



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.

NEWS RELEASE – FOR IMMEDIATE RELEASE

North West Company Fund Announces Second Quarter Earnings and a Quarterly Distribution

Winnipeg, September 9, 2010 (TSX:NWF.UN): North West Company Fund (the “Fund” or “North West”) today reported its unaudited financial results for the second quarter ended July 31, 2010 and announced that the Trustees have approved a quarterly distribution of \$0.34 per unit to unitholders of record on September 30, 2010, distributable by October 15, 2010.

Financial Highlights

Second quarter consolidated net earnings were \$19.9 million, a decrease of 2.7% from last year and diluted earnings per unit for the quarter was \$0.41 compared to \$0.43 last year. Sales decreased 0.3% to \$366.2 million compared to the second quarter last year, but were up 3.0% excluding the foreign exchange impact and were up 2.2%¹ on a same store basis. Strong sales growth in our northern banners was offset by weaker performance at our Cost-U-Less stores and International wholesale business combined with the negative impact of foreign exchange on the conversion of U.S. denominated sales.

Trading profit² or earnings before interest, income taxes, depreciation and amortization (EBITDA) decreased 6.3% to \$32.1 million compared to \$34.3 million in the second quarter last year. Trading profit gains in Canada partially offset a decrease in trading profit in our International Operations and the negative impact of the foreign exchange conversion. Excluding the foreign exchange impact, trading profit decreased 3.5% compared to last year.

“We are benefiting from market strength within our northern store banners, both in Canada and Alaska,” commented North West President and CEO, Edward Kennedy. “Public infrastructure spending is up as anticipated and the natural resource economy has rebounded from last year’s lows. Our biggest challenge is still in our southern Cost-U-Less stores where market conditions remain soft and our ability to gain share has been limited by more intense local competition. Cost pressures related to pension expenses, incentive plans and our new distribution centres are expected to continue for the remainder of the year.”

The Fund’s second quarter report to unitholders, management’s discussion and analysis and unaudited interim consolidated financial statements can be found in the investor section of the Fund’s website at www.northwest.ca.

¹ Excluding the foreign exchange impact

² See Non-GAAP Measures Section of Management’s Discussion & Analysis

Second Quarter Conference Call

The Fund is also hosting a conference call for its second quarter results on September 9, 2010 at 3:30 p.m. (Central Time). To access the call, please dial 1-888-789-9572 or 416-695-7806 with a pass code of 3453118. The conference call will be archived and can be accessed by dialing 1-800-408-3053 or 416-695-5800 with a pass code of 1602422 on or before September 16, 2010.

Notice to Readers

Certain forward-looking statements are made in this news release, within the meaning of applicable securities laws. These statements reflect the North West's current expectations and are based on information currently available to management. The words "may", "will", "should", "believe", "expect", "plan", "anticipate", "intend", "estimate", "predict", "potential", "continue", or the negative of these terms, identify forward-looking matters. These statements speak only as of the date of this press release. The actual results could differ materially from those anticipated in these forward-looking statements.

Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of North West to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, fluctuations in interest rates and currency values, legislative and regulatory developments, legal developments, the occurrence of weather-related and other natural catastrophes, changes in tax laws, and those risks and uncertainties detailed in the section entitled "Risk Factors" in the Fund's Management's Discussion and Analysis and Annual Information Form. The preceding list is not an exhaustive list of possible factors. These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Fund undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

Company Profile

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. North West operates 229 stores under the trading names Northern, NorthMart, Giant Tiger, AC Value Center and Cost-U-Less and has annualized sales of approximately CDN\$1.5 billion.

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

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