



August 8, 2011

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

Village Farms International Announces Results for the Six Months and Second Quarter Ended June 30, 2011

Vancouver, B.C., August 8, 2011 – Village Farms International, Inc. (the “Company”) (TSX: VFF) announced today results for the six months ended and second quarter ended June 30, 2011.

Six Months Ended June 30, 2011 Operating Results Summary:

(Note amounts in U.S. dollars)

- Revenues increased 11% to \$86.0 million compared to revenues of \$77.6 million for the six months ended June 30, 2010;
- Earnings per share increased 62% to \$0.13 versus \$0.08 for the six months ended June 30, 2010;
- Net income increased by 62% or \$2.0 million to \$5.1 million versus \$3.1 million for the six months ended June 30, 2010;
- EBITDA decreased 20% to \$10.8 million versus \$13.5 million for the six months ended June 30, 2010.

Michael A DeGiglio, Chief Executive Officer stated “We were pleased with our second quarter results supporting strong growth in revenues and income despite a remaining production issue during our last crop cycle that impacted our cost of production in one of our Texas greenhouses. We are pleased with the way we managed through the issue and that crop has been completed. Our Canadian crop is performing well and we have commenced initial harvesting from our new Texas crops. Pricing remains ahead of our forecast and prior year and we continue to increase our marketing partner relationships and capacity throughout North America.”

Michael DeGiglio added “We have commenced construction on our new greenhouse utilizing the Company’s GATES™ technology in Monahans, Texas and are on track for a year-end completion. Additionally, we continue to make investments in our current greenhouses, to drive future improvements in our cost of goods. We are enhancing our distribution platform and marketing/branding initiatives coupled with developing other prospects to drive incremental market share and long term results.”

Operational Summary for the six months ended June 30, 2011:

(in thousands of U.S. dollars)

Revenue

Revenue for the six months ended June 30, 2011, increased \$8,412, or 11%, to \$85,990 from \$77,578 for the six months ended June 30, 2010. The increase in revenue is primarily due to a 35% increase in supply partner revenue driven by increased volumes.

Cost of Sales

Cost of sales for the six months ended June 30, 2011, increased \$10,241, or 17%, to \$71,331 from \$61,090 for the six months ended June 30, 2010. The increase was a result of a 35% increase in supply partner payments due to the increased supply, a 9% increase in our costs from our Texas operations primarily driven by the incremental costs incurred due to our production issue and an increase of 17% in freight costs over prior year due to higher volumes and higher fuel surcharges.

Change in Fair Value of Biological Asset, net

The net change in fair value of biological asset for the six months ended June 30, 2011, increased \$3,741, to (\$101) from (\$3,842) for the six months ended June 30, 2010. The increase is due to expected higher gross profit in sales of early third quarter 2011 versus early third quarter 2010. The fair value of the biological asset at June 30, 2011 is \$6,792 and \$5,649 at June 30, 2010 due to higher price expectations in early third quarter 2011 compared to early third quarter 2010 for the fruit on the vine, at the respective reporting dates.

Selling, General and Administrative

Selling, general and administrative expenses for the six months ended June 30, 2011, increased \$837 to \$7,024 from \$6,187 for the six months ended June 30, 2010. The increase is primarily due to increased personnel costs and professional fees in 2011 over 2010.

Income from Operations

Income from operations for the six months ended June 30, 2011, increased \$1,075, or 17%, to \$7,534 from \$6,459 for the six months ended June 30, 2010. The increase was the result of a higher biological asset value, increased supply partner gross profit driven by increased volumes, offset by higher cost of sales and overhead costs.

Interest Expense

Interest expense, for the six months ended June 30, 2011, increased \$54 to \$1,467 from \$1,413 for the six months ended June 30, 2010. The increase is due to an increase in the Company's borrowing rate on its Canadian term loan partially offset by the continued reduction in debt levels throughout 2011 and 2010.

Other Income (Costs)

Other income (costs) for the six months ended June 30, 2011, increased by \$1,293 to income of \$655 from other costs of (\$638) for the six months ended June 30, 2010. The increase was due to a gain on derivatives of \$389 in 2011, versus a loss of (\$419) on derivatives for the six months ended June 30, 2010, as well as a gain of \$14 on sale of assets in 2011, as compared to a loss of (\$330) on the disposal of assets during the six months ended June 30, 2010.

Net Income

Net income for the six months ended June 30, 2011, increased \$1,931, or 62%, to \$5,050 from \$3,119 for the six months ended June 30, 2010. The increase was due to a higher biological asset value, increased supply partner gross profit driven by increased volumes, offset by higher cost of sales and overhead costs in 2011 versus 2010.

EBITDA

EBITDA for the six months ended June 30, 2011, decreased \$2,630, or 20%, to \$10,820 from \$13,450 for the six months ended June 30, 2010, as a result of higher cost of sales and overhead costs. The Company's trailing twelve month EBITDA is \$12,505, as of June 30, 2011.

Second Quarter 2011 Operating Results Summary:

(Note amounts in U.S. dollars)

- Revenues increased 15% to \$53.7 million compared to second quarter 2010 revenues of \$46.5 million;
- Earnings per share of \$0.01 versus a loss of (\$0.04) during the second quarter of 2010;
- Net income increased to \$0.5 million versus a net loss of (\$1.6) million for the second quarter of 2010;
- EBITDA increased 30% to \$6.0 million versus \$4.6 million in the second quarter of 2010.

Operational Summary for the Quarter:

(in thousands of U.S. dollars)

Revenue

Revenue for the quarter ended June 30, 2011, increased \$7,173, or 15%, to \$53,649 from \$46,476 for the quarter ended June 30, 2010. The increase in revenue is primarily due to a 29% increase in supply partner revenue, a 2% increase in the Company's production and an 8% increase in the average sale price of tomatoes as compared to 2010.

Cost of Sales

Cost of sales for the quarter ended June 30, 2011, increased \$5,506, or 14%, to \$45,730 from \$40,224 for the quarter ended June 30, 2010. The increase was a result of a 29% increase in supply partner payments due to the increased supply, a 5% increase in our costs from our greenhouse operations primarily driven by the incremental costs incurred due to our production issue at a Texas greenhouse and

an increase in freight and storage costs over prior years due to higher supply partner volumes and higher fuel surcharges.

Change in Fair Value of Biological Asset, net

The net change in fair value of biological asset for the quarter ended June 30, 2011, increased \$1,246 to (\$3,079) from (\$4,325) for the quarter ended June 30, 2010. The increase in the three months ended June 30, 2011 is due to higher sales expectations in early third quarter 2011 versus the same period in 2010 for the fruit on the vine, at the respective reporting dates.

Selling, General and Administrative

Selling, general and administrative expenses for the quarter ended June 30, 2011, increased \$314 to \$3,516 from \$3,202 for the quarter ended June 30, 2010. The increase is primarily due to increased personnel costs and professional in 2011 over 2010.

Income from Operations

Income from operations for the quarter ended June 30, 2011, increased by \$2,599, to \$1,324 from a loss of (\$1,275) for the quarter ended June 30, 2010. The increase was the result of higher average pricing, a higher biological asset value in 2011 versus 2010, offset by higher cost of sales and higher overhead costs.

Interest Expense

Interest expense, for the quarter ended June 30, 2011, increased \$40 to \$739 from \$699 for the quarter ended June 30, 2010. The increase is due to an increase in the Company's borrowing rate on its Canadian term loan partially offset by the continued reduction in debt levels throughout 2011 and 2010.

Other Income (Costs)

Other income (costs) for the quarter ended June 30, 2011, increased \$208 to income of \$140 from other costs of (\$68) for the quarter ended June 30, 2010. The increase was due to a gain on derivatives of \$107 in 2011, versus a loss of (\$102) on derivatives for the second quarter of 2010.

Net Income (Loss)

Net income for the quarter ended June 30, 2011, increased \$2,171 to \$538 from a loss of (\$1,633) for the quarter ended June 30, 2010. The increase was due to higher product pricing, a higher biological asset value partially offset by higher cost of sales and overhead costs in 2011 versus 2010.

EBITDA

EBITDA for the quarter ended June 30, 2011, increased \$1,372, or 30%, to \$5,968 from \$4,596 for the quarter ended June 30, 2010, as a result of higher income from operations as a result of higher product sale pricing, partially offset by higher cost of sales and overhead costs.

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 six months and quarter ended June 30, 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 centers 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 our expectations regarding our growth, results of operations, performance, business prospects, opportunities or industry performance and trends. These forward looking statements reflect our current internal projections, expectations or beliefs and are based on information currently available to us. 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 international 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, 2010, which is available electronically at www.sedar.com. Actual results may differ materially from any forward looking statement. Although we believe 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, we assume no obligation to update or revise them to reflect new events or circumstances.

For further information

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

ASSETS	<u>June 30, 2011</u>	<u>December 31, 2010</u>
<i>Current assets</i>		
Cash and cash equivalents	\$5,149	\$9,734
Trade receivables	16,278	8,131
Other receivables	359	510
Inventories	6,124	10,714
Assets held for sale	407	407
Income taxes receivable	213	775
Prepays and deposits	2,002	801
Biological asset	6,792	5,223
Total current assets	<u>37,324</u>	<u>36,295</u>
<i>Non-current assets</i>		
Property, plant and equipment	67,704	62,972
Deferred tax asset	1,016	2,967
Intangible assets	1,249	1,301
Other assets	1,277	1,125
Total assets	<u><u>\$108,570</u></u>	<u><u>\$104,660</u></u>
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	\$6,188	\$6,280
Accrued liabilities	4,934	3,470
Income taxes payable	8	24
Current maturities of long-term debt	3,260	3,260
Current portion of obligations under capital leases	65	264
Total current liabilities	<u>14,455</u>	<u>13,298</u>
<i>Non-current liabilities</i>		
Long-term debt	46,578	48,208
Derivatives	1,951	2,340
Obligations under capital leases	-	14
Deferred tax liability	4,246	4,569
Total liabilities	<u>67,230</u>	<u>68,429</u>
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	134	75
Accumulated other comprehensive income	55	55
Retained earnings	16,301	11,251
Total shareholders' equity	<u>41,340</u>	<u>36,231</u>
Total liabilities and shareholders' equity	<u><u>\$108,570</u></u>	<u><u>\$104,660</u></u>

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

	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Net sales	\$53,649	\$46,476	\$85,990	\$77,578
Cost of sales	(45,730)	(40,224)	(71,331)	(61,090)
Change in biological asset	(3,079)	(4,325)	(101)	(3,842)
Selling, general and administrative expenses	(3,516)	(3,202)	(7,024)	(6,187)
Income (loss) from operations	1,324	(1,275)	7,534	6,459
Interest expense	739	699	1,467	1,413
Interest income	-	(29)	(12)	(34)
Foreign exchange (gain) loss	25	58	(37)	145
Amortization of intangible assets	26	26	52	52
(Gain) loss on derivatives	(107)	102	(389)	419
Other income, net	(84)	(119)	(267)	(308)
(Gain) loss on disposal/sale of assets	-	1	(14)	330
Income (loss) before income taxes	725	(2,013)	6,734	4,442
Provision for (recovery of) income taxes	187	(380)	1,684	1,323
Net income (loss) and comprehensive income (loss)	538	(1,633)	5,050	3,119
Basic earnings (loss) per share	\$0.01	(\$0.04)	\$0.13	\$0.08
Diluted earnings (loss) per share	\$0.01	(\$0.04)	\$0.13	\$0.08

Village Farms International, Inc.
Condensed Consolidated Statement of Cash Flow
For the Three and Six Months Ended
(In thousands of United States dollars, unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net income (loss)	\$538	(\$1,633)	\$5,050	\$3,119
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	1,458	1,433	2,911	2,857
(Gain) loss on sale of assets	-	1	(14)	330
(Gain) loss on derivatives	(107)	102	(389)	419
Foreign exchange (gain) loss	25	58	(37)	145
Share based compensation	49	20	59	36
Deferred income taxes	171	(446)	1,628	(1,001)
Change in biological asset	3,079	4,325	101	3,842
Changes in non-cash working capital items	3,363	2,939	(4,359)	574
Net cash (used in) provided by operating activities	<u>8,576</u>	<u>6,799</u>	<u>4,950</u>	<u>10,321</u>
Cash flows from investing activities:				
Purchases of property, plant and equipment	(7,223)	(975)	(7,614)	(1,347)
Proceeds from sale of property, plant and equipment	-	82	37	88
Other	-	(6)	(152)	(61)
Net cash used in investing activities	<u>(7,223)</u>	<u>(899)</u>	<u>(7,729)</u>	<u>(1,320)</u>
Cash flows from financing activities:				
Payments on long-term debt	(815)	(816)	(1,630)	(1,634)
Payments on obligations under capital leases	(52)	(91)	(213)	(142)
Net cash used in financing activities	<u>(867)</u>	<u>(907)</u>	<u>(1,843)</u>	<u>(1,776)</u>
Effect of exchange rate changes on cash and cash equivalents	(25)	(58)	37	(145)
Net (decrease) increase in cash and cash equivalents	461	4,935	(4,585)	7,080
Cash and cash equivalents beginning of period	4,688	4,756	9,734	2,611
Cash and cash equivalents end of period	<u>\$5,149</u>	<u>\$9,691</u>	<u>\$5,149</u>	<u>\$9,691</u>
Supplemental cash flow information:				
Interest paid	<u>\$734</u>	<u>\$710</u>	<u>\$1,427</u>	<u>\$1,404</u>
Income taxes paid	<u>\$15</u>	<u>\$340</u>	<u>\$48</u>	<u>\$348</u>