NORTH WEST COMPANY FUND

PRESS RELEASE

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"NORTH WEST COMPANY FUND REPORTS STRONG FOURTH QUARTER RESULTS, ANNOUNCES NEW GROWTH VENTURE"

WINNIPEG - North West Company Fund (the "Fund") today reported 2000 fourth quarter earnings for the period ended January 27, 2001.

CONSOLIDATED RESULTS

The North West Company Fund reported fourth quarter earnings of $10.0 million ($0.68 per unit) up 29.9% from $7.7 million ($0.51 per unit) in 1999. This strong performance improved earnings for the year to $28.1 million ($1.89 per unit), ahead of last year's results of $28.0 million ($1.86 per unit).

Revenue growth continued to accelerate with sales up 6.6% in the quarter to $176.5 million, following increases of 3.0%, 5.1% and 5.9% over the previous three quarters. For the year, consolidated revenues were up 5.2%, achieving a record level of $659.0 million. Fourth quarter trading profit, or earnings before interest, income taxes and amortization, was up 17.7% to $19.0 million and up 6.6% for the year to $63.9 million. Operating cash flow increased 33.3% from $0.75 per unit to $1.00 per unit and for the year was up by 7.4% to $3.21 per unit.

"We're pleased with our year-end results, especially after a slow start last Spring. We finished the year with terrific sales momentum and we've carried this into 2001," said Edward Kennedy, President and CEO of The North West Company. "We don't see a slowdown related to uncertain economic conditions in the other regions of North America. Oil and gas and government spending increases will be positive factors in our markets in 2001."

CHANGE IN EFFECTIVE TAX RATE

The provision for income taxes was $332,000 in the quarter compared to $57,000 last year. The Canadian tax provision was charged with the write down of the future tax assets to recognize federal corporate income tax rate reductions. This was offset by recognizing the value of future tax assets in Alaska that had not been recognized in the past. The net tax benefit of these adjustments in the fourth quarter was $926,000 or $0.06 per unit. By recording the previously unrecognized US tax loss carryforwards and timing differences, Alaska Commercial Company's earnings before tax will require a tax provision on all future earnings. This will increase the effective tax rate and reduce the net earnings attributable to Alaska Commercial Company by an estimated $2.0 million Cdn or $0.14 per unit in 2001. The additional tax provision will reduce the future tax assets and will not have a significant cash flow impact in 2001.

CANADIAN OPERATIONS

Canadian sales in the quarter were up 6.0% (up 4.8% on a same store basis) and Canadian trading profit increased 14.3% to $15.5 million.

Food sales accounted for 59.7% of Canadian sales in the quarter and were up 6.7% (5.8% on a same store basis). These results were slightly above expectations and reflect the Company's focus on profitably growing market share by shifting more selling space to food and focusing on "everyday basic" general merchandise categories. General merchandise sales were up 3.2% (up 3.2% on a same store basis). This performance was also slightly better than plan although lower than our third quarter performance. Colder weather and extra selling days before Christmas helped December sales. Snowmobiles and electronics had the largest category sales increase, followed by men's wear. Gasoline and bulk fuel sales increased 20.3% (20.4% on a same store basis) due to rising oil prices and reduced competition.

On a regional basis, the strongest food sales gains came from our largest stores across Canada. In these locations we have been able to build market share faster through selling programs like our "Northern Best Value" product mix of lower price food items. In our remote markets, we benefited from having a colder winter. This was reflected in the sale of outdoor motorized products and apparel.

Gross profit rates improved in general merchandise led by more favourable pricing in our catalogue compared to last Spring. Food gross profit rates were down slightly due to lower margins in non-perishable categories such as canned foods and paper products. Expenses were under pressure in the quarter particularly for heat and electricity, which rose 21% in the quarter.

Two non-recurring gains occurred in the quarter. A gain of $765,000 was realized on the sale of shares in a transportation company. This gain offset poor results from our investment in shipping operations and left overall transportation earnings slightly lower than last year. A foreign exchange gain of $454,000 resulted from the reduction of the net investment in Alaska Commercial Company by the repayment out of surplus cash on a note held by The North West Company Inc.

ALASKAN OPERATIONS (stated in U.S. dollars)

Alaska Commercial Company ("**AC**") sales were $25.1 million for the quarter, up 4.0%. For the year, **AC's** sales were up 4.9% to $104.9 million. Trading profit for the quarter was $2,318,000 compared to $1,729,000 last year, an increase of 34.0%. For the year, **AC** generated a trading profit of $6.3 million. This was a 4.6% gain over last year and the fifth consecutive year of increased profits.

AC's stores sales were up 4.7% (up 4.6% on a same store basis). Food sales increased 5.0% and general merchandise sales were up 3.4% led by a 10.1% increase in apparel categories. There was an improvement in commercial fishing activity but continued low prices are having a negative impact on incomes. Disaster relief payments have been received to ease the situation in the hardest hit communities. Sales at **AC**'s wholesale business, Frontier Expeditors ("FE"), were up 1.3% in the quarter. Sales have slumped at FE due to the closing of a chain of stores in the Anchorage market that were wholesale customers and because of the introduction of a local distribution tax that has prevented FE from directly selling some of it's volume product lines. This has been offset by new account growth in rural Alaska.

AC's gross profit rates improved in the quarter. Store margin rates benefited from increased apparel sales but in total were slightly down due to increased transportation rates. Expense rates were improved due to lower staff costs and increased financial service fees.

AGREEMENT WITH GIANT TIGER STORES LIMITED

The Company has entered into an agreement with Giant Tiger Stores Limited ("Giant Tiger"), Canada's leading discount franchise store retailer. Under the terms of this agreement, NWC will sign a Master Franchise Agreement giving it the exclusive right to open and operate Giant Tiger franchise stores in Western Canada. The two companies have also agreed to aggressively pursue opportunities to reduce procurement costs by combining their buying volumes in several product categories. Giant Tiger is based in Ottawa, and there are presently 98 stores operating in Ontario and Quebec, generating annual sales of approximately $580 million. NWC plans to open two Giant Tiger stores in Manitoba this year before further assessing the growth opportunity represented by this venture.

"We're committed to growing from strength", said North West Company President and CEO Edward Kennedy. "We see opportunity to leverage our resources and our presence in the West and we consider Giant Tiger to be by far the strongest discount franchise store retailer in Canada," Mr. Kennedy added. "Just as important, Giant Tiger and ourselves expect to solidify our existing market positions by working together to keep lowering costs."

Jeff York, President of Giant Tiger Stores Limited, added, "Rather than purchasing a potential western based retailer, Giant Tiger and North West can open stores in under-served markets of western Canada using a highly successful method of specific and detailed site selection one store at a time."

OTHER HIGHLIGHTS

- The Company's Canadian store reprofiling initiative continued on plan through the quarter. This initiative invests more space and fixtures towards selling food while optimizing our in-store presentation of general merchandise. Four more stores were reprofiled in January 2001 for a total of 53 stores in fiscal 2000 and 101 stores since February 1999. A final group of 35 stores will be completed in the first half of 2001.

- The Company continues to actively pursue other alliance opportunities with select retailers and distributors in Canada. In January, the Company completed an agreement with TruServ Canada Cooperative Inc., a hardware distributor based in Winnipeg. Under the terms of this agreement, the Company will outsource its hardware products procurement and distribution activities to TruServ. This initiative is expected to help create lower operating costs, an improved product mix and higher margins beginning in the second half of the year.

- The Fund has purchased 309,000 units at an average cost of $10.66 to January 27, 2001 under its normal course issuer bid plan. No purchases have been made in fiscal 2001.

- Quarterly cash distributions were adjusted to $0.36 per unit effective March 15, 2001 and are expected to be maintained at that level for the planned distributions on June 15, 2001, September 15, 2001 and December 15, 2001.

- During the fiscal year ending January 27, 2001, North West Company Fund generated a 23% total return for unitholders outperforming the TSE which had an 11% return and the TSE Merchandising sub-index which had a 20% return. Over a five-year period North West Company Fund has generated a total return of 137% compared to a TSE return of 51% and a merchandising index return of 103%.

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The North West Company Inc. (NWC) is North America's leading provider of products and services to northern communities across Canada and Alaska. NWC is a multi-channel retailer operating 155 food, family apparel and general merchandise stores under the **Northern** and *NorthMart* banners plus *Selections* catalogue in Canada, and 23 *AC Value Centers* in Alaska.

NWC trades on the Toronto Stock Exchange under the symbol "NWF.UN".

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

	January 27 2001	January 29 2000
ASSETS		
Current assets		
Cash	**$ 8,588**	$ 10,155
Accounts receivable	**56,856**	49,272
Income taxes recoverable	**62**	203
Future income taxes	**2,695**	1,253
Inventories	**122,980**	114,414
Prepaid expenses	**1,069**	867
	192,250	176,164
Capital assets	**194,448**	195,429
Future income taxes	**19,212**	3,593
Other assets	**10,055**	12,351
	$ 415,965	$ 387,537
LIABILITIES		
Current liabilities		
Bank advances and short-term notes	**$ 49,979**	$ 44,676
Accounts payable and accrued	**49,200**	46,157
Current portion of long-term debt	**1,707**	1,653
	100,886	92,486
Long-term debt	**124,106**	125,146
	224,992	217,632
EQUITY		
Capital	**145,526**	148,587
Retained earnings	**41,502**	18,182
Cumulative currency translation adjustments	**3,945**	3,136
	190,973	169,905
	$ 415,965	$ 387,537

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

	13 Weeks Ended January 27 2001	13 Weeks Ended January 29 2000	**52 Weeks Ended January 27 2001**	52 Weeks Ended January 29 2000
SALES AND OTHER REVENUE				
Canadian operations	**$ 138,163**	$ 130,291	**$ 502,756**	$ 478,508
Alaskan operations	**38,298**	35,310	**156,276**	147,961
	$ 176,461	$ 165,601	**$ 659,032**	$ 626,469
Earnings before interest, income taxes, and amortization				
Canadian operations	**$ 15,514**	$ 13,574	**$ 54,534**	$ 51,075
Alaskan operations	**3,495**	2,583	**9,352**	8,881

Amortization				
Canadian operations	**(4,765)**	(4,423)	**(18,568)**	(17,287)
Alaskan operations	**(782)**	(757)	**(2,987)**	(2,860)
EARNINGS BEFORE INTEREST & INCOME TAXES	**13,462**	10,977	**42,331**	39,809
Interest	**(3,093)**	(3,195)	**(13,236)**	(11,701)
Provision for income taxes (Note 3)	**(332)**	(57)	**(961)**	(151)
EARNINGS FOR THE PERIOD	**10,037**	7,725	**28,134**	27,957
Retained earnings, beginning of period				
as previously reported	**39,461**	18,557	**18,182**	11,825
Accounting changes (Notes 2 & 4)	**-**	-	**16,864**	-
as restated	**39,461**	18,557	**35,046**	11,825
Distributions	**(7,961)**	(8,100)	**(21,446)**	(21,600)
Premium on units purchased for cancellation (Note 5)	**(35)**	-	**(232)**	-
RETAINED EARNINGS, END OF PERIOD	**$ 41,502**	$ 18,182	**$ 41,502**	$ 18,182
EARNINGS PER UNIT	**$ 0.68**	$ 0.51	**$ 1.89**	$ 1.86
Weighted Average Number of Units Outstanding (000's)	**14,719**	15,000	**14,875**	15,000

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. Accounting Change - Income Taxes

Effective January 31, 2000, the Company changed its accounting policy and adopted the new CICA recommendations on accounting for income taxes. The new standard requires the implementation of the asset and liability method of accounting for income taxes. The financial statements for the period ended January 27, 2001 have been prepared on the new basis and the comparative figures for the period ended January 29, 2000 have not been restated. The retained earnings as at January 31, 2000 have increased $16,864,000 with a corresponding increase to future income taxes.

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 income tax benefit of loss carryforwards available to the Company and Alaska Commercial Company have been recorded in these financial statements as a future income tax asset.

4. Accounting Change - Employee Future Benefits

Effective January 31, 2000, the Company changed its accounting policy and adopted the new CICA recommendations on accounting for employee future benefits. Previously the Company had been accounting for its defined benefit plans using a long-term discount rate to measure its accrued benefit obligation. Effective January 31, 2000 the Company began using a market discount rate to measure its accrued benefit obligation. The unamortized transitional asset at January 31, 2000 is being amortized over the expected average remaining service lives of the employees. The requirements of the standard were adopted on a prospective basis. The prospective adoption did not have a significant effect on net earnings in 2000.

5. Normal Course Issuer Bid

The Fund commenced a new normal course issuer bid program on The Toronto Stock Exchange on March 27, 2000. Purchases will be limited to a maximum of 750,000 units, with no more than 2% of the outstanding units repurchased in any 30-day period. The price the Fund will pay for any such units, will be the market price at the time of acquisition. The program will terminate on March 23, 2001 or on such earlier date as maximum purchases are completed. The Fund purchased 64,000 units during the fourth quarter, for a cumulative total of 309,000 units purchased year to date.

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

	January 27 2001	January 29 2000
Canadian operations	**$ 290,396**	$ 274,446
Alaskan operations	**76,369**	66,934

7. 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 January 27 2001	13 Weeks Ended January 29 2000	**52 Weeks Ended January 27 2001**	52 Weeks Ended January 29 2000
CASH PROVIDED BY (USED IN)				
Operating Activities				
Earnings for the period	**$ 10,037**	$ 7,725	**$ 28,134**	$ 27,957
Non-cash items				
Amortization	**5,547**	5,180	**21,555**	20,147
Future income taxes	**(33)**	(1,669)	**(33)**	(1,669)
Amortization of bond warrant proceeds and interest rate fixing payment	**(311)**	(312)	**(1,245)**	(1,624)
Prepaid pension costs	**808**	244	**808**	244
Gain on sale of investment in transportation company	**(765)**	-	**(765)**	-
Gain on foreign exchange from reduction of AC investment	**(454)**	-	**(454)**	-
Loss (Gain) on disposal of capital assets	**(28)**	110	**(218)**	(201)

Cash flow from operations	**14,801**	11,278	**47,782**	44,854
Changes in other non-cash items	**15,079**	6,884	**(12,057)**	(7,347)
Operating activities	**29,880**	18,162	**35,725**	37,507
Investing Activities				
Purchase of capital assets	**(6,147)**	(6,338)	**(19,133)**	(22,777)
Proceeds from sale of investment in transportation company	**2,049**	-	**2,049**	-
Proceeds from sale of capital assets	**74**	165	**819**	2,104
Investing activities	**(4,024)**	(6,173)	**(16,265)**	(20,673)
Financing Activities				
Change in bank advances and short-term notes	**(20,490)**	(7,182)	**5,303**	3,747
Purchase of units for cancellation	**(669)**	-	**(3,293)**	-
Repayment of long-term debt	**(1,343)**	(175)	**(1,591)**	(462)
Financing activities	**(22,502)**	(7,357)	**419**	3,285
Distributions	**(7,961)**	(8,100)	**(21,446)**	(21,600)
CHANGE IN CASH	**(4,607)**	(3,468)	**(1,567)**	(1,481)
Cash, beginning of period	**13,195**	13,623	**10,155**	11,636
CASH, END OF PERIOD	**$ 8,588**	$ 10,155	**$ 8,588**	$ 10,155
Supplemental Disclosure of Cash Flow Information				
Cash paid during the period for				
Interest expense	**$ 1,063**	$ 1,294	**$ 14,862**	$ 14,047
Income taxes	**159**	188	**1,062**	1,893
Cash Flow From Operations Per Unit	**$ 1.00**	$ 0.75	**$ 3.21**	$ 2.99