NORTH WEST COMPANY FUND
PRESS RELEASE

FOR IMMEDIATE RELEASE

"NORTH WEST COMPANY FUND REPORTS FOURTH QUARTER RESULTS"

Winnipeg, March 12, 2003: North West Company Fund (the "Fund") today reported 2002 fourth quarter earnings for the period ended January 25, 2003.

CONSOLIDATED RESULTS

The North West Company Fund reported a fourth quarter consolidated sales increase of 5.3% (up 4.7% on a same store basis) to $205.1 million compared to $194.8 million in 2001. Fourth quarter net earnings increased 5.8% to $10.2 million, compared to $9.6 million in 2001. Fully diluted earnings per unit were unchanged from last year at $0.63 per unit.

Trading profits[1] or net earnings before interest, income taxes, depreciation and amortization (EBITDA) decreased 1.1% to $20.4 million compared to $20.6 million in the fourth quarter last year. Interest expenses were down 11.7% to $1.8 million versus $2.0 million last year due to lower borrowing rates and reduced average debt levels. Income taxes were reduced 17.4% in the quarter versus last year due to lower pre-tax earnings from Canadian operations.

Year-to-date sales increased 6.5% (3.4% on a same store basis) over last year to $749.8 million compared to $704.0 million in 2001. Trading profits increased 2.5% to $72.3 million from $70.5 million in 2001. Consolidated net earnings were up 18.8% to $34.5 million or $2.14 per unit on a fully diluted basis compared to $29.0 million or $1.95 per unit last year.

"We're pleased with achieving another quarter of strong sales growth in Canada and margin improvement in Alaska," said Edward Kennedy, President & CEO. "Our bottom line was up but at a slower rate due to higher clearance activity and price discounting in our northern Canadian business. The plus side is that, as we continue to reduce surplus

[1] Trading Profit or EBITDA is not a recognized measure under Canadian generally accepted accounting principles (GAAP). Management believes that in addition to net earnings (loss), trading profit is a useful supplemental measure as it provides investors with an indication of cash available for distribution prior to debt service, capital expenditures and income taxes. Investors should be cautioned, however, that trading profit should not be construed as an alternative to net earnings (loss) determined in accordance with GAAP as an indicator of NWF's performance. NWF's method of calculating trading profit may differ from other companies and, accordingly, trading profit may not be comparable to measures used by other companies.

general merchandise inventory, we are better able to offer shoppers a fresher, more balanced merchandise mix. Looking ahead to our 2003 performance we believe this will help deliver higher profitability."

CANADIAN OPERATIONS

Canadian sales for the quarter were very strong, increasing 7.3% (5.7% on a same store basis) to $158.7 million compared to $147.9 million in 2001. Trading profits, however, decreased 8.3% to $16.2 million from $17.6 million last year mainly due to gross profit erosion from aggressive pricing and higher markdowns to support promotional and clearance activities.

Food sales increased 8.5% (6.2% on a same store basis). Core store *(*Northern and North Mart banners*)* food sales momentum progressed through the year generating quarterly sales increases of 3.2%, 3.8%, 5.4%, and 5.9%. Sales increases were achieved across all major categories led by deli and tobacco, which had increases of 33.2% and 19.9% respectively. Other strong performers included confectionary, frozen and chilled foods, beverages, meats and produce. The weakest department was food services, which was impacted by closures of unprofitable units and labour shortages. Food services will be improved by expanded proprietary hot food offerings that were tested in 2002.

General merchandise sales increased 6.0% (4.9% on a same store basis) in the fourth quarter. General merchandise sales in core stores accelerated throughout the year after a decrease of 1.6% in the first quarter with increases of 2.8%, 4.8% and 5.1% in the second, third and fourth quarters respectively. Sales in the quarter were strongest in children's apparel, electronics and transportation. Hardlines sales were up 7.0%, while softlines sales were flat with last year. Selections catalogue sales were up 4.0% compared to 2001.

Canadian gross profit in the quarter decreased by 3.2% from last year. The largest decrease was in general merchandise due to the higher blend of hardlines that carry lower initial mark up; additional markdowns taken for promotions and for clearance of seasonal goods; and higher freight costs related to increased shipment of lower price point merchandise. More aggressive pricing in the larger competitive markets reduced food margins. Expenses for the quarter were well controlled with an increase of only 0.1% over the prior year.

The Company's three *Giant Tiger* stores exceeded planned sales and contribution margin levels in the quarter.

ALASKAN OPERATIONS (stated in U.S. dollars)

Alaska Commercial Company (AC) sales for the quarter increased by 0.4% (-1.0% on a same stores basis) to $29.8 million compared to $29.6 million last year.

AC's retail stores' food sales were up 1.9% (1.0% on a same stores basis) and general merchandise sales were down 5.0% (-5.3% on a same stores basis). Sales were negatively affected by the 17% reduction in the Alaska Permanent Fund dividend from $1,850 to $1,541 per recipient last fall. This decrease coupled with reduced income from the fishing industry has had a negative impact on consumers' confidence and income in many communities. General merchandise sales were also down due to the unusually warm temperatures in Alaska during the fall and into winter that affected demand for snowmobiles and other winter related items.

Frontier Expeditors, AC's wholesale business, increased sales by 5.3% in the quarter.

Gross margin rates were down 0.2% in the quarter and up 0.1% for the year. Expenses were well controlled and well below last year, which included additional charges for a large account write-off and a tobacco tax adjustment in Frontier Expeditors. Fourth quarter expenses include the additional costs of the new store in Mountain Village and higher incentive accruals.

AC's trading profit for the quarter increased 44.0% to $2.7 million compared to $1.9 million last year.

BALANCE SHEET AND CASH FLOW

Assets employed at the end of the fourth quarter were $418.2 million compared to $433.2 million last year. Accounts receivable balances were 1.8% lower than last year as the transition to revolving customer accounts has been completed and balances have stabilized. Inventory levels were reduced by 5.2% or $6.9 million as a result of improvements to inventory management practices that have enabled the Company to reduce inventory at the stores as well as in the supply chain. Future income taxes have been reduced 18.5% to $14.3 million compared to $17.5 million in 2001. The majority of the decrease is in current future tax assets resulting from the reduction in non-capital losses carryforwards used in 2002. Property and equipment balances decreased 3.0% or $5.8 million due to reduced capital spending and lower US to CDN dollar exchange rates used to convert US based asset to Canadian dollars.

The bank advances increased 8.0% or $2.1 million from January 2002 to finance the difference between the proceeds from the new notes of $99.6 million and the retired bonds of $112.0 million that were repaid on August 28, 2002, offset by cash generated from operations. Accounts payable and accrued expenses increased $1.2 million and include the additional $6.3 million distribution payable at the end of the year. Accounts payable were similar to last year. Accrued interest payments were down by $5.4 million due to timing differences on interest payments on long term debt.

The Company completed the issue of new long-term senior notes in August and repaid the $112.0 million in bonds at that time as covered in note 2. A swap was completed on January 24, 2003 to convert a US$2.0 million fixed obligation by a cross currency swap to a Canadian dollar-floating obligation to reduce the hedge of the Company's investment in AC to US$43.0 million.

UNITHOLDER DISTRIBUTIONS

The Trustees declared a quarterly cash distribution of $0.39 per unit to unitholders of record on January 7, 2003, distributable on March 15, 2003. Distributions are expected to be $0.39 per quarter in 2003, subject to a quarterly review and approval by the Trustees of North West Company Fund and the Board of The North West Company Inc.

OTHER HIGHLIGHTS

- In December 2002, AC expanded to a new location, Mountain Village, taking over a village corporation-run store.
- On December 14, 2002, the AC store in St. Michael, Alaska was destroyed by fire. A temporary store was operational on January 10, 2003 and a new replacement store will be opened in September 2003.
- In February 2003, plans were announced to open a third new *Giant Tiger* store in Winnipeg and a first store in Regina by mid-summer.

The North West Company Inc. (NWC) is the leading retailer of food and everyday products and services to northern communities across Canada and Alaska. NWC operates 179 stores under a number of trading names, including *Northern, NorthMart*, *Giant Tiger* and *AC Value Center*, and provides catalogue shopping services through its *Selections* catalogue in Canada.

The units of the Fund trade on the TSX Toronto Stock Exchange under the symbol "NWF.UN".

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CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	January 25 2003	January 26 2002
ASSETS		
Current assets		
Cash	**$ 10,451**	$ 9,976
Accounts receivable	**64,762**	65,917
Inventories	**127,449**	134,392
Future income taxes	**4,964**	8,171
Prepaid expenses	**2,274**	1,500
	209,900	219,956
Property and equipment	**188,194**	194,025
Future income taxes	**9,322**	9,358
Other assets	**10,775**	9,836
	$ 418,191	$ 433,175
LIABILITIES		
Current liabilities		
Bank advances and short-term notes	**$ 28,157**	$ 26,071
Accounts payable and accrued	**60,495**	58,957
Income taxes payable	**1,500**	3,079
Bonds due within one year	**-**	112,000
Current portion of long-term debt	**1,843**	3,910
	91,995	204,017
Long-term debt (Note 2)	**106,812**	9,634
	198,807	213,651
EQUITY		
Capital	**165,205**	165,205
Unit purchase loan plan (Note 4)	**(3,365)**	-
Retained earnings	**52,165**	49,142
Cumulative currency translation adjustments	**5,379**	5,177
	219,384	219,524
	$ 418,191	$ 433,175

See accompanying notes to consolidated financial statements.

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

	13 Weeks Ended Jan. 25 2003	13 Weeks Ended Jan. 26 2002	52 Weeks Ended Jan. 25 2003	52 Weeks Ended Jan. 26 2002
SALES				
Canadian operations	$ 158,723	$ 147,878	$ 565,747	$ 532,349
Alaskan operations	46,379	46,939	184,012	171,694
	$ 205,102	$ 194,817	$ 749,759	$ 704,043
Cost of sales, selling and administrative expenses				
Canadian operations	$ (142,540)	$ (130,231)	$ (506,584)	$ (472,012)
Alaskan operations	(42,197)	(43,997)	(170,904)	(161,496)
Net earnings before amortization, interest and income taxes				
Canadian operations	16,183	17,647	59,163	60,337
Alaskan operations	4,182	2,942	13,108	10,198
Amortization				
Canadian operations	(4,752)	(4,785)	(18,976)	(19,301)
Alaskan operations	(955)	(888)	(3,696)	(3,393)
	14,658	14,916	49,599	47,841
Interest	(1,755)	(1,987)	(6,681)	(10,501)
	12,903	12,929	42,918	37,340
Provision for income taxes (Note 3)	(2,748)	(3,328)	(8,449)	(8,325)
NET EARNINGS FOR THE PERIOD	10,155	9,601	34,469	29,015
Retained earnings, beginning of period	55,314	45,050	49,142	41,502
Distributions	(13,304)	(5,509)	(31,446)	(21,375)
RETAINED EARNINGS, END OF PERIOD	$ 52,165	$ 49,142	$ 52,165	$ 49,142
NET EARNINGS PER UNIT				
Basic	$ 0.63	$ 0.63	$ 2.15	$ 1.95
Diluted	$ 0.63	$ 0.63	$ 2.14	$ 1.95
Weighted Average Number of Units Outstanding (000's)	15,948	15,511	16,007	14,896

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Presentations and Disclosures

These interim financial statements follow the same accounting policies and their methods of application as the 2002 annual financial statements. Not all disclosures required by generally accepted accounting principles for annual financial statements are presented, and accordingly, the interim financial statements should be read in conjunction with the 2002 Annual Report.

2. Long-Term Debt

On August 27, 2002 the Company's $112,000,000 bond issue was refinanced by a private placement of senior notes in the amount of US$65,000,000 (C$100,841,000) and the utilization of operating lines of credit. The senior notes carry an interest rate of 5.89% payable semi-annually on June 15 and December 15 beginning December 2002. The senior notes mature on June 15, 2009 with no prepayments of principal prior to June 15, 2007. On June 15 of each of the years 2007 and 2008, the Company shall be required to make a mandatory prepayment of principal equal to 20% of the original principal amount of the senior notes with the balance due at maturity. The weighted average life will be approximately 6.2 years.
The Company may at any time, upon at least 30 days notice, prepay all or part of the senior notes at par plus accrued interest plus a make-whole premium. The Company has entered into a U.S. interest rate swap in the amount of US$14,000,000 at 3 month London Interbank Offered Rate (LIBOR) plus 1.87% and a cross currency interest rate swap in the amount of US$22,000,000 at 3 months Bankers' Acceptance rate plus 2.99% - 3.16%.

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 to the Company have been recorded in these financial statements as a future income tax asset.

4. Unit Purchase Loan Plan

During the year the Company issued loans to officers to purchase units under the unit purchase loan plan. These loans are non-interest bearing and repayable from the after tax distributions or if the officer sells the units or leaves the Company. The loans are secured by a pledge of 178,457 units of the Company with a quoted value at January 25, 2003 of $3,710,121. Loans receivable at January 25, 2003 of $3,365,239 are recorded as a reduction of equity. Additional loans may be made on an annual basis over the next four years. The maximum value of the loans under the plan will not exceed $7,500,000.

5. Net Identifiable Assets (in thousands)	**Jan. 25 2003**	Jan. 26 2002
Canadian operations	$ 280,341	$ 287,593
Alaskan operations	75,855	83,546

6. Commitments and Contingencies

On July 10, 2002 the Company signed a 30-year master franchise agreement with Giant Tiger Stores Limited, based in Ottawa, Ontario. The agreement grants the Company the exclusive right to open Giant Tiger stores in western Canada. Under the agreement, Giant Tiger will provide product sourcing, merchandising, systems and administration support to the Company's Giant Tiger stores in return for a royalty based on sales. The Company will be responsible for opening, owning and operating the stores. The Company's exclusivity right requires that a minimum number of Giant Tiger stores be opened each year, based on an expected rollout of 72 stores over the term of the agreement. To date the Company has opened three Giant Tiger stores, with one located in Thompson and the other two in Winnipeg, Manitoba.

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)

	13 Weeks Ended Jan. 25 2003	13 Weeks Ended Jan. 26 2002	**52 Weeks Ended Jan. 25 2003**	52 Weeks Ended Jan. 26 2002
CASH PROVIDED BY (USED IN)				
Operating Activities				
Net earnings for the period	**$ 10,155**	$ 9,601	**$ 34,469**	$ 29,015
Non-cash items				
Amortization	**5,707**	5,673	**22,672**	22,694
Future income taxes	**1,832**	138	**3,097**	4,592
Amortization of deferred financing costs	**48**	(311)	**(645)**	(1,246)
Pension expense	**353**	931	**353**	931
Gain on foreign exchange from reduction of AC investment	**(92)**	-	**(92)**	-
Loss (Gain) on disposal of property and equipment	**124**	(58)	**(670)**	(213)
Cash flow from operations	**18,127**	15,974	**59,184**	55,773
Change in other non-cash items	**9,163**	14,383	**176**	(7,018)
Operating activities	**27,290**	30,357	**59,360**	48,755
Investing Activities				
Purchase of property and equipment	**(7,506)**	(6,112)	**(20,128)**	(20,427)
Proceeds from disposal of property and equipment	**117**	69	**1,944**	512
Investing activities	**(7,389)**	(6,043)	**(18,184)**	(19,915)
Financing Activities				
Change in bank advances and short-term notes	**(10,901)**	(42,313)	**2,260**	(23,908)
Repayment of bonds	-	-	**(112,000)**	-
Proceeds from issuance of senior notes	-	-	**100,841**	-
Proceeds from issuance of units	-	19,679	-	19,679
Net purchase of units for unit purchase loan plan	**35**	-	**(3,365)**	-
Deferred financing costs	**(87)**	-	**(1,302)**	-
Repayment of long-term debt	**(1,432)**	(1,491)	**(1,978)**	(1,848)
Distributions	**(7,015)**	(5,509)	**(25,157)**	(21,375)
Financing activities	**(19,400)**	(29,634)	**(40,701)**	(27,452)
NET CHANGE IN CASH	**501**	(5,320)	**475**	1,388
Cash, beginning of period	**9,950**	15,296	**9,976**	8,588
CASH, END OF PERIOD	**$ 10,451**	$ 9,976	**$ 10,451**	$ 9,976
Supplemental disclosure of cash paid for:				
Interest expense	**$ 2,154**	$ 559	**$ 10,105**	$ 13,060
Income taxes	**1,255**	439	**6,961**	1,184

See accompanying notes to consolidated financial statements.