August 13, 2014

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

Village Farms International Announces Second Quarter 2014 Results

Vancouver, B.C., August 13, 2014 – Village Farms International, Inc. (the "Company") (TSX: VFF) announced today results for the quarter ended June 30, 2014.

Conference Call

A conference call will be held on August 15, 2014 to discuss the Company's second quarter 2014 results. The conference call will begin at 8:00 a.m. Pacific Standard Time (11:00 a.m. Eastern Standard Time) and will be hosted by Messrs. Michael DeGiglio, Chief Executive Officer, and Stephen Ruffini, Chief Financial Officer.

To participate in the conference call, please dial into the conference call a few minutes before the start time: **1-888-390-0546 or 416-764-8688**.

"Our second quarter was impacted by lower pricing, specifically our TOV (tomatoes on the vine) pricing as compared to prior periods. Year on year TOV pricing is down approximately 15% YTD. Over the last three years, we have replaced a portion of our TOV production with more specialty and certain exclusive tomato varieties as well as with new products, specifically cucumbers and eggplants. Although our TOV production has been and continues to be reduced it still composes approximately 49% of our total production this year. Lower market pricing has had a significant impact on our financial performance which has overshadowed other positive initiatives within the Company" stated Michael DeGiglio, Chief Executive Officer of the Company.

"Current TOV market conditions are being driven by an oversupply situation caused by continued expansion of greenhouse facilities, in North America, stagnate market demand tied to the economy, and a continuing lack of enforcement of existing regulations pertaining to mislabeling product exported to the United States from both Mexico and Canada. While lack of enforcement, is not the primary driver of current market prices, it does negatively impact pricing when lower quality produce is mislabeled as greenhouse or the country of origin is altered. Our variety innovation programs coupled with our sales, marketing and production efforts to research, evaluate and trial new varieties remains a clear priority to meet changing consumer demand in our local and regional markets."

"In the first half of 2014, we accomplished a number of initiatives some of them ongoing and some of them project orientated. We completed the rebuild of 20 acres of the remaining 40 acre damaged facility in Marfa, Texas on time and under budget. The facility is essentially a brand new facility and started producing the last week in June. We also lowered our cost of production at our Permian Basin facility due to lower year on year costs and higher year on year production volumes. The enhancements come both from more efficient labor and improvements in the technology, primarily driven by another year of experience in the harsh growing climate. Overall our volumes and costs are in line or below our expectations for the year and we expect that trend to continue."

"We continue to focus on constantly improving our operations, which included the decision to close our Dominican Republic pepper pack house operation. The pack house operation was running effectively, but due to ongoing logistics issues, it did not provide for a profitable retailer base for the product. We continue to focus our working capital on enhancing our own greenhouse operations such as adding supplemental lighting to our cucumber growing area in the Permian Basin facility increasing output to meet existing local Texas demand, as well as installing a thermal heat screen in our Delta 1 facility to further reduce our use of natural gas. Both of these initiatives will bring both immediate and longer term improvements to our operating results."

"The July acquisition of the land fill gas cogeneration facility in Delta, British Columbia will not only bring profitable electricity revenue to the Company but with some minor improvements to the facility, we will lower the ongoing maintenance and repair costs while increasing our ability to generate thermal heat for greenhouse facility, which will lower our natural gas needs in the winter months. Longer term we foresee producing or receiving, from the cogeneration operations and/or in conjunction with the fuel cell initiative announced earlier this year, food grade CO_2, which will enhance the local environment as well as lower our year round need for natural gas."

Mr. DeGiglio went on to say, "We remain committed to reducing our exposure to market pricing through future crop changes and enhancing our retailer relationships as well as cutting our operating costs."

Year to Date Operating Summary:
(Note amounts in U.S. Dollars)

- Net sales decreased ($1.0) million, or (2%), to $65.3 million for the six months ended June 30, 2014 compared to $66.3 million for the six months ended June 30, 2013.
- Adjusted EBITDA (defined below), for the six months ended June 30, 2014 decreased by ($1.4) million to $4.1 million, as compared to $5.5 million for the six months ended June 30, 2013.
- Earnings (loss) per share of ($.02) for the six month period ended June 30, 2014 versus $0.10 per share for the same period in 2013.
- Net debt decreased by ($6.0) million to $49.4 million on June 30, 2014 compared to $55.4 million on June 30, 2013.
- Acquired the land fill gas cogeneration operation from Maxim Power on July 17, 2014, which has been renamed VF Clean Energy, Inc.

Operational Summary:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the six months ended June 30, 2014, decreased ($980), or (2%), to $65,271 compared to $66,251 for the six months ended June 30, 2013. The decrease in net sales is primarily due to a (9%) decrease in the average selling price of tomatoes, primarily driven by a decrease of (15%) in the average price of tomatoes-on-the-vine in the first six months of 2014 versus the same period in 2013. The price decrease was partially offset by an increase in total tomato pounds sold of 7% over the same period in 2013.

Cost of Sales

Cost of sales for the six months ended June 30, 2014, increased $690, or 1%, to $58,516 from $57,826 for the six months ended June 30, 2013. The increase is due to higher volumes of product both from the Company's greenhouse facilities as well as third party supply, which were mostly offset by lower production costs at the Company's own facilities due to lower costs and higher production at the Permian Basin facility.

Insurance proceeds, net

For the six months ended June 30, 2014 the Company received no insurance proceeds and for the six months ended June 30, 2013 the Company received $5,221 in business interruption insurance proceeds net of recovery costs. The final insurance payment for the 2012 hail storm was received in September 2013.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six months ended June 30, 2014 decreased ($211) or (3%) to $6,455 from $6,666 for the year ended June 30, 2013. Overhead costs decreased due to decreases in personnel and marketing expenditures.

Income from Operations

Income from operations for the six months ended June 30, 2014, decreased ($7,460), to $243 from $7,703 for the six months ended June 30, 2013. The decrease is primarily a result of insurance proceeds received of $5,221 in 2013 and lower tomato prices in 2014 versus the same period in 2013.

Interest Expense, net

Interest expense, net, for the six months ended June 30, 2014 decreased ($765) to $1,324 from $2,089 for the six months ended June 30, 2013. The decrease is due to a decrease in the Company's outstanding borrowings and lower borrowing rates in 2014 versus 2013.

Income Taxes

Income tax expense/ (recovery) for the six months ended June 30, 2014 was ($332) compared to an expense of $1,738 for the six months ended June 30, 2013. The change in the provision for income tax between the two periods is due lower income from operations in 2014 versus the same period in 2013 due to the receipt of insurance proceeds in 2013. In 2014, the Company began paying Canadian corporate income taxes, as the Company fully utilized its prior year loss carryovers in calendar year 2013.

Net Income

Net income for the six months ended June 30, 2014 decreased ($4,830) to a loss of ($774) from $4,056 for the six months ended June 30, 2013. The decrease is primarily a result of the receipt of insurance proceeds of $5,221 in the first six months of 2013 and decreases in the average selling price of tomatoes in 2014 versus 2013.

EBITDA

EBITDA for the six months ended June 30, 2014 decreased ($6,605) to $4,147 from $10,752 for the six months ended June 30, 2013, primarily as a result of receiving, in the first six months of 2013, $5,221 of insurance proceeds and experiencing lower market prices for tomatoes, in particular tomatoes-on–the-vine in 2014 versus the same period in 2013. See the EBITDA calculation in –"Non-IFRS Measures - Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA", below.

Adjusted EBITDA

Adjusted EBITDA for the six months ended June 30, 2014 decreased by ($1,384) to $4,147 from $5,531 for the six months ended June 30, 2013. The decrease was due to lower tomato on the vine prices in the first six months of 2014 versus the same period in 2013. See the Adjusted EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA", below.

Second Quarter 2014 Operating Summary:

(Note amounts in U.S. Dollars)

- Net sales increased 1% to $41.3 million for the second quarter of 2014 compared to $40.9 million for the second quarter of 2013;
- Adjusted EBITDA decreased by ($1.3) million or (29%) to $3.1 million in the second quarter of 2014 compared to $4.4 million in the second quarter of 2013.
- Net loss of ($0.5) million in the second quarter of 2014 compared to net income $1.4 million in the second quarter of 2013;
- Loss per share of ($0.01) for the second quarter of 2014 versus income per share of $0.04 in the second quarter of 2013, and;

Operational Summary for the Quarter:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the three months ended June 30, 2014 increased by $401 or 1% to $41,267 from $40,866 for the three month period ended June 30, 2013. The increase in net sales is primarily due to a 6% increase in the Company's production volume of all commodities, plus a 24% increase in supply partner volume mostly offset by a decrease in the average selling price of tomatoes-on-the-vine.

The average selling price for the three months ended June 30, 2014 versus the three months ended June 30, 2013; for tomatoes was a decrease of (10%), for peppers was an increase of 6%, and for cucumbers was a decrease of (3%). The tomato price decrease in the second quarter of 2014 was as a result of a decrease in the tomato-on-the-vine pricing of (18%) offset by an increased mix of higher priced specialty tomatoes grown by the Company. For the three months ended June 30, 2014, total tomato pounds sold increased by 10% from the comparable period in 2013 (tomatoes grown by the Company increased 6% and supply partner volume increased 91%); pepper pounds sold for the three months ended June 30, 2014 increased by 6% over the comparable period in 2013 and cucumber pieces sold for the three months ended June 30, 2014 were comparable to the same volume over the comparable period in 2013.

Cost of Sales

Cost of sales for the three months ended June 30, 2014 increased by $1,998 or 6% to $36,799 from $34,801 for the three months ended June 30, 2013. The increase is due to higher volumes from the Company's greenhouse facilities as well as a 24% increase in supply partner volumes. The Company experienced a net decrease in its cost of production, as measured on a per pound basis, due to lower costs and higher volume from its Permian Basin facility, which is now in its third year of operations.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended June 30, 2014 decreased by $219, or (6%), to $3,328 from $3,547 for the three months ended June 30, 2013.

Change in Biological Asset

The net change in fair value of biological asset for the three months ended June 30, 2014 decreased by ($1,595) to ($1,170) from $425 for the three months ended June 30, 2013. The decrease is due to lower pricing in July 2014 as compared to July 2013 on tomatoes-on-the-vine, partially offset by higher volumes. The fair value of the biological asset at June 30, 2014 is $7,885 compared to $8,311 at June 30, 2013.

Income from Operations

Income from operations for the three months ended June 30, 2014, decreased by ($2,930) to ($30) from $2,900 for the three months ended June 30, 2013. The decrease was the result of the decrease in the change in biological asset value of ($1,595).

Interest Expense, net

Interest expense, net, for the three months ended June 30, 2014 decreased by ($237), or (27%), to $636 from $873 for the three months ended June 30, 2013. The decrease is due to a decrease in the Company's borrowing rates and a lower principal balance.

Income Taxes

Income tax expense/ (recovery) for the three months ended June 30, 2014 was ($194) compared to $620 for the three month period ended June 30, 2013. The income tax expense reduction in 2014 as compared to the same period in 2013 was related to the lower operating income in three months ended June 30, 2014 from the same period in 2013. In 2013 the Company received $5,221 of business interruption insurance proceeds, which were taxable in the year they were received.

Net Income (Loss)

Net income (loss) for the three months ended June 30, 2014 decreased by ($1,898) to a loss of ($450) from net income of $1,448 for the three months ended June 30, 2013. The decrease was the result of a decrease in net change in biological asset, a decrease in the average price of tomatoes on the vine, partially offset by lower interest expense and income taxes.

Adjusted EBITDA

Adjusted EBITDA for the three months ended June 30, 2014 decreased by ($1,268) to $3,116 from $4,384 for the three months ended June 30, 2013. The decrease was due to an (18%) decrease in the average selling price of tomatoes on the vine, as compared to the same period in 2013. See the Adjusted EBITDA calculation in "Non-IFRS Measures – Reconciliation of EBITDA and Adjusted EBITDA", below.

Non-IFRS Measures

Reconciliation of EBITDA and Adjusted EBITDA(1)
(In thousands of U.S. Dollars)

	For the quarter ended June 30,		For the six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Net (loss) income	($450)	$1,448	($774)	$4,056
Amortization	1,910	1,829	3,736	3,667
Interest expense, net	637	873	1,325	2,089
Income taxes	(194)	620	(332)	1,738
Change in biological asset	1,170	(425)	57	(723)
Other non-cash items	43	(4)	135	(75)
EBITDA	3,116	4,341	4,147	10,752
Less: insurance proceeds	-	43	-	(5,221)
Adjusted EBITDA	$3,116	$4,384	$4,147	$5,531

(1) Information on non-GAAP Measures

EBITDA and Adjusted EBITDA are non-GAAP measures. Management uses adjusted EBITDA to assist in the evaluation of year over year and quarter over quarter performance, and believes that it will be helpful to investors as a measure of underlying operational results. This non-GAAP measure is not intended to replace the presentation of our financial results in accordance with GAAP. The Company's use of the term adjusted EBITDA may differ from similar measures reported by other companies. A reconciliation of income from operations and such non-IFRS measures, as EBTIDA, are included in the Company's MD&A.

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. Since its inception, Village Farms has been guided by friendly growing methods, growing produce vegetables 365 days a year from its facilities that are healthier for people and the planet. Village Farms is Good for the Earth®.

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 30, 2013, which is 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

Stephen C. Ruffini, Executive Vice President and Chief Financial Officer, Village Farms International, Inc., (407) 936-1190 ext 340.

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

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,080	$ 18,668
Trade receivables	12,932	7,109
Other receivables	609	325
Inventories	9,820	10,630
Income taxes receivable	36	36
Prepaid expenses and deposits	658	168
Biological asset	7,885	3,732
Total current assets	40,020	40,668
Non-current assets		
Property, plant and equipment	99,140	96,709
Intangible assets	939	991
Other assets	1,621	1,537
Total assets	$ 141,720	$ 139,905
LIABILITIES		
Current liabilities		
Trade payables	$ 8,893	$ 7,063
Accrued liabilities	3,758	3,225
Income taxes payable	-	917
Operating loan	4,000	-
Current maturities of long-term debt	4,168	4,168
Current maturities of capital lease obligations	25	25
Total current liabilities	20,844	15,398
Non-current liabilities		
Long-term debt	48,693	50,692
Long-term maturities of capital lease obligations	48	61
Deferred tax liability	10,900	11,970
Deferred compensation	770	684
Total liabilities	81,255	78,805
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	888	749
Accumulated other comprehensive income	55	55
Retained earnings	34,672	35,446
Total shareholders' equity	60,465	61,100
Total liabilities and shareholders' equity	$ 141,720	$ 139,905

Village Farms International, Inc.
Condensed Consolidated Interim Statements 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, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Net sales	$ 41,267	$ 40,866	$ 65,271	$ 66,251
Cost of sales	(36,799)	(34,801)	(58,516)	(57,826)
Insurance proceeds, net	-	(43)	-	5,221
Change in biological asset	(1,170)	425	(57)	723
Selling, general and administrative expenses	(3,328)	(3,547)	(6,455)	(6,666)
Income from operations	(30)	2,900	243	7,703
Interest expense, net	636	873	1,324	2,089
Foreign exchange gain	(43)	(50)	(5)	(57)
Amortization of intangible assets	26	26	52	52
Gain on derivatives	-	-	-	(106)
Other income, net	(6)	(20)	(23)	(66)
Loss/(gain) on sale of assets	1	3	1	(3)
Income before income taxes	(644)	2,068	(1,106)	5,794
(Recovery of) provision for income taxes	(194)	620	(332)	1,738
Net (loss) income and comprehensive (loss) income	$ (450)	$ 1,448	$ (774)	$ 4,056
Basic (loss) earnings per share	$ (0.01)	$ 0.04	$ (0.02)	$ 0.10
Diluted (loss) earnings per share	$ (0.01)	$ 0.04	$ (0.02)	$ 0.10

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

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Cash flows from operating activities:				
Net (loss) income	$ (450)	$ 1,448	$ (774)	$ 4,056
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,910	1,829	3,736	3,667
Loss/(gain) on disposal of assets	1	3	1	(3)
Gain on derivatives	-	-	-	(106)
Foreign exchange gain	(43)	(50)	(5)	(57)
Net interest expense	702	670	1,400	1,886
Share-based compensation	85	43	139	91
Deferred income taxes	(909)	614	(1,070)	1,729
Change in biological asset	1,170	(425)	57	(723)
Changes in non-cash working capital items	(647)	79	(8,551)	(6,997)
Net cash provided by (used in) operating activities	1,819	4,211	(5,067)	3,543
Cash flows from investing activities:				
Purchases of property, plant and equipment	(1,413)	(537)	(6,117)	(965)
Proceeds from sale of property, plant, and equipment, net	1	13	1	19
Other non-current assets and liabilities, net	31	(171)	87	(674)
Net cash used in investing activities	(1,381)	(695)	(6,029)	(1,620)
Cash flows from financing activities:				
(Payments on)/Proceeds from operating loan, net	3,000	(3,028)	4,000	-
Payments on long-term debt, net	(1,042)	(347)	(2,084)	(657)
Interest paid on long-term debt, net	(702)	(670)	(1,400)	(1,886)
Payments on capital lease obligation	(7)	(6)	(13)	(11)
Net cash provided by (used in) financing activities	1,249	(4,051)	503	(2,554)
Effect of exchange rate changes on cash and cash equivalents	43	50	5	57
Net increase (decrease) in cash and cash equivalents	1,730	(485)	(10,588)	(574)
Cash and cash equivalents, beginning of period	6,350	2,712	18,668	2,801
Cash and cash equivalents, end of period	$ 8,080	$ 2,227	$ 8,080	$ 2,227
Supplemental cash flow information:				
Income taxes paid	$ 455	$ 8	$ 1,464	$ 9