



NORTH WEST COMPANY FUND

Leadership



Key Facts

- 2005 revenue \$850 million
- 193 stores
- 6,000 employees



The North West Company is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods across:

- 1) Northern Canada**
- 2) Alaska**
- 3) Western Canada**

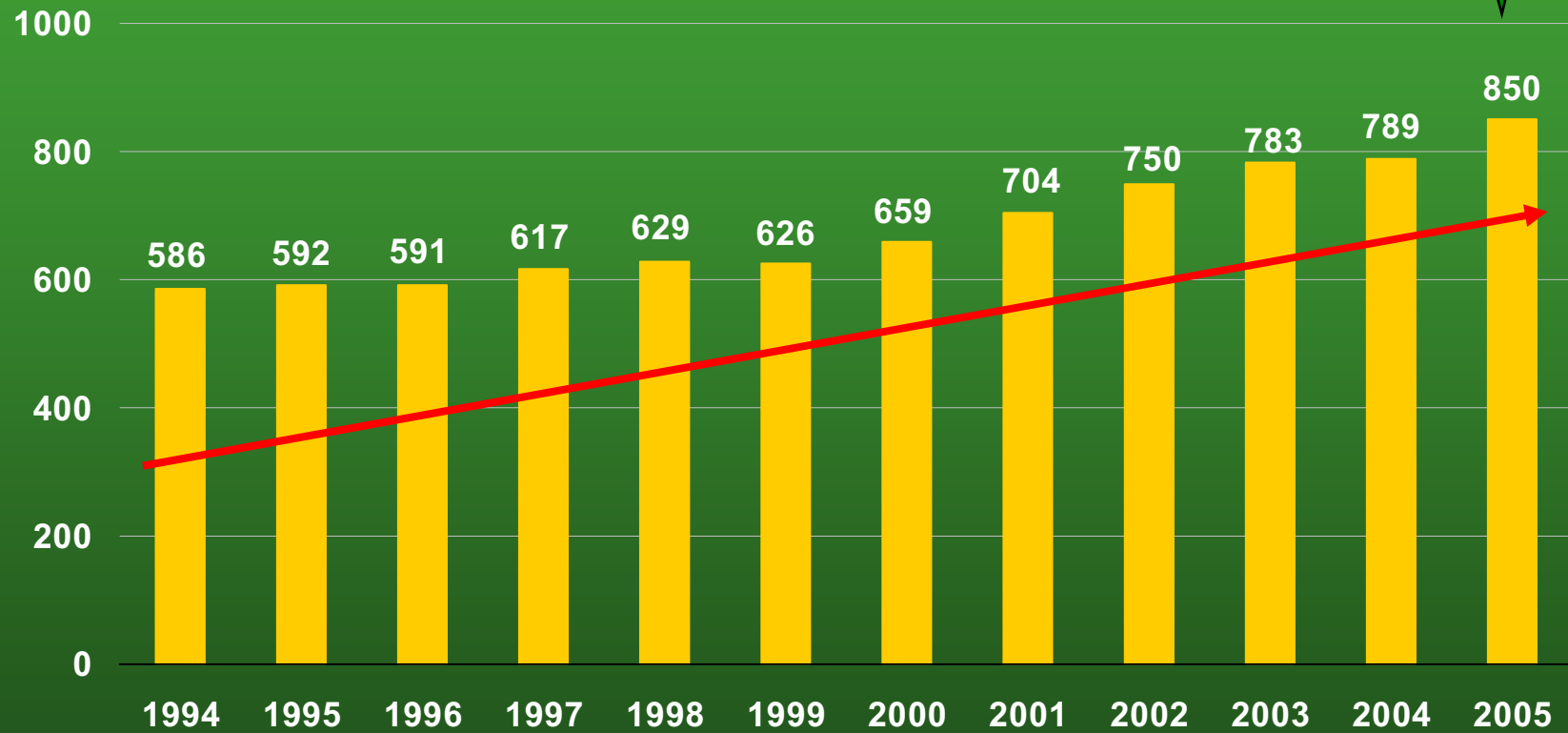


Our purpose is to enhance lives by offering shopping choices that are convenient, dependable and lifestyle driven.

Sales & Other Revenue

CAGR
3.4%

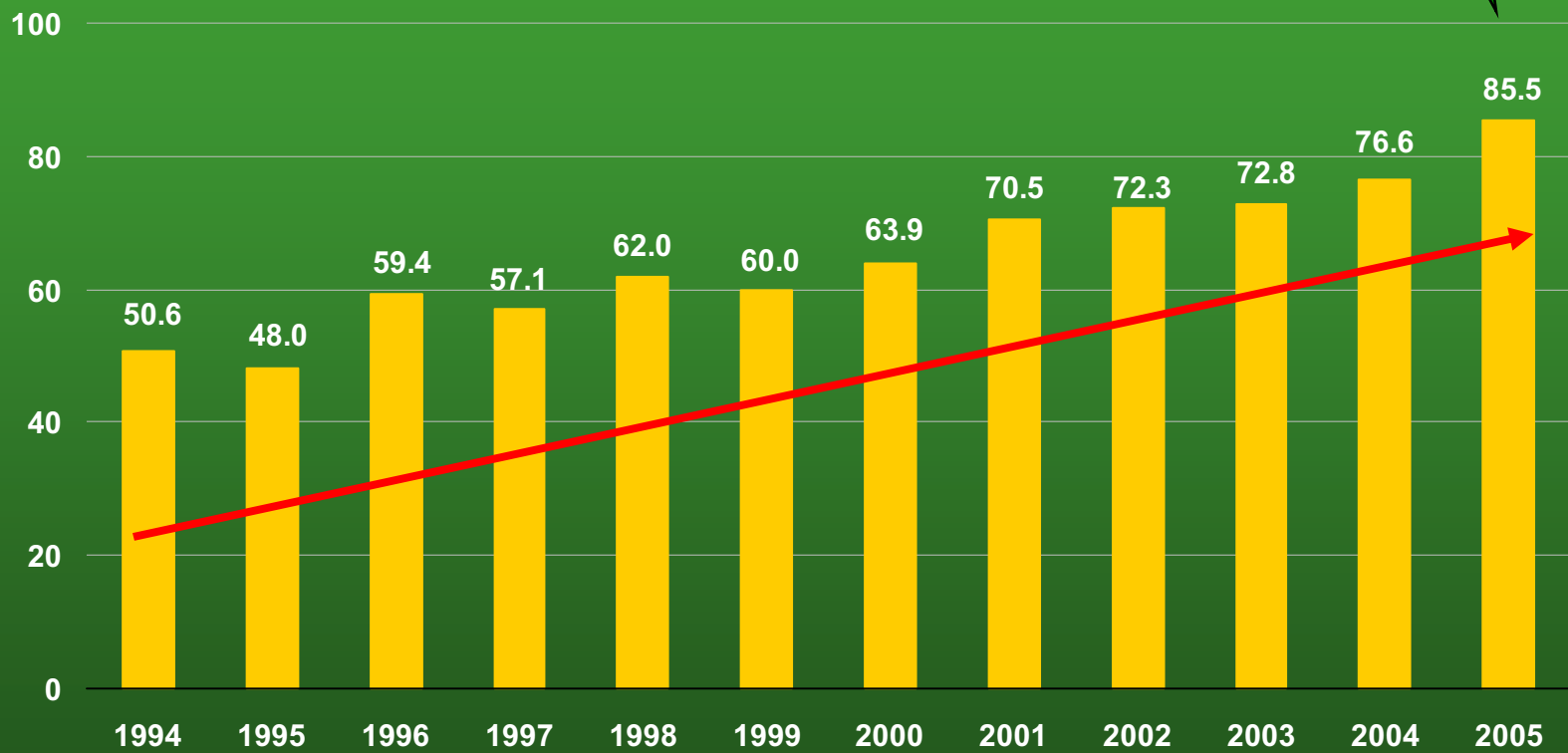
\$ in Millions



EBITDA

CAGR
4.9%

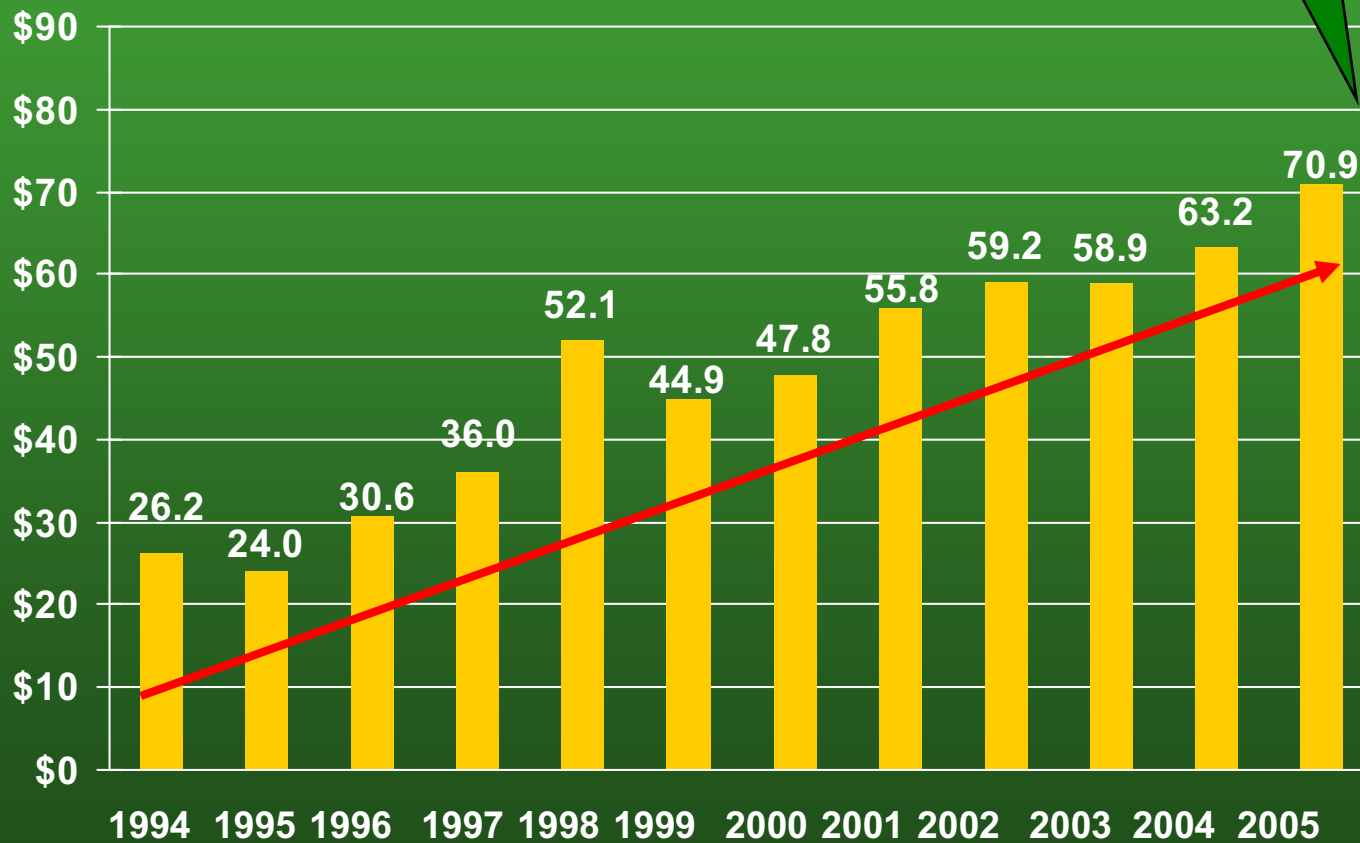
\$ in Millions



Cash Flow from Operations

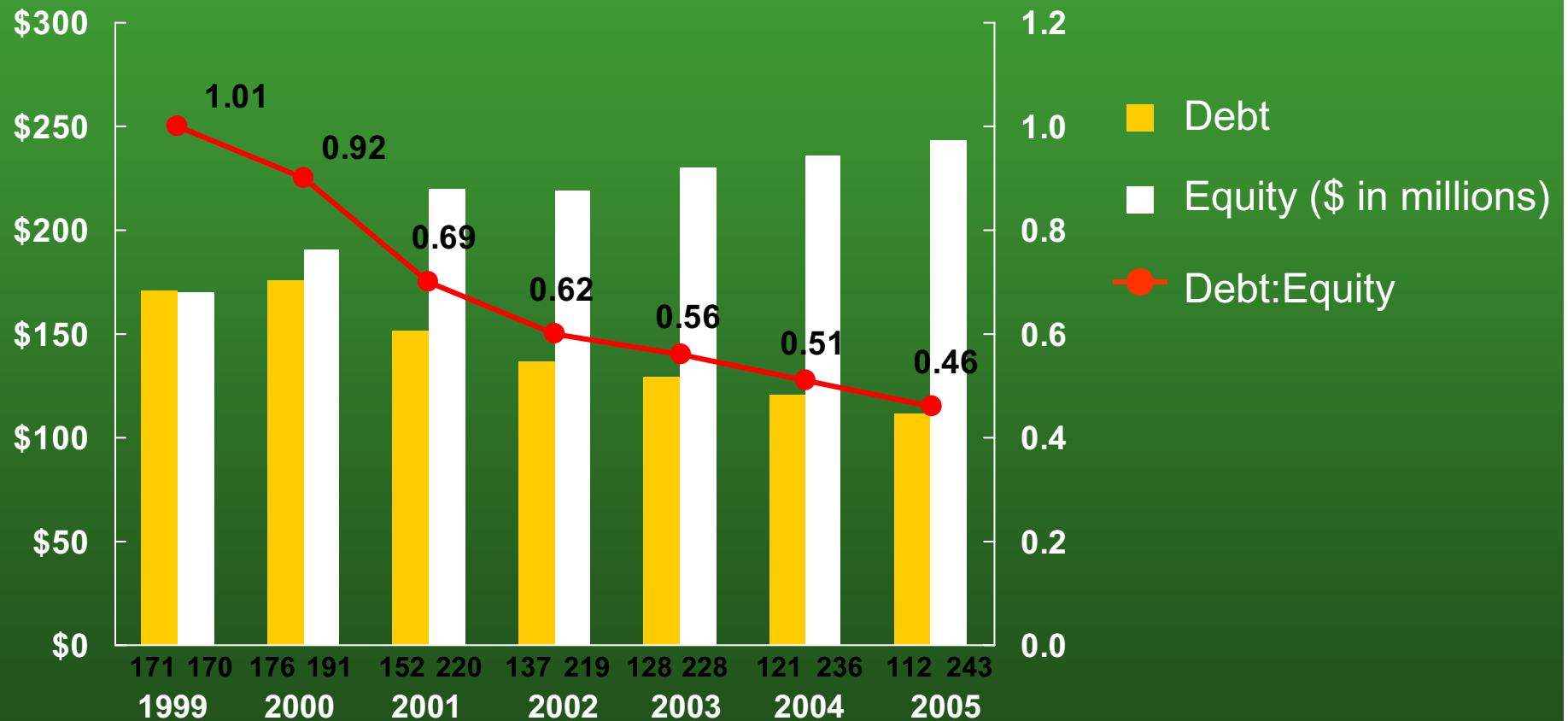
CAGR
9.5%

\$ in Millions



Balance Sheet

Financial Strength = Flexibility



2005 Performance

NWF CASH PAID OUT & REINVESTED

Fiscal Year	2005	2004	2003	2002	2001
Cash flow from Operations/unit \$	4.39	3.92	3.65	3.67	3.74
Payout \$	1.88	1.80	1.90*	1.56	1.46
Payout %	42.8	45.9	52.1	42.5	39.0
Reinvested \$	2.51	2.12	1.75	2.11	2.28

*includes special distribution of \$0.34

2006 First Quarter Performance

SALES GROWTH

- **Consolidated +8.9%**
- **Canada Food +11.0%**
- **Canada General Merchandise +8.3%**
- **Alaska Food +9.6%**

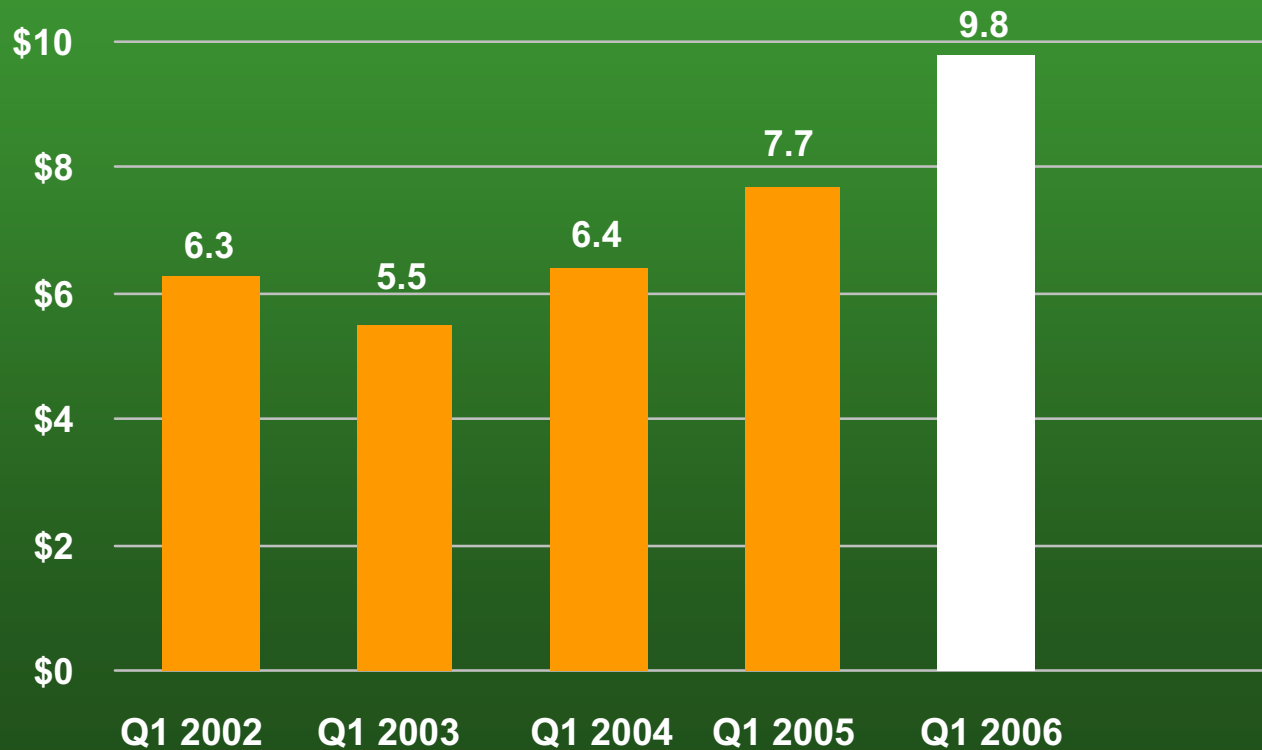
2006 First Quarter Performance

SAME STORE SALES GROWTH

- **Canada Food +7.9%**
- **Canada General Merchandise +0.6%**
- **Alaska +3.9%**

2006 First Quarter Performance

NET EARNINGS (\$ in millions)



Restructuring

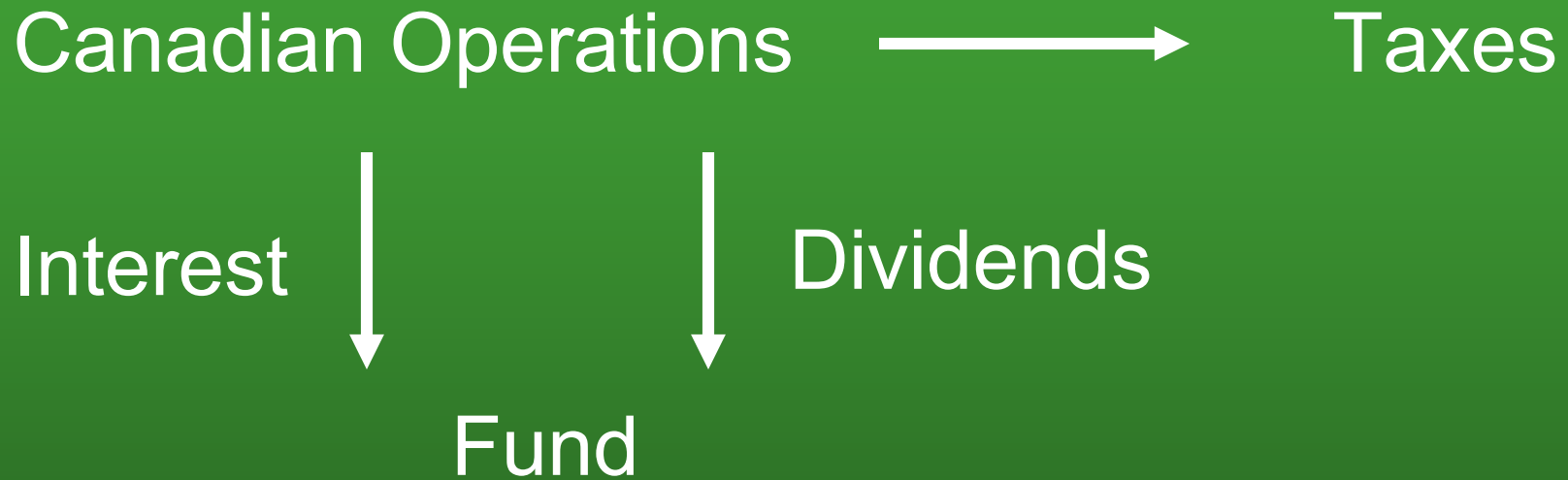
First Step

- completed April 30, 2006
- transfer of Canadian business assets to L.P.
- maintains income taxes near 2005 amounts
- increase in Canadian earnings over 2005 flows to the Fund

Second Step

- Change flow of earnings from L.P.
- Canadian pre-tax earnings to the Fund

Previous



First Step (existing)

Canadian Operations \longrightarrow Taxes



Second Step

Canadian Operations

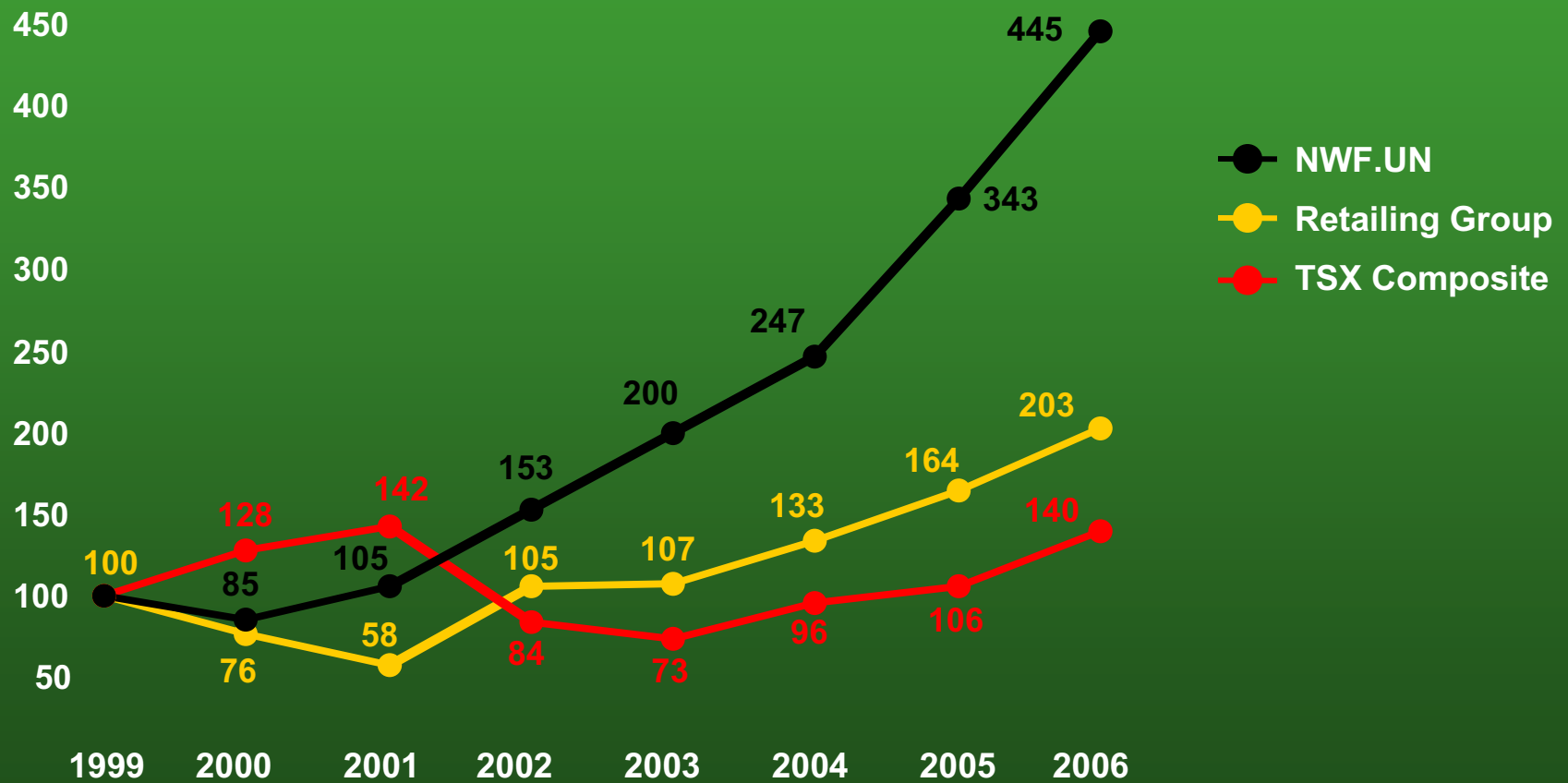


Pre-tax earnings

Fund

2005 Performance

RELATIVE UNIT PRICE PERFORMANCE (%)



2005 Next Level Performance



2005 Next Level Performance



Technology Next Level Performance

- \$25 million in store technology
- Leveraged by broadband network
- Enables new, creative products



Learning

Next Level Performance

- 173 managers trained in Best Practice
- Need for follow-up identified
- New plan brings training to stores



Giant Tiger Next Level Performance

- Solid contribution in 2005
- Expertise grows with store maturity
- Word of mouth = customer loyalty



Alaska Commercial Company

Next Level Performance

- 11 years of profit growth
- ROI leads North West



2006 Growth Initiatives

- **Retail Food**
- **New Stores**
- **Healthcare**
- **Gas Bars**

2006 Growth Initiatives

Retail Food

- Leading same store sales
- Focus on being “Priced Right”
- Better promotions, more newness



Priced
Right

Save Money. Save Time.

2006 Growth Initiatives

Retail Food



2006 Growth Initiatives

New Stores

- New stores drive “plus” growth
- 24 new stores in 2005-07
- GT, AC and Northern Canada



2006 Growth Initiatives

Healthcare

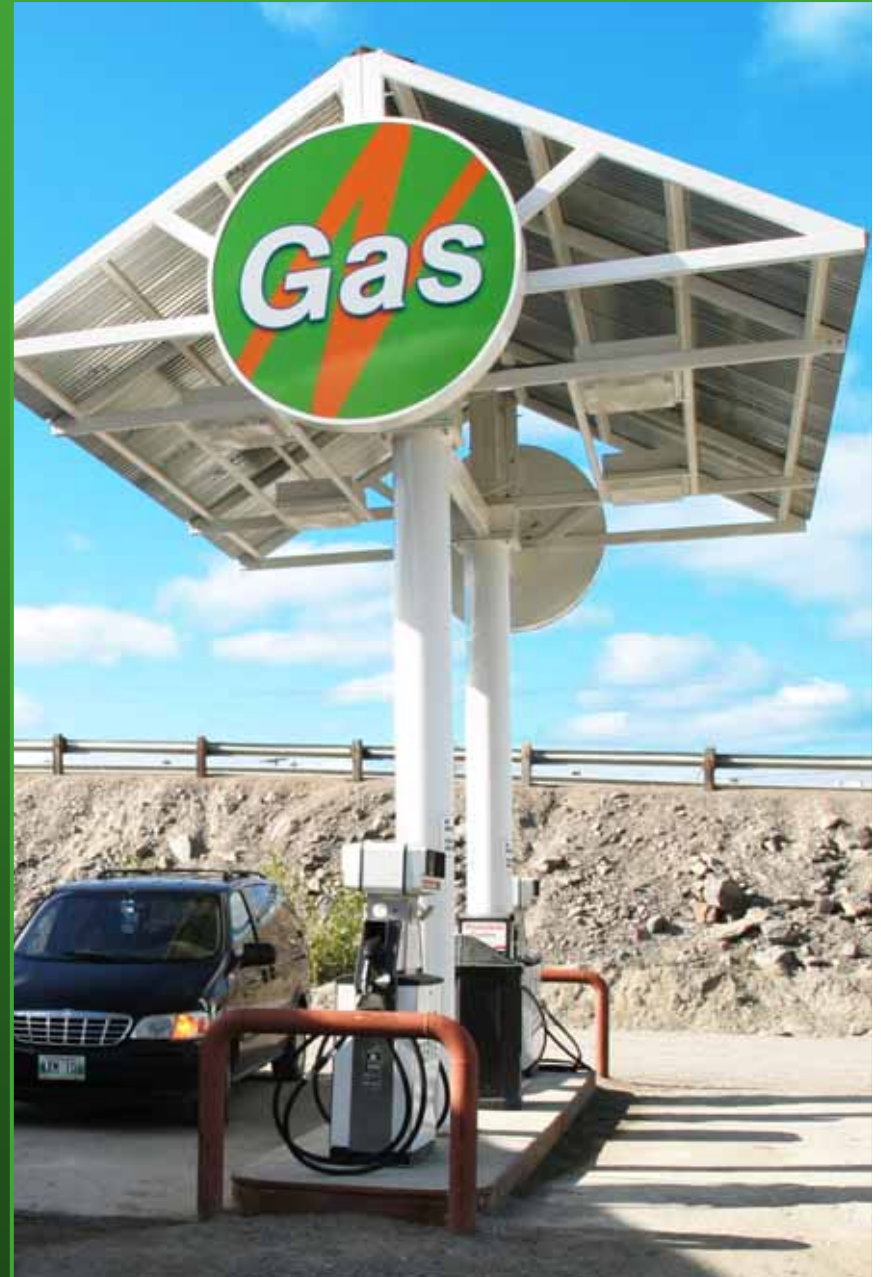
- Five new pharmacies/ telepharmacies in 2006
- Winnipeg hub site in 2007
- Expand non-prescription products



2006 Growth Initiatives

Gas Bars

- Another “Everyday Store” fit
- 7-11 convenience plus complete food
- Testing in road stores in 2007



Capital Spending

- 20 million in growth capital
- New locations
- New businesses
- Major store expansions



Leadership at North West

- **Being Accountable**
- **Getting Aligned**
- **Delegating to the Right Level**
- **Building Trust**





NORTH WEST COMPANY FUND