in Edmonton, Alberta to our stores in Inuvik, North West Territories, for example, as it does to bring the produce from the growers’ orchards in Florida. Distance isn’t the only challenge, as the trip to our stores often requires multiple modes of transportation including rail, air, sea, highway and ice-road. We must also contend with forbidding terrain and exceptionally harsh and unpredictable weather.

While we are already pretty good at meeting these challenges, we’re committed to achieving a higher level of logistics performance while reducing the expense of moving product throughout our network each year. We view each of the unique conditions we face as an opportunity to provide better service to our stores and lower costs for North West and our customers. In 2010, we started this initiative with a richly rewarding baseline review of the complex freight volumes and patterns within our current network. The magnitude of this analysis has meant that implementation of improvements to the supply chain will not take place until later this year, following the approach taken in 2010 with our other More Growth in Store work streams. The highest payback work will deliver returns in the second half of 2011 and longer range initiatives will be developed for roll-out over the next two years. The most significant improvement will be the design and roll-out of an advanced transportation management system which will provide much-needed visibility into the real time movement of product within our transportation networks. This information will give us an unprecedented ability to optimize shipments based on location, delivery windows, product volumes, modes of available transport and a host of other variables including weather-related delays. Equally important, we’ll be generating the performance metrics and other data we need to help our carriers schedule and organize our business more efficiently.
A First Air 767 in Iqaluit, Nunavut off-loads merchandise bound for the Iqaluit NorthMart.

Vice-President & General Manager Scott McKay and Michael Sorobey, Vice-President of Logistics & Supply Chain Services, with Store Manager Paul Castle at the Fermor Avenue Giant Tiger store in Winnipeg.

“Speed to market is essential. In our competitive urban markets we continue to enhance our logistics network, ensuring our goods are on display and into our customer’s shopping basket in the quickest and most cost-effective manner.”

Scott McKay, Vice-President & General Manager, Giant Tiger, West Store Division
Our Community Promise...

We strive to help make a positive difference so the communities we serve have strong futures. And as friends and neighbours we never forget that we live here too.

North West has always believed in supporting the communities that have helped make us a prosperous and growing company. Our commitment to act as a responsible corporate citizen could be seen on many fronts during the past year, from our role as a major local employer, taxpayer and purchaser of services to our continuing support of the many worthy causes in our communities. We were also proud to undertake several important initiatives that are minimizing the environmental impact of our store and distribution networks.

A Positive Economic Force North West has a positive economic impact on the communities we call home in northern Canada, Alaska, the Caribbean and the South Pacific. In total, we employ more than 4,500 people with annual payroll costs of $102 million. North West has more than $392 million of capital invested in the retail operations that serve these communities and in 2010 we spent $60 million to purchase local goods and services.

Our impact is greatest in Canada’s North. We are the region’s largest local employer with more than 3,000 employees and an annual payroll exceeding $65 million. We are also the largest employer of First Nations and Inuit people in Canada. In addition, we also purchase goods and services of approximately $34 million in these communities annually.

Helping Our Communities North West devotes approximately 1.5% of net earnings each year to support sports and recreation, culture and arts, healthy living, education and sustainability. These activities all share a common goal of helping to make the communities we call home – in Canada, Alaska, the South Pacific and the Caribbean – better places to live, work and play.

In remote communities with limited resources, we can be counted on to make a difference. Each of our stores works closely with local leaders and residents and partners with organizations to develop and support tailored programs that fit their unique requirements.

Sports & Recreation North West is an avid supporter of community sport and recreation programs that help build the skills and confidence of young people while encouraging healthy living. By sponsoring participation in national sports programs and providing community youth sports teams with uniforms, travel and financial support, North West is making such activities more accessible to athletes and their communities.

Culture & Arts North West has a longstanding reputation for promoting the culture, heritage and artistic expression of the northern communities we serve. Through the preservation of languages and community traditions, to the support of art festivals and youth art programs, North West takes an active part in helping our communities preserve where we came from and supporting where we are going.

Healthy Living Nutrition and health are at the forefront of causes important to North West. Our aim is to create a positive environment that promotes healthier lifestyles for employees and community members alike. This is accomplished through a growing Healthy Eating program which is directed by our own company dietitian and administered in partnership with national organizations such as the Canadian Diabetes Association.
Making a difference in the communities we serve...

Environment & Sustainability
As a responsible corporate citizen, North West shares society’s concerns for the health of the environment. We are taking the initiative to operate our business in the most sustainable way possible and are doing our part to protect our environment for future generations. Our efforts to minimize North West’s environmental footprint can be seen in a wide range of activities from annual community clean ups, to the reinvestment of all plastic bag fees into community-prioritized environmental initiatives, to the launch of a subsidized reusable bag program, to incorporating higher energy and environmental standards in building renovations, to partnering with industry environmental organizations.

Education
North West believes that education is the best way to expand individual opportunity and enhance the future prospects of our communities. We are proud to provide post-secondary scholarships and bursaries to Aboriginal and northern youth and to contribute our own educational resources on environmental and healthier living practices.

The Company’s ongoing commitment to continuing education has led to the development of North West-sponsored scholarships, which are available to qualified applicants representing our employees and members of the communities we serve. An expanded NWC Scholarship Program will be launched in the fall of 2011.
Amid lingering recessionary conditions, The North West Company delivered mixed results in 2010 that were not in keeping with our performance in recent years. At the same time, our performance reaffirmed the stability of the core elements of our business, most notably our northern Canada and Alaskan stores, which achieved a healthy increase in sales. 2010 was also another year of solid progress in our foundational work through the More Growth in Store initiatives highlighted in this summary report. And, finally, 2010 was a year that will be remembered for the tireless efforts of our people to deal with challenging competitive and economic conditions facing our discount banners. All of this work demands the commitment and proficiency of our people across the organization and their contributions have never been greater.

At the governance level your Board concluded three key pieces of work. The first was our smooth conversion from an income trust to a share corporation. The message from the company was clear and consistent leading up to our conversion date: we remain committed to being an attractive growth and yield investment for our shareholders and we fully recognize the premium placed on sustaining both components, as reflected in a growing and consistent dividend.

The second task completed was the revamping of our governance policies, both to align with our share corporation legal structure and to generally improve the disclosure of the sound and ingrained principles of good governance we follow at North West. This was a time-consuming effort, but also very worthwhile. We focused our work on processes that truly matter in creating and sustaining investor value and the long-term health of our enterprise and we reinforced North West’s good governance practices.

Our third job was to oversee the Company’s conversion to International Financial Reporting Standards (IFRS) beginning this year. IFRS is a significant shift in financial reporting practices for Canadian public companies and it presents unique accounting treatment issues for retailers. Your Board has been fully engaged with management and we have all benefitted from the deep finance, accounting and tax experience of a number of our Board members.

Looking to 2011 and 2012, the Board will continue to focus management on the Company’s commitment to More Growth in Store, with specific attention to market share growth and efficiency targets. We will also be investing more time on improving the performance of our discount businesses. Next year will also be the beginning of a rejuvenation of our Board triggered in part by the pending retirement of several members over the next two years.

One of these board departures will be that of Ian Sutherland, effective at our June 2011 Annual Meeting. Ian’s role at North West started as a founder and lead investor in 1987, continued on as a Board member, as CEO, as Chairman and finally, as a Board member again over the past 24 years. Among a long list of individuals and teams that have brought North West to where it is today, the range and depth of Ian’s contribution stands alone and is deeply appreciated.

Keith Martell also left our Board early in 2011, due to his primary business commitments. Like Ian, Keith brought to North West multi-faceted skills and insights starting with his knowledge and stature as a leading Canadian Aboriginal business person. We thank Keith for his significant contributions over the past 11 years, most recently as Chair of our Human Resources and Compensation Committee.

H. Sanford Riley
Chairman, Board of Directors
April 6, 2011
Complete disclosure of The North West Company Inc.’s corporate governance is provided in the Company’s Management Information Circular, which is available on the Canadian Securities Administrators’ website at www.sedar.com or in the investor section of the Company’s website at www.northwest.ca
EXECUTIVES
CANADIAN OPERATIONS*
Edward S. Kennedy (1)
President & CEO
Craig T. Gilpin (2)
Executive Vice-President &
Chief Corporate Officer
John D. King (3)
Chief Financial Officer
Michael W. McMullen (4)
Executive Vice-President,
Northern Canada Retail
Dalbir S. Bains (5)
Vice-President,
Planning & Corporate Development
David M. Chatyrbok (6)
Vice-President,
Canadian Procurement & Marketing
Paulina Hiebert (7)
Vice-President,
Legal & Corporate Secretary
Daniel G. McConnell (8)
Vice-President,
Real Estate & Store Development
Scott A. McKay (9)
Vice-President & General Manager,
Giant Tiger, West Store Division
Gerald L. Mauthe (10)
Vice-President,
Information Services
Michael E. Sorobey (11)
Vice-President,
Logistics & Supply Chain Services

EXECUTIVES
INTERNATIONAL OPERATIONS*
Edward S. Kennedy (1)
Chairman & CEO
Rex A. Wilhelm (12)
President & COO
John D. King (3)
Chief Financial Officer
J. Robert Cain (13)
Vice-President,
Logistics & Supply Chain Services
Christie A. Frazier-Coleman (14)
Vice-President,
Procurement & Marketing
Paulina Hiebert (7)
Vice-President,
Legal & Corporate Secretary
Thomas M. Kallio (15)
Vice-President & General Manager,
Cost-U-Less
Walter E. Pickett (16)
Vice-President & General Manager,
Alaska Commercial Company
James W. Walker (17)
Vice-President & General Manager,
Wholesale Operations

*as at April 6, 2011

For additional copies of this report or for general information about the Company, contact the Corporate Secretary:
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Gibraltar House, 77 Main Street
Winnipeg, Manitoba Canada R3C 2R1
T 204 934 1756 F 204 934 1317
investorrelations@northwest.ca
www.northwest.ca
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<th>Price Low</th>
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<td>$21.09</td>
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1 Net earnings per share (unit) are on a diluted basis.
2 Effective January 1, 2011, North West Company Fund converted to a share corporation called The North West Company Inc.

### Total Return Performance (% at January 31)

This chart illustrates the relative performance of shares/units (on a post split basis) of North West Company Fund over the past five years. Effective January 1, 2011, North West Company Fund converted to a share corporation called The North West Company Inc. The index incorporates the reinvestment of dividends and income distributions.

### The North West Company Inc. Anticipated Dividend Dates*

- **Record Date:** March 31, 2011
  - **Payment Date:** April 15, 2011

- **Record Date:** June 30, 2011
  - **Payment Date:** July 15, 2011

- **Record Date:** September 30, 2011
  - **Payment Date:** October 17, 2011

- **Record Date:** December 30, 2011
  - **Payment Date:** January 16, 2012

*Dividends are subject to approval by the Board of Directors

### 2011 Annual and Special Meeting

The Annual and Special Meeting of Shareholders of The North West Company Inc. will be held on Tuesday, June 14, 2011 at 11:30 am in the Muriel Richardson Auditorium, Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba.

### Transfer Agent and Registrar

- **CIBC Mellon Trust Company**
  - Calgary and Toronto
  - Toll-Free: 1 800 387 0825
  - www.cibcmellon.ca

### Stock Exchange Listing

- The Toronto Stock Exchange

### Stock Symbol NWF

- **ISIN #: CA6632781093**
- **CUSIP #: 663278109**

Number of shares issued and outstanding at January 31, 2011: 48,378,000

### Auditors

- PricewaterhouseCoopers LLP

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**Design:** Circle

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**Additional Photography:** Chris Arend

Our thanks to the staff and customers who appear in photographs from Calgary, Alberta; Curacao, Netherland Antilles; Gjoa Haven, Nunavut; Iqaluit, Nunavut; Klawock, Alaska; Rankin Inlet, Nunavut; St. Thomas, U.S. Virgin Islands; Sand Point, Alaska; Winnipeg, Manitoba.
Nor’Westers are associated with the vision, perseverance, and enterprising spirit of the voyageurs who pushed past limits to further our Company’s growth during the fur trade. We trace our roots to 1668, and the establishment of one of North America’s early trading posts at Waskaganish on James Bay. Today, we continue to embrace this pioneering culture as true “frontier merchants.”