



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.

## **Northern and NorthMart Customers will not be charged higher prices during Iqaluit Airport Runway Construction**

- *Customers in the Baffin Region will save approximately \$200,000 as a result of The North West Company absorbing additional freight charges resulting from the Iqaluit Airport runway construction*

**Winnipeg, July 3, 2015** – The North West Company (North West) announced today that it will not pass on any increased costs associated with the Iqaluit Airport runway construction. This will result in costs savings to consumers of approximately \$200,000.

“Our customers count on us to drive down freight costs and prices, as we have done in the Baffin Region over the past three years. Additional freight costs resulting from the Iqaluit Airport Runway Construction go against that goal and we will not increase prices to pay for it. We will work diligently to keep our stores in stock during the runway construction period but we are concerned about the risk of flight cancellations and we encourage all responsible parties to do whatever is required to minimize the length of this costly disruption. Our priority is to get our 767 service back in the air as soon as possible and to find longer-term, cost effective transportation solutions, including more warehouse capacity so that we can move more freight, reliably, at the lowest possible cost,” said North West’s President & CEO Edward Kennedy.

Mr. Kennedy added, “This decision is consistent with the more than \$600,000 in annual savings we have passed onto our Baffin Island customers due to improvements in our air distribution network and the \$4 million in freight savings that have been directly passed through to our customers in Nutrition North Canada - eligible communities over the past 12 months.”

As a result of the Iqaluit Airport paving project, First Air will be unable to use its largest contracted plane, a Boeing 767, to bring in food. The 767, is the most cost effective aircraft used by North West to ship product to the Baffin Region through Iqaluit and is being temporarily replaced by a more expensive Boeing 757.

Northern and NorthMart customers in the 12 communities within North West’s Baffin distribution network: Arctic Bay, Qikiqtarjuaq, Cape Dorset, Clyde River, Hall Beach, Igloolik, Iqaluit, Kangiqsualujjuaq, Kuujjuaq, Kimmirut, Pangnirtung and Pond Inlet, will benefit from the North West’s decision not to increase retail prices as a result of the additional freight charges it will have to pay.

The North West Company has a major multi-year store investment initiative underway. In Nunavut this will amount to approximately \$57 million and in 2015 will include the opening of larger Northern stores in Hall Beach, Clyde River and Pond Inlet. The investment in these three communities is approximately \$11 million and is expected to create more local retail, trade and construction jobs.

### **About Northern and NorthMart**

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 Caribbean. North West's Northern and NorthMart stores are the largest local private employer of Inuit and First Nations people in Canada, with over 3,100 employees and an annual payroll exceeding \$65 million.

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Northern

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