

NORTH WEST COMPANY FUND

Presentation by

Edward Kennedy, President & CEO

The North West Company

October 5, 1999; Toronto

“WHY INVEST IN NORTH WEST?”

1. Who We Are

2. Growth

3. Income

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THE NORTH WEST COMPANY IN



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THE NORTH WEST COMPANY IN

of stores

Canada = 151

Alaska = 25

Revenue

\$494 million

\$135 million



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“WHY INVEST IN NORTH WEST?”

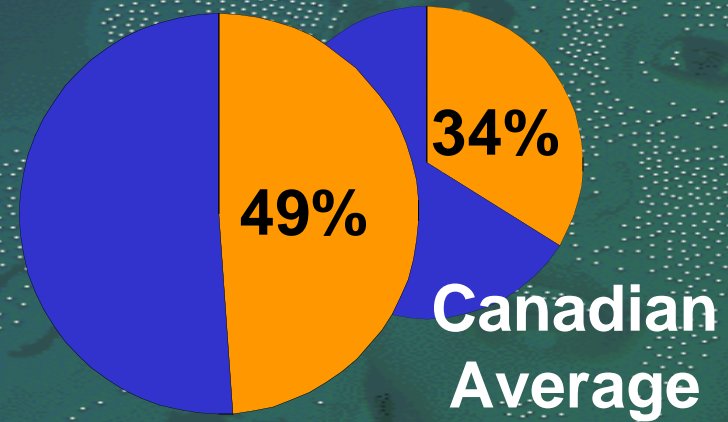
1. Who We Are ✓

2. *Growth*

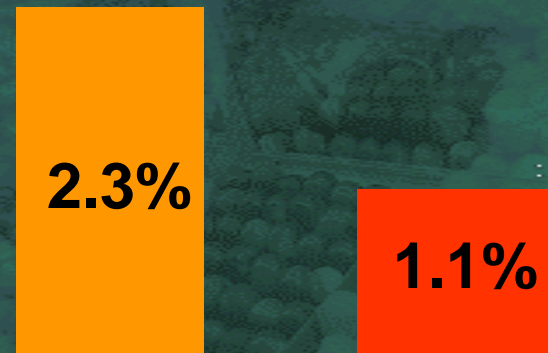
3. Income

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Population Under 25 Years of Age



NWC Markets



Source: Statistics Canada Census 1996

Northern Canada Growth Rate Canadian Growth Rate

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ECONOMIC DRIVERS

URBAN MARKET

Lower interest rates
Higher consumer confidence



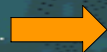
Increased housing turnover



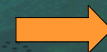
Increased home improvement, appliances, electronic sales

NATURAL RESOURCES MARKET

Resource price cycle



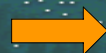
New capacity



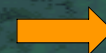
Jobs, overtime, increased employment and spending in all non-food categories.

ABORIGINAL MARKET

Population growth,
Political action, Land claims



Increased spending on housing & infrastructure



Increased employment, spending in all non-food categories;
Nunavut

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“V2K+” GROWTH STRATEGIES

- ① Achieve Canadian productivity gains
- ② Increase Canadian market share
- ③ Accelerate Alaska performance trend

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① Achieve Canadian Productivity Gains

»»» Admin. expenses reduced by \$5 mm

»»» Eliminate \$35 million in under-performing assets

»»» Gains from technology (central MMS, auto replenish, tickets-off, auto receiving)

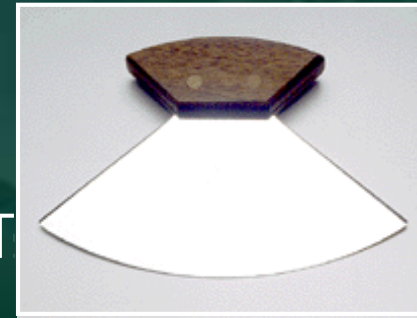
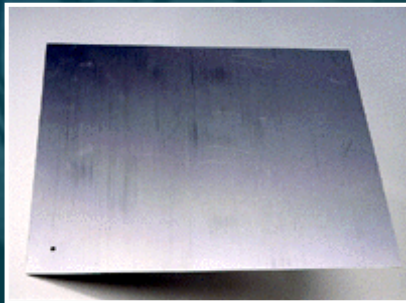
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② Increase Canadian Market Share

- » Expand in-store offer for food, everyday needs and financial services
- » Expand catalogue offer for apparel, AF&E
- » Shift to more “extreme value” price points
- » Build people capability in foods
- » Achieve 5% comp. sales growth by 2000

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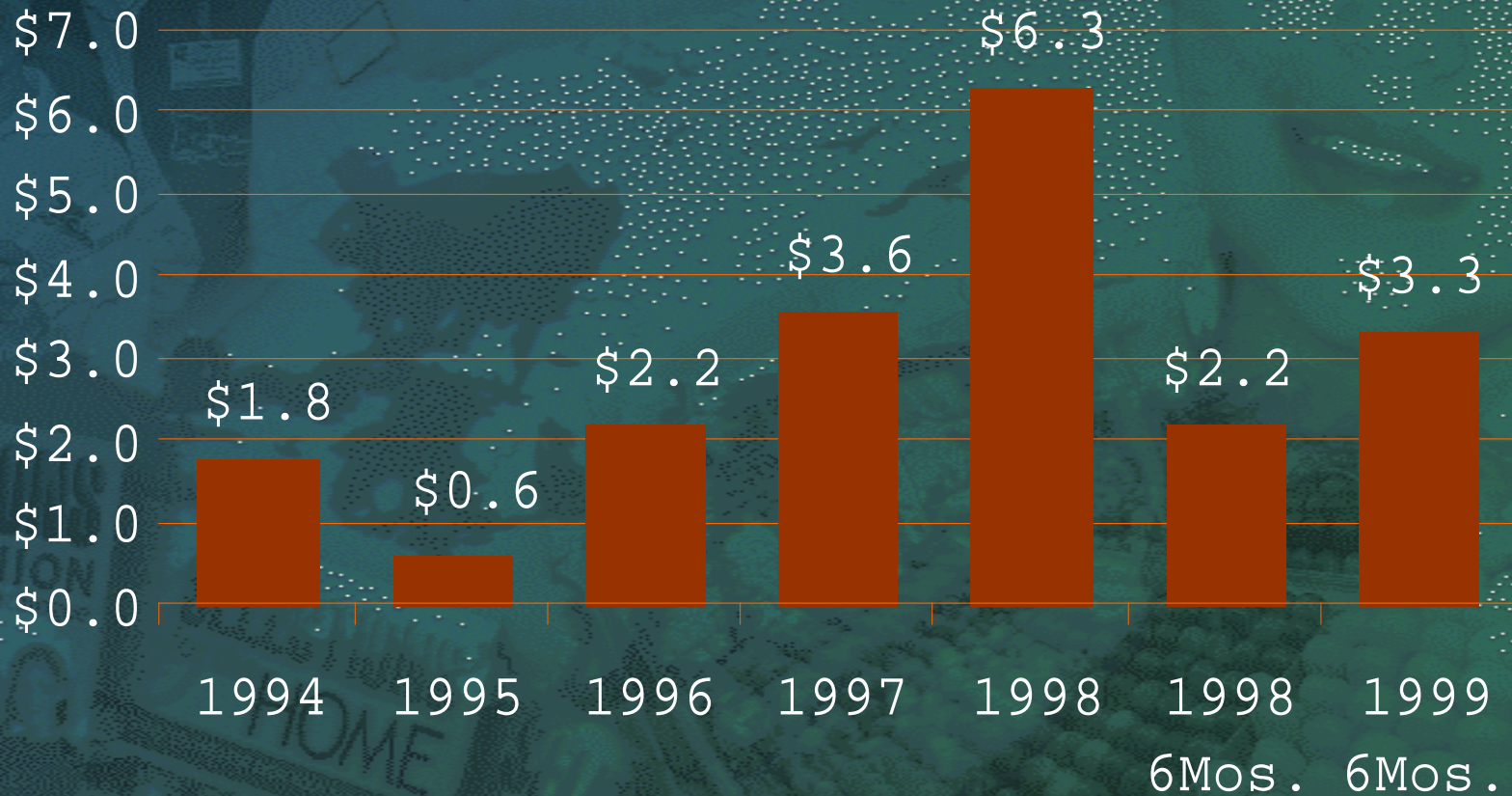


TH WT AND

SMITHLETTERS
SELECTIONS

③ Accelerate Alaska Performance Trend

EBITDA



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③ Accelerate Alaska Performance Trend

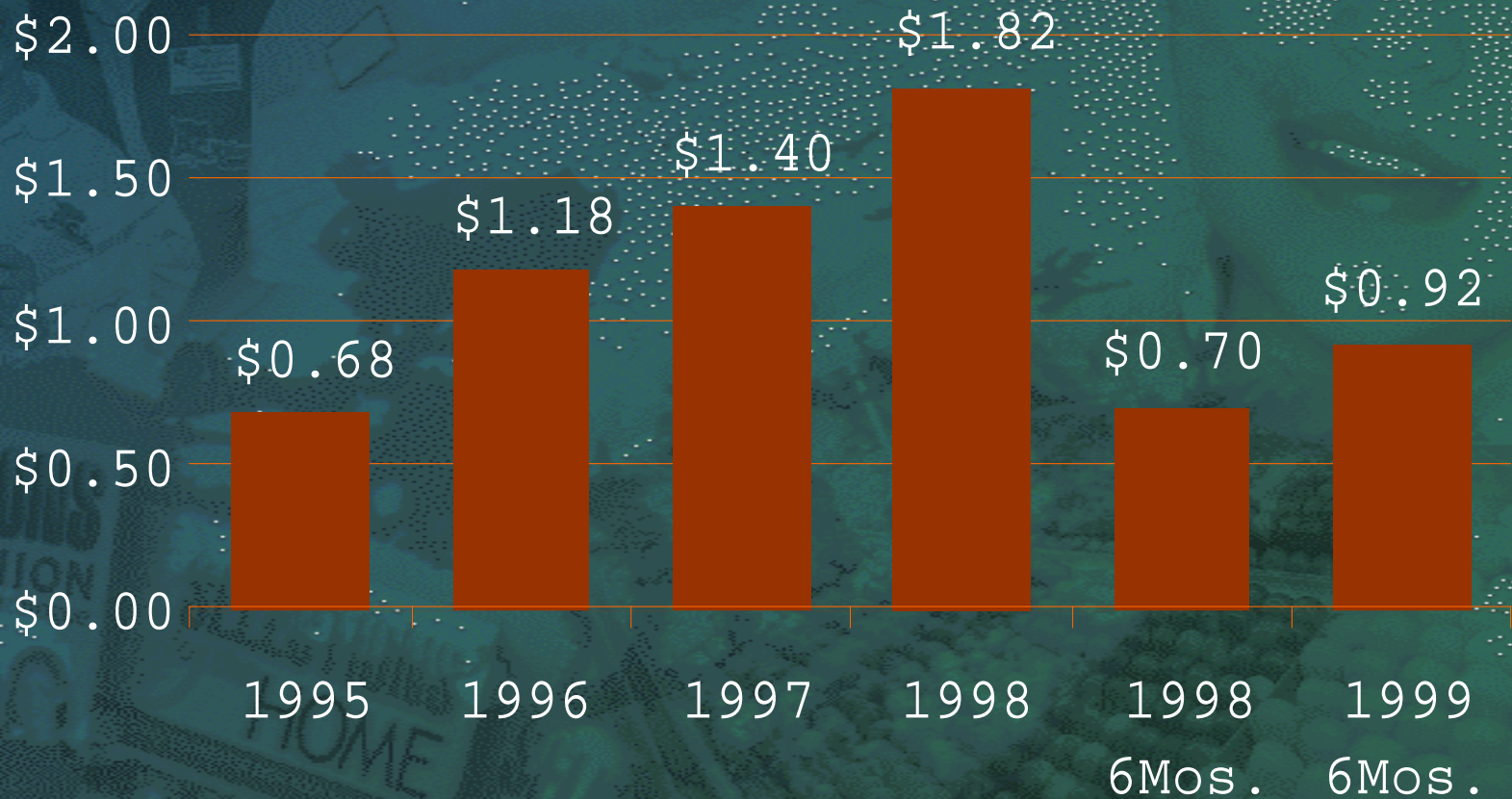
- ▶▶▶▶ Leverage local market knowledge curve
- ▶▶▶▶ Increase “mid-sized” new store growth rate
- ▶▶▶▶ Move on opportunities created by local market consolidations
- ▶▶▶▶ Exit “can’t be fixed” locations

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EARNINGS PER UNIT*

Before Unusual Items

* Earnings per share for 1995 - 1997



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“WHY INVEST IN NORTH WEST?”

1. Who we are ✓
2. Growth ✓
3. *Income*

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NWF STRUCTURE

UNITHOLDERS

100% - 15 M units

NWF

**100% - sub debt \$175 M
100% common 15 M shares**

NWC

EACH UNIT

NWF

**\$11.67 sub debt @ 12.5%
1 common share**

NWC

Income distributable per unit:

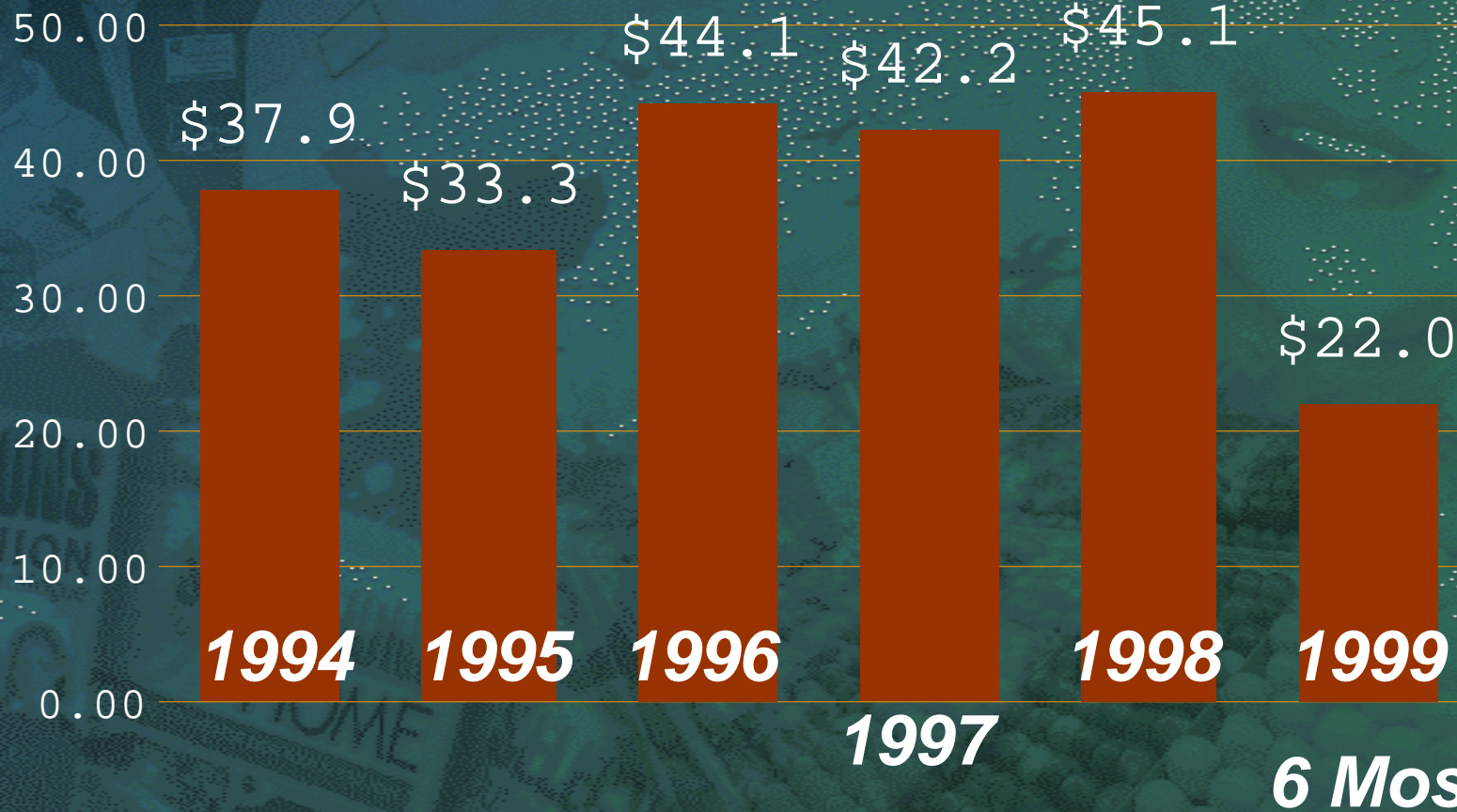
1998 - 1.25

1999 - 1.44

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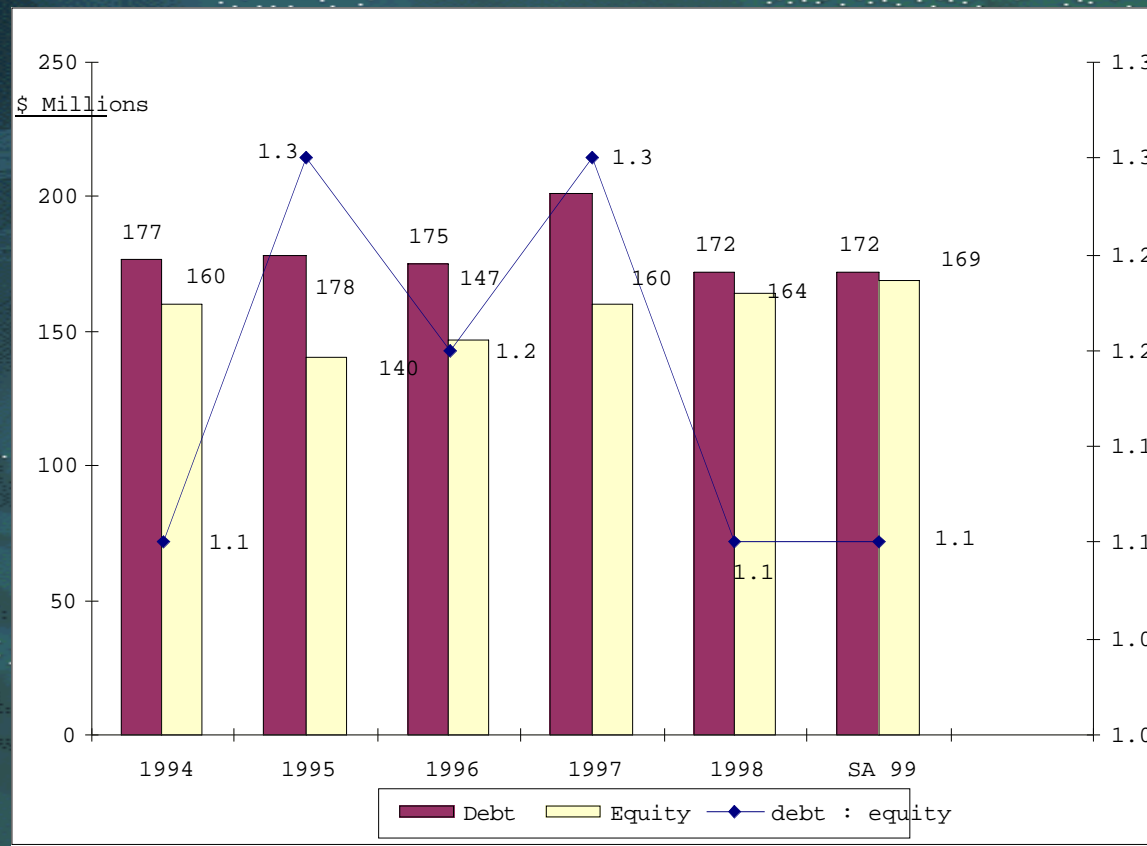
PRE-TAX CASH FLOW

\$ in millions



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DEBT : EQUITY



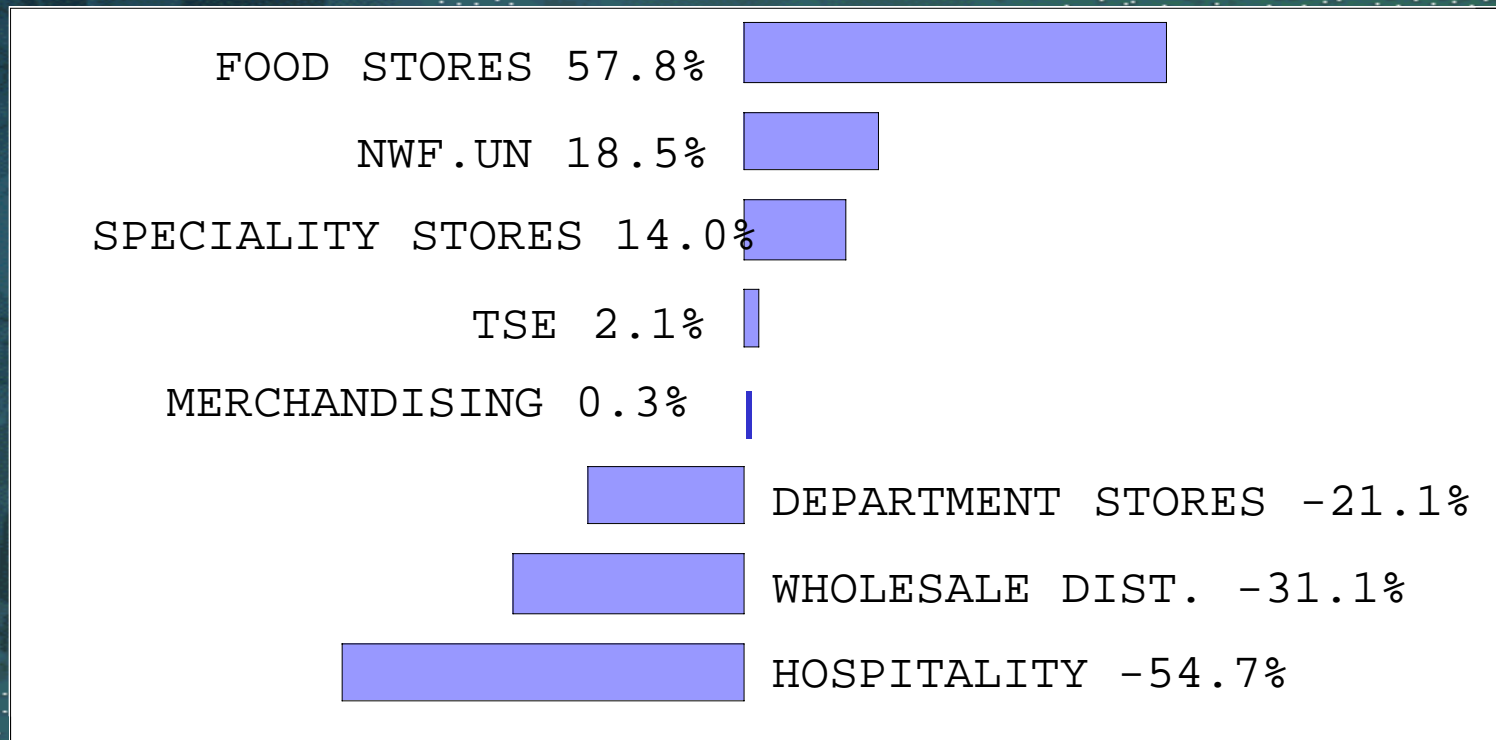
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MERCHANDISING INDICES:



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OTHER COMPARABLES:

	Closed Apr.5 /99	Yield %	P/E
Canadian Tire	41.10	1.0	19.2
Sears Canada	26.00	0.9	18.3
Wal-Mart	95.38	0.4	49.7
Empire	25.30	1.1	5.5
Loblaws	40.50	0.5	38.2
Safeway	51.50	--	32.9
NWF.UN	14.35	8.3	7.9*

* Does not include a \$0.74 charge related to Canadian re-structuring

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QUESTIONS?



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NORTH WEST COMPANY FUND

For additional information on the Fund or the Company, please call 204-934-1501 or toll-free 1-800-563-0002; fax 204-934-1317; e-mail rlaxdal@northwest.ca....or visit our web site www.northwest.ca.