NORTH WEST COMPANY FUND
PRESS RELEASE

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"NORTH WEST COMPANY REPORTS THIRD QUARTER RESULTS"

WINNIPEG - North West Company Fund (the "Fund") today reported 1999 third quarter earnings for the period ended October 30, 1999.

CONSOLIDATED RESULTS

The North West Company Fund reported earnings for the third quarter of $6,383,000 ($0.43 per unit) which were $1,063,000 ($0.07 per unit) less than the third quarter of 1998. Year-to-date net earnings per unit, before unusual item incurred in the first quarter last year, were up 12.5%, from $1.20 to $1.35 per unit and net earnings before unusual item increased 12.1% to $20.2 million, compared to $18.1 million last year.

Third quarter consolidated revenues at $158.8 million were flat compared to 1998 largely due to the closing of 19 underperforming, non-core locations at the end of 1998. These closings were partially offset by the opening of two stores in Canada and two stores in Alaska. Earnings before interest, unusual item, income taxes and amortization ("EBIUTA") for the quarter decreased 10.8% to $13.9 million compared to $15.6 million last year, due to a shortfall in Canadian operations. EBIUTA for the nine months increased 5.0% to $43.8 million compared to $41.7 million last year. Interest expense was reduced 15.9% during the quarter and was down 18.4% for the nine months due to the reduction in assets in the unprofitable closed stores.

"Earnings are down because we're investing to build market share in Canada. The positive signs are starting to come, especially in food sales growth compared to the first half of the year. Over the next few quarters, we will continue to see margin pressure, but we also expect to see stronger sales momentum", said President and CEO, Edward Kennedy.

CANADIAN OPERATIONS

The North West Company's ("NWC") Canadian revenues were $117.3 million, a decrease of 2.4% in the quarter compared to last year. Canadian EBIUTA at $10.9 million for the quarter decreased by 14.8% from last year. As a percent to sales, Canadian EBIUTA was 9.3% compared to 10.7% last year. Rising expense rates coupled with slower than anticipated sales particularly in foods contributed to the rate erosion. Net assets employed for Canadian operations were reduced from last year by 3.0% to $283.8 million primarily due to the closing of 14 underperforming stores in 1998.

Same store sales were down 1.3%, with food up 0.5% and general merchandise down 5.1%. On a regional basis, sales were strong in larger markets, where more aggressive pricing and expanded food assortments have delivered market share gains. The western Arctic and Arctic Quebec continued to be weaker regions due to increased local competition and generally softer local economies. On the merchandising side, sales were very strong in processed meat, due to the successful launch of proprietary product lines and in hardlines categories, led by trend-driven toys and all-terrain-vehicles. With the exception of larger store locations, sales were soft in groceries because of the deflationary impact of sharper pricing. Apparel sales were below plan due to lower inventory investment, weaker than planned catalogue performance and warm weather conditions.

NWC's Canadian operations are in the first full year of "Vision 2000+". This is a major repositioning initiative aimed at establishing a dominant market presence in food and everyday general merchandise. Vision 2000+ includes a complete reprofiling of the in-store merchandise mix, an investment in expanded refrigeration and new fixtures and a shift of big-ticket and speciality products to direct channel selling, initially though catalogue and then electronically. Other key components of this strategy are to streamline costs, introduce sharper pricing, improve merchandise presentation standards and build stronger store level skills.

The results to date have been slower than expected but they are encouraging. During the quarter, 28 stores were reprofiled. For the year, 50 stores will be completed and the remaining 100 will be reprofiled by the fall of 2000. Reprofiled store sales in the targeted growth areas of food and everyday general merchandise basics are running 5% higher than our base stores. This is being achieved despite delays in launching a full range of lower price point merchandise and in developing stronger perishable food programs. All of these areas are being addressed and will produce a much more compelling offer to customers as part of the year 2000 rollout.

Catalogue sales in the quarter were up 8.0% and are up 17.8% for the year. Catalogue sales growth has been very positive in hardlines categories but overall has been limited by the delayed timing of store reprofiling. Other factors impacting Canadian performance in the quarter were stronger than anticipated pressure on margins and a heavy investment in supporting systems, including head office support.

ALASKAN OPERATIONS (stated in U.S. dollars)

Alaska Commercial Company ("**AC**") sales increased 10.0% in the quarter to $27.9 million. On a same store basis, total sales were up a very strong 9.5%. Comparable food sales increased 6.1% in the quarter and general merchandise sales increased 18.2%. In the month of October, the state of Alaska distributed its annual "Permanent

Fund" payment to Alaskan residents. This year's payment was a record $1,774 per person, up from $1,540 in 1998. This higher distribution, combined with a well-executed merchandise plan by AC, contributed to an exceptional sales performance, especially in big-ticket categories like motorized products. **AC**'s wholesale business, Frontier Expeditors, also had a strong quarter, adding several large accounts in the Anchorage market.

AC's earnings before interest, income taxes and amortization (EBITA) increased 9.6% to $2,066,000 compared to $1,886,000 last year for the third quarter. As a percent to sales, **AC**'s EBITA was flat, at 7.4% in the quarter. Reduced store operating expense rates were offset by lower gross profit rates caused by a higher blend of big ticket general merchandise sales in the quarter and increased blend of wholesale food business. Total net assets employed increased from last year by 0.3% to $45.0 million.

OTHER HIGHLIGHTS

- NWC continued to strengthen its senior management level in Canada to ensure that focussed leadership is in place to execute Vision 2000+. In November, David Preddy joined the Company as a second Vice-President accountable for store sales and operations. David brings a background that includes 24 years of experience in retailing, including 10 years in senior operations positions with two major eastern Canadian food chains.

- The North West Company has dedicated resources to programs to prepare for the Year 2000 challenge since 1996. The Year 2000 readiness activities on internal computer systems and information technology issues have been completed. NWC systems and technology resources are now Year 2000 ready. NWC conducted a review on the Year 2000 readiness of its trading partners and any issues that have been identified from this review that warrant attention are covered by contingency plans. In addition, NWC has developed Year 2000 contingency and transition plans to respond to potential Year 2000 disruptions. All major corporations can be affected by the Year 2000 preparedness of other parties and, in that regard, NWC cannot be certain that all aspects of the Year 2000 issue will be resolved by external parties. NWC has assessed the areas of risk and has been planning accordingly, to minimize the impact of adverse problems arising from external sources.

- On November 2, 1999, The North West Company Fund announced that its final quarterly distribution will be $0.54 per unit payable in cash to unitholders of record on November 15,1999 and payable December 15,1999. This final distribution will result in total distributions of $1.44 in 1999. Quarterly cash distributions are expected to continue at $0.30 per unit effective March 15, 2000 and are expected to be maintained at that level for the planned distributions on June 15, 2000 and September 15, 2000. The final distribution for 2000 will be approximately $0.54 per unit payable in cash or units in December 2000 based on financial conditions at the end of next year.

The North West Company is the leading provider of food and everyday products and services to remote communities across northern Canada and Alaska. The Fund trades on the Toronto and Winnipeg Stock Exchanges under the symbol "NWF.UN".

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CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands of Canadian dollars)

	Oct. 30, 1999	Oct. 31, 1998
ASSETS		
Current assets		
Accounts receivable	**$ 40,798**	$ 45,354
Inventories	**126,385**	137,770
Other	**15,262**	15,337
	182,445	198,461
Capital assets	**195,710**	198,586
Deferred income taxes	**3,387**	2,227
Other assets	**13,186**	13,100
	$ 394,728	$ 412,374
LIABILITIES		
Current liabilities	**$ 95,394**	$ 120,123
Long-term debt	**129,088**	135,766
	224,482	255,889
EQUITY	**170,246**	156,485
	$ 394,728	$ 412,374

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS
(unaudited, in thousands of Canadian dollars)

	13 Weeks Ended Oct. 30, 1999	13 Weeks Ended Oct. 31, 1998	**39 Weeks Ended Oct. 30, 1999**	39 Weeks Ended Oct. 31, 1998
SALES AND OTHER REVENUE				
Canadian operations	**$ 117,332**	$ 120,221	**$ 348,217**	$ 361,598

Alaskan operations		**41,444**		38,719		**112,651**		100,398
	$	**158,776**	$	158,940	**$**	**460,868**	$	461,996
Earnings before interest, unusual item, income taxes and amortization								
Canadian operations	**$**	**10,905**	$	12,801	**$**	**37,501**	$	36,699
Alaskan operations		**3,030**		2,829		**6,298**		5,021
Amortization								
Canadian operations		**(4,334)**		(4,159)		**(12,864)**		(12,397)
Alaskan operations		**(705)**		(660)		**(2,103)**		(1,725)
EARNINGS BEFORE INTEREST, UNUSUAL ITEM AND INCOME TAXES		**8,896**		10,811		**28,832**		27,598
Interest		**(3,041)**		(3,619)		**(8,506)**		(10,426)
Unusual item (Note 2)		**-**		-		**-**		(20,000)
(Provision) recovery of income taxes (Note 3)		**528**		253		**(94)**		9,283
EARNINGS FOR THE PERIOD		**6,383**		7,445		**20,232**		6,455
Retained earnings, beginning of period		**16,674**		5,940		**11,825**		14,430
Distributions		**(4,500)**		(3,750)		**(13,500)**		(11,250)
RETAINED EARNINGS, END OF PERIOD	**$**	**18,557**	$	9,635	**$**	**18,557**	$	9,635
EARNINGS PER UNIT	**$**	**0.43**	$	0.50	**$**	**1.35**	$	0.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Principles

These unaudited consolidated financial statements are based on accounting principles consistent with those used and described in the annual financial statements of North West Company Fund.

2. Unusual Item

During the first quarter ended May 2, 1998 the Company recorded unusual charges totaling $20,000,000 as a result of a major repositioning of its Canadian operations designed to sharpen the Company's focus on its core markets and improve performance. Of this amount $9,000,000 represented writedowns of discontinued inventory, $7,000,000 was provided for head office and store staff reduction costs and $4,000,000 was provided for other related costs.

3. Income Taxes

Certain interest amounts deducted by The North West Company Inc. are included as taxable income to unitholders of North West Company Fund upon distribution. The Alaska Commercial Company has operating loss carryforwards available to offset taxable income.

4. Net Identifiable Assets (in thousands of Canadian dollars)

		Oct. 30, 1999		**Oct. 31, 1998**
Canadian operations	**$**	**283,757**	$	292,649
Alaskan operations		**66,303**		69,569

5. Comparative Amounts

The comparative amounts have been reclassified to conform with the current year's presentation.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands of Canadian dollars)

	13 Weeks Ended Oct. 30, 1999	13 Weeks Ended Oct. 31, 1998	**39 Weeks Ended Oct. 30, 1999**	39 Weeks Ended Oct. 31, 1998
CASH PROVIDED BY (USED IN)				
Operating Activities				
Earnings for the period	**$ 6,383**	$ 7,445	**$ 20,232**	$ 6,455
Non-cash items				
Amortization	**5,039**	4,819	**14,967**	14,122
Deferred income taxes	**(283)**	(10,918)	**(468)**	(11,329)
Amortization of bond warrant proceeds and interest rate fixing payment	**(311)**	(509)	**(1,312)**	(1,526)
Gain on disposal of capital assets	**(295)**	(106)	**(311)**	(149)
Unusual item	**-**	-	**-**	20,000
Cash flow	**10,533**	731	**33,108**	27,573
Changes in non-cash working capital components	**(7,319)**	(3,270)	**(13,457)**	(8,475)
Operating activities	**3,214**	(2,539)	**19,651**	19,098
Investing Activities				
Purchase of capital assets	**(6,967)**	(5,039)	**(16,439)**	(13,254)
Proceeds from sale of capital assets	**511**	126	**1,939**	730
Other assets	**(1,497)**	1,346	**(1,788)**	3,017
Investing activities	**(7,953)**	(3,567)	**(16,288)**	(9,507)
Financing Activities				
Repayment of long-term debt	**(83)**	(352)	**(287)**	(542)
Financing activities	**(83)**	(352)	**(287)**	(542)
Distributions	**(4,500)**	(3,750)	**(13,500)**	(11,250)
CHANGES IN CASH POSITION	**(9,322)**	(10,208)	**(10,424)**	(2,201)
Effect of currency translation adjustment	**985**	(618)	**1,482**	(1,979)
Cash position, beginning of period	**(29,898)**	(49,315)	**(29,293)**	(55,961)
CASH POSITION, END OF PERIOD	**$ (38,235)**	$ (60,141)	**$ (38,235)**	$ (60,141)
CASH POSITION IS COMPRISED OF				
Cash	**$ 12,036**	$ 9,459	**$ 12,036**	$ 9,459
Bank advances and short-term notes	**(50,271)**	(69,600)	**(50,271)**	(69,600)
	$ (38,235)	$ (60,141)	**$ (38,235)**	$ (60,141)