



March 15, 2012

**TRADING SYMBOL: The Toronto Stock Exchange:
Village Farms International, Inc. – VFF**

Village Farms International Announces Results for the Year Ended and Fourth Quarter Ended December 31, 2011

Vancouver, B.C., March 15, 2012 – Village Farms International, Inc. (the “Company”) (TSX: VFF) announced today results for the year and fourth quarter ended December 31, 2011.

Year Ended December 31, 2011 Operating Results Summary:

(Amounts in U.S. dollars)

- Revenues increased 14% to \$164.4 million compared to revenues of \$144.8 million for the year ended December 31, 2010;
- Earnings per share increased 36% to \$0.15 versus \$0.11 for the year ended December 31, 2010;
- Net income increased 35% or \$1.5 million to \$5.8 million versus \$4.3 million for the year ended December 31, 2010;
- EBITDA increased 4% to \$15.7 million versus \$15.1 million for the year ended December 31, 2010.

Michael A. DeGiglio, Chief Executive Officer, stated “The Company’s 2011 key financial results improved over our 2010 financial results with improvements in both revenue and profit. The 2011 full year results included incremental overhead costs to support future growth initiatives. If not for these costs our EBITDA increase would have been stronger. Fourth quarter profit contribution did not meet internal expectations which impacted what would have been an even better financial outcome due to the continued sluggish U.S. economy coupled with fourth quarter pricing pressure in our core tomato varieties from increasing Mexican and Central American supplies including non-greenhouse grown Mexican product labeled as "greenhouse grown".

Throughout 2011 we accomplished several planned key and significant corporate initiatives that bode well for our future operations and results. The most significant objective being the successful completion of phase one of our GATES™ technology greenhouse located in Monahans, Texas in late December 2012. We have commenced harvesting product in half of the facility with the other half commencing in ten days. We believe this greenhouse is the most advanced, productive and

environmentally sustainable greenhouse ever built in North America and is a material advancement in production cost reduction and fulfills marketplace demands of retailers and consumers for local/regional supply. As with any construction project, we are still completing the final items, but overall from start to finish we have successfully completed a huge project in a record breaking period of time.”

Mr. DeGiglio added “In addition, other key objectives were accomplished including the successful construction and commissioning, in the fourth quarter of 2011, of the first integrated fulfillment centre in the Dominican Republic providing us with a new source of high quality peppers. To date, the initial reception of this product to our customers has been very positive. We continue the process of expanding capacity and expect this division to break even in 2012 and become profitable in 2013. We commenced growing both long and mini English cucumbers in our Texas division in 2011 and plan to add additional capacity this year. In October 2011, the Company successfully rebranded to a fresher and consumer oriented program with very positive feedback from both our retail customers and consumers. This effort coincided with the launch of our exclusive North American new variety, Heavenly Villiago Marzano, which is a snacking tomato. Furthermore we commissioned, in February 2012, a new state-of-the-art leased distribution centre in Fort Worth, Texas while moving out of our former shared distribution facility in Arlington, Texas. The new facility will not only enhance our efficiency but will also increase our capacity as well as provide higher quality storage.”

Mr. DeGiglio continued “As we stated with our third quarter results, pricing was tepid in the fourth quarter of 2011 and has continued into the first quarter of 2012. While the expansion of our new technology, such as our new facility in Monahans, will allow us to lower our production costs and compete more effectively on price, we are taking additional active steps to differentiate our high quality produce from lower quality produce coming into the U.S. from certain locations in conjunction with enhancing our partnerships with retailers who require the same, as well as expanding our market segmentation. These initiatives will not have an overnight impact but we expect, in the long term, through both retail and consumer support, that this differentiated product along with continued product diversification will command a significant premium to lower quality imported produce.”

Operational Summary for the year ended December 31, 2011:

(in thousands of U.S. dollars)

Revenue

Revenue for the year ended December 31, 2011, increased \$19,680, or 14%, to \$164,448 from \$144,768 for the year ended December 31, 2010. The increase in revenue is primarily due to a 27% increase in supply partner revenue driven by increased volume and a 5.6% increase in Village Farms’ owned facilities revenues driven by a 5.5% increase in production volume.

The average selling price, for the year ended December 31, 2011 versus the year ended December 31, 2010; for tomatoes was a decrease of 2%, for peppers was a decrease of 4% and for cucumbers was an increase of 34%. For the year ended December 31, 2011, total tomato pounds sold increased 9% over the comparable period in 2010; pepper pounds sold for the year ended December 31, 2011 increased 21% over the comparable period in 2010 and cucumber pieces sold for year ended December 31, 2011 increased 34% over the comparable period in 2010. The increase in tomato pounds is due to a 36% increase in supply partner volume and a 4% increase in Village Farms grown tomato pounds. The

increase in peppers is due to increased supply partner pounds. The increase in cucumber pounds was due to a 200% increase in volume from Village Farms owned facilities from a small prior year base and a 12% increase in supply partner pounds.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended December 31, 2011 increased \$1,395 or 11% to \$14,594 from \$13,199 for the year ended December 31, 2010. The increase is due to higher overhead costs due to an increase in personnel to support the Company's growth initiatives, professional fees, bank fees and information technology services.

Change in Biological Asset

The net change in fair value of biological asset for the year ended December 31, 2011, increased \$2,287, to \$269 from (\$2,018) for the year ended December 31, 2010. The increase is due to the different opening value of the asset as at December 31, 2010 and January 1, 2010. The fair value of the biological asset at December 31, 2011 is \$5,572 which is higher than the value of \$5,223 at December 31, 2010 due to increased production for the fruit on the vine in early first quarter 2012 compared to early first quarter 2011, at the respective reporting dates.

Income from Operations

Income from operations for the year ended December 31, 2011, increased \$3,577, or 60%, to \$9,496 from \$5,919 for the year ended December 31, 2010. The increase was the result of higher revenue, a net increase in the change in biological asset which were partially offset by higher cost of sales due to higher volumes, especially supply partner volume and overhead costs.

Interest Expense

Interest expense, for the year ended December 31, 2011 increased \$219 to \$3,033 from \$2,814 for the year ended December 31, 2010. The increase is due to an increase of the Company's borrowing rate on its term loans versus the year ended December 31, 2010 as well as additional borrowings in relation to the Monahans greenhouse.

Other Income

Other income for the year ended December 31, 2011, increased \$543 to \$1,268 from \$725 for the year ended December 31, 2010. The increase was due to a gain on derivatives of \$1,054 and other income of \$285, in 2011, versus the one-time receipt, in 2010, of a prior year Canadian government subsidy of \$1,030, which was reduced by a loss on derivatives of (\$247) and a loss on disposal of assets of (\$339).

Income Taxes

Income tax expense (recovery) for the year ended December 31, 2011 was \$1,926 compared to (\$421) for the year ended December 31, 2010, due to higher income from operations in 2011 and the reversal of an U.S tax reserve originally created for a prior year tax loss carry-forward claim that closed in 2010.

Net Income

Net income for the year ended December 31, 2011 increased \$1,554 to \$5,805 from \$4,251 for the year ended December 31, 2010. The increase was due to higher production resulting in higher revenue and an increase in the change in biological asset and a gain on derivatives of \$1,054 (versus a \$247 loss for same period in 2010), partially offset by higher cost of sales, the receipt of a government subsidy of \$1,030 in 2010 and higher overhead costs in 2011 versus 2010.

EBITDA

EBITDA for the year ended December 31, 2011 increased \$523 to \$15,657 from \$15,134 for the year ended December 31, 2010, as a result of increased product production, offset by higher cost of sales and overhead costs. See the EBITDA calculation in “Non-IFRS Measures - Reconciliation of Net Earnings to EBITDA.”

New Monahans Greenhouse Facility

The Company completed a greenhouse expansion project in Monahans, Texas. The estimated cost of the project is \$42.0 million with \$37.1 million of the expenditures occurring in fiscal 2011, the remaining expenditures will occur in the spring and summer of 2012. Harvesting at the new greenhouse started in the first quarter of 2012.

Fourth Quarter 2011 Operating Results Summary:

(Amounts in U.S. dollars)

- Revenues increased 10% to \$34.7 million compared to fourth quarter 2010 revenues of \$31.7 million;
- Earnings per share of \$0.03 in both the fourth quarters of 2011 and 2010;
- Net income was essentially flat at \$1.0 million versus \$1.0 million for the fourth quarter of 2010;
- EBITDA increased 33% to \$0.8 million versus \$0.6 million in the fourth quarter of 2010.

Operational Summary for the Quarter:

(in thousands of U.S. dollars)

Revenue

Revenue for the three month period ended December 31, 2011 increased \$3,040 or 10% to \$34,743 from \$31,703 for the three month period ended December 31, 2010. The increase in revenue is primarily due to a 10% increase in the Company's production, and a 19% increase in supply partner revenue partially offset a decrease of 18% in the average selling price of tomatoes as compared to the same period in 2010.

The tomato price decrease in the fourth quarter of 2011 was a result of increased supply from Mexico and Florida field grown tomatoes as compared to 2010. The Florida crop has been negatively impacted by climate issues in prior years. The price for peppers decreased by 19% and for cucumbers was an increase of 15%. For the three months ended December 31, 2011, total tomato pounds sold increased

15% over the comparable period in 2010; pepper pounds sold for the three months ended December 31, 2011 increased 27% over the comparable period in 2010 and cucumber pounds sold for three months ended December 31, 2011 increased 39% over the comparable period in 2010.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three month period ended December 31, 2011 decreased \$7 to \$3,586 from \$3,593 for the three month period ended December 31, 2010. The slight increase was due to the overhead costs of growth initiatives, such as new branding, which if not incurred in the fourth quarter of 2011 would have led to a year on year decrease.

Change in Biological Asset

The net change in fair value of biological asset for the three months ended December 31, increased \$1,771 to \$2,540 from \$769 for the three months ended December 31, 2010. The increase in the three months ended December 31, 2011 is due to a lower opening value on September 30, 2011 versus September 30, 2010.

Income (Loss) from Operations

Income from operations for the quarter ended December 31, 2011, increased by \$1,827, to \$1,656 from a loss of (\$171) for the quarter ended December 31, 2010. The increase was the result of the net change in biological asset value of \$1,771 as well as a small increase in gross profit.

Interest Expense

Interest expense, for the three month period ended December 31, 2011 increased \$116 to \$816 from \$700 for the three month period ended December 31, 2010. The increase is due to an increase in the Company's borrowing balance on its new term loans.

Other Income

Other income for the quarter ended December 31, 2011, increased \$62 to \$361 from \$299 for the quarter ended December 31, 2010. The increase was primarily due to the gain on derivative of \$105 in the three months ended December 31, 2011.

Income Taxes

Income tax expense for the three month period ended December 31, 2011 was \$228 compared to a recovery of (\$1,573) for the three month period ended December 31, 2010, due to higher income from operations and the 2010 expense was reduced by the reversal of an U.S tax reserve originally created for a prior year tax loss carry-forward claim that closed.

Net Income (Loss)

Net income for the quarter ended December 31, 2011 decreased by \$28, to \$973 from a net income of \$1,001 for the quarter ended December 31, 2010. The decrease was the result of an increase in the provision for income taxes of \$1,801 offset by a combination of the increase in the change in biological asset value of \$1,771 and a gain on derivative of \$105 for the three months ended December 31, 2011.

EBITDA

EBITDA for the three month period ended December 31, 2011 increased \$218 to \$804 from \$586 for the three month period ended December 31, 2010, as a result of higher revenue partially offset by an increase in cost of sales as a result of higher volumes. See the EBITDA calculation in “Non-IFRS Measures - Reconciliation of Net Earnings to EBITDA.”

Non-IFRS Measures

EBITDA is not a recognized measure and does not have standardized meaning under International Financial Reporting Standards. Accordingly, this measure may not be comparable to similar measures presented by other issuers. Please refer to the Company’s Management's Discussion and Analysis for the twelve months and quarter ended December 31, 2011, which will be available at www.sedar.com, for additional information concerning EBITDA and a reconciliation of EBITDA to net income and operating cash flows, for the periods presented.

About Village Farms

Village Farms is one of the largest producers, marketers and distributors of premium-quality, greenhouse-grown tomatoes, bell peppers and cucumbers in North America. This premium product as well as premium product produced under exclusive arrangements with other greenhouse producers is grown in sophisticated, highly efficient and intensive agricultural greenhouse facilities located in British Columbia and Texas. Product is marketed and distributed under the Village Farms® brand primarily to retail grocers and dedicated fresh food distributors throughout the United States and Canada. Village Farms currently operates distribution centres located in key markets in the United States and Canada. Since its inception, Village Farms has been guided by sustainable agricultural principles which integrate four main goals; environmental health, economic profitability, and social and economic equality.

Forward Looking Statements

This press release contains certain "forward looking statements". These statements relate to future events or future performance and reflect the Company’s expectations regarding its growth, results of operations, performance, business prospects, opportunities or industry performance and trends. These forward looking statements reflect the Company’s current internal projections, expectations or beliefs and are based on information currently available to the Company. In some cases, forward looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other comparable terminology. A number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements,

you should specifically consider various factors, including, but not limited to, such risks and uncertainties as availability of resource, competitive pressures and changes in market activity, risks associated with U.S. and Canadian sales and foreign exchange, regulatory requirements and all of the other "Risk Factors" set out in the Company's current annual information form and management's discussion and analysis for the year ended December 31, 2011, which will be available electronically at www.sedar.com. Actual results may differ materially from any forward looking statement. Although the Company believes that the forward looking statements contained in this press release are based upon reasonable assumptions, you cannot be assured that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the date of this press release, and other than as specifically required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

For further information

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Village Farms International, Inc.
Consolidated Statements of Financial Position
(In thousands of United States dollars)

ASSETS	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<i>Current assets</i>		
Cash and cash equivalents	\$2,865	\$9,734
Trade receivables	8,579	8,131
Other receivables	512	510
Inventories	11,624	10,714
Assets held for sale	407	407
Income taxes receivable	-	775
Prepays and deposits	590	801
Biological asset	<u>5,572</u>	<u>5,223</u>
Total current assets	30,149	36,295
<i>Non-current assets</i>		
Property, plant and equipment	97,601	62,972
Deferred tax asset	689	2,967
Intangible assets	1,198	1,301
Other assets	<u>1,381</u>	<u>1,125</u>
Total assets	<u><u>\$131,018</u></u>	<u><u>\$104,660</u></u>
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	\$10,440	\$6,280
Accrued liabilities	3,211	3,470
Income taxes payable	22	24
Current maturities of long-term debt	4,312	3,260
Current portion of obligations under capital leases	-	264
Current portion of derivatives	<u>1,235</u>	<u>1,301</u>
Total current liabilities	19,220	14,599
<i>Non-current liabilities</i>		
Long-term debt	65,543	48,208
Derivatives	51	1,039
Obligations under capital leases	-	14
Deferred tax liability	<u>3,931</u>	<u>4,569</u>
Total liabilities	<u>88,745</u>	<u>68,429</u>
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	312	75
Accumulated other comprehensive income	55	55
Retained earnings	<u>17,056</u>	<u>11,251</u>
Total shareholders' equity	<u>42,273</u>	<u>36,231</u>
Total liabilities and shareholders' equity	<u><u>\$131,018</u></u>	<u><u>\$104,660</u></u>

Village Farms International, Inc.
Consolidated Statements of Income and Comprehensive Income
For the Years Ended and Three Months Ended
(In thousands of United States dollars, except per share data)

	Year Ended December 31,		Three Months Ended December 31,	
	2011	2010	2011	2010
Net sales	\$164,448	\$144,768	\$34,743	\$31,703
Cost of sales	(140,627)	(123,632)	(32,041)	(29,050)
Change in biological asset	269	(2,018)	2,540	769
Selling, general and administrative expenses	(14,594)	(13,199)	(3,586)	(3,593)
Income (loss) from operations	<u>9,496</u>	<u>5,919</u>	<u>1,656</u>	<u>(171)</u>
Interest expense	3,033	2,814	816	700
Interest income	(17)	(39)	(2)	(3)
Foreign exchange (gain) loss	(1)	57	(13)	12
Amortization of intangible assets	103	103	25	25
(Gain) loss on derivatives	(1,054)	247	(394)	(289)
Other income, net	(285)	(1,432)	23	(53)
(Gain) loss on disposal/sale of assets	(14)	339	-	9
Income (loss) before income taxes	<u>7,731</u>	<u>3,830</u>	<u>1,201</u>	<u>(572)</u>
Provision for (recovery of) income taxes	<u>1,926</u>	<u>(421)</u>	<u>228</u>	<u>(1,573)</u>
Net income (loss) and comprehensive income (loss)	<u>5,805</u>	<u>4,251</u>	<u>973</u>	<u>1,001</u>
Basic earnings (loss) per share	<u>\$0.15</u>	<u>\$0.11</u>	<u>\$0.03</u>	<u>\$0.03</u>
Diluted earnings (loss) per share	<u>\$0.15</u>	<u>\$0.11</u>	<u>\$0.02</u>	<u>\$0.03</u>

Village Farms International, Inc.
Consolidated Statements of Cash Flow
For the Years Ended and Three Months Ended
(In thousands of United States dollars)

	Year Ended December 31,		Three Months Ended December 31,	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net income (loss)	\$5,805	\$4,251	\$973	\$1,001
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	6,010	5,793	1,647	1,479
(Gain) loss on sale of assets	(14)	339	-	9
(Gain) loss on derivatives	(1,054)	247	(394)	(289)
Foreign exchange (gain) loss	(48)	(91)	(36)	(136)
Net interest expense	3,016	2,775	814	697
Share based compensation	237	75	89	19
Deferred income taxes	1,640	762	10	897
Change in biological asset	(269)	2,018	(2,540)	(769)
Changes in non-cash working capital items	3,445	(7)	3,663	(2,833)
Net cash (used in) provided by operating activities	<u>18,768</u>	<u>16,162</u>	<u>4,226</u>	<u>75</u>
Cash flows from investing activities:				
Purchases of property, plant and equipment	(40,560)	(2,809)	(16,880)	(946)
Proceeds from sale of property, plant and equipment	37	234	-	-
Other	(255)	(249)	(59)	(190)
Net cash used in investing activities	<u>(40,778)</u>	<u>(2,824)</u>	<u>(16,939)</u>	<u>(1,136)</u>
Cash flows from financing activities:				
Payments on long-term debt	(51,468)	(3,264)	-	(815)
Issuances of long-term debt	69,855	-	11,439	-
Interest paid on debt	(3,033)	(2,814)	(816)	(700)
Interest income	17	39	2	3
Payments on obligations under capital leases	(278)	(267)	-	(65)
Net cash used in financing activities	<u>15,093</u>	<u>(6,306)</u>	<u>10,625</u>	<u>(1,577)</u>
Effect of exchange rate changes on cash and cash equivalents	48	91	36	136
Net (decrease) increase in cash and cash equivalents	(6,869)	7,123	(2,052)	(2,502)
Cash and cash equivalents beginning of period	9,734	2,611	4,917	12,236
Cash and cash equivalents end of period	<u>\$2,865</u>	<u>\$9,734</u>	<u>\$2,865</u>	<u>\$9,734</u>
Supplemental cash flow information:				
Income taxes paid	<u>\$60</u>	<u>\$288</u>	<u>\$1</u>	<u>\$15</u>