August 14, 2012

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

Village Farms International Announces Results for the Six Months and Second Quarter June 30, 2012

Vancouver, B.C., August 14, 2012 – Village Farms International, Inc. (the "Company") (TSX: VFF) announced today results for the quarter ended June 30, 2012.

Six Months Ended June 30, 2012 Operating Results Summary:
(Note amounts in U.S. dollars)

- Revenues decreased 21% to $67.7 million for the six months ended June 30, 2012 compared to $86.0 million for the six months ended June 30, 2011;
- Earnings per share of $0.18 for the six months ended June 30, 2012 versus $0.13 for the six months ended June 30, 2011;
- Net income increased 40% to $7.1 million for the six months ended June 30, 2012 versus $5.1 million for the six months ended June 30, 2011;
- EBITDA increased to $11.0 million for the six months ended June 30, 2012 compared to $10.8 million for the six months ended June 30, 2011.

Michael DeGiglio, Chief Executive Officer, stated "Unfortunately, pricing continues to remain challenging as it has since the fourth quarter of 2011. This is directly due to continued oversupply from Mexico coupled with continued flat demand in both the USA and Canada. Adding to this challenge, we experienced a serious hail storm, the likes of which has not been experienced in the entire industry, which severely damaged 82 acres of our west Texas facilities. Since the incident we have worked aggressively with our insurance carrier and have received proceeds sufficient enough to allow us to proceed to repair 40 acres of our facilities. Although we lost considerable June revenues and will lose additional revenues in future periods, the soon to be completed 40 acres coupled with production from our new Monahans facility provides us with sufficient winter production to maintain our core retail accounts. At this time, we do not have sufficient insurance proceeds to repair or replace the remaining 42 acres, but are continuing to work with the insurance carrier to resolve our property and lost income claim."

Mr. DeGiglio added "Our new GATES® technology in Monahans has performed well from a technical standpoint but due to upfront critical labor and housing issues, our initial crop did not perform as well as we would have liked. We have since interplanted the entire facility with our second tomato crop as well as diversified our new crop mix with long English cucumbers and mini cucumbers in the facility. We have aggressively worked on the labor and housing issues and are confident we have made significant progress towards solving both issues."

Conference Call

A conference call will be held on Friday August 17, 2012 to discuss the Company's second quarter 2012 results. The conference call will begin at 10:00 a.m. Pacific Standard Time (1:00 p.m. Eastern Standard Time) and will be hosted by Mr. Michael DeGiglio, Chief Executive Officer, and Mr. Stephen Ruffini, Chief Financial Officer.

To participate in the teleconference, please dial into the call a few minutes before the start time:
1-888-231-8191 or 647-427-7450

Operational Summary for the Six Months ended June 30, 2012:

(in thousands of US dollars)

Revenue

Revenue for the six months ended June 30, 2012 decreased $18,315, or (21%), to $67,675 compared to $85,990 for the six months ended June 30, 2011. The decrease in revenue is primarily due to a (21%) decrease in the average selling price of tomatoes, a (23%) decrease in the average selling pepper price and (27%) decrease in cucumber pricing as compared to the same period in 2011 and a (5%) decrease in both the Company's production and the Company's supply partner's production. The year on year decrease in the Company's production would have been (17%) if its new Monahans facility was excluded. The year on year decrease, excluding the Monahans facility, is primarily due to a shortened crop cycle at the Marfa facilities due to the hail storm resulting in an estimated loss of 5.5 million pounds as well as an increase in the growing area of lower yielding specialty tomatoes.

Cost of Sales

Cost of sales for the six months ended June 30, 2012 decreased ($1,905), or (3%), to $69,426 from $71,331 for the six months ended June 30, 2011. The decrease was a result of a (25%) decrease in supply partner costs due to decreased selling prices and volume, offset by costs from our Monahans operation which was not in operation in 2011. The Company took an inventory writeoff of $3,923 related to crop, growing and packaging material damaged in the hail storm, in May 2012.

Insurance proceeds, net

For the six months ended June 30, 2012 the Company received $18,720 in insurance proceeds net of recovery costs. Due to the hail storm, the Company took an inventory write down of $3,923 for the damaged crops, growing materials and packaging costs, which is included in cost of sales, as well as took an asset write off of $2,789 of book value assets lost as a result of the hail storm.

Change in fair value of biological asset, net

The net change in fair value of biological asset for the six months ended June 30, 2012 decreased ($2,078), to ($2,179) from ($101) for the six months ended June 30, 2011. The decrease is due to a combination of lower pricing, lost production in the damaged Marfa facilities as well higher completion costs for the Company's biological asset in 2012 versus 2011.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six month period ended June 30, 2012 increased $342 or 5% to $7,366 from $7,024 for the six month period ended June 30, 2011. Overhead costs rose due to an increase in personnel, marketing, travel and bank fees primarily as a result of activities involving the Company's new Monahans greenhouse facility.

Income from Operations

Income from operations for the six months ended June 30, 2012, decreased ($2,899), or (38%), to $4,635 from $7,534 for the six months ended June 30, 2011. This is primarily a result of the decrease in sales and write-off of damaged assets which were offset by the insurance proceeds received.

Interest Expense, net

Interest expense, net, for the six month period ended June 30, 2012 increased $628 to $2,083 from $1,455 for the six month period ended June 30, 2011. The increase is due to the Company's increased borrowings related to the new Monahans facility and higher borrowing rate.

Other Income

Other income for the six month period ended June 30, 2012, decreased ($87) to $568 from $655 for the six month period ended June 30, 2011. The decrease is primarily due to a small foreign exchange loss, in 2012, versus a small foreign exchange gain in 2011.

Net Income

Net income for the six month period ended June 30, 2012 increased $2,001 to $7,051 from $5,050 for the six month period ended June 30, 2011. The increase was primarily the result of the insurance proceeds received and the income tax recovery which were offset by the reduction in sales for the period, a negative change in biological asset value in 2012 versus 2011 and the write-off of damaged assets due to the hail storm.

Income Taxes

Income tax recovery for the six month period ended June 30, 2012 was $3,931 compared to an expense of $1,684 for the six month period ended June 30, 2011 due to a loss from operations, in 2012, excluding the insurance proceeds, as insurance proceeds are not taxable, if they are used to repair or replace the damaged facilities.

EBITDA

EBITDA for the six month period ended June 30, 2012 increased $151 to $10,971 from $10,820 for the six month period ended June 30, 2011, primarily as a result of the receipt of insurance proceeds, offset by the decrease in sales and higher 2012 depreciation charges. The Company's trailing twelve month EBITDA is $15,808, as of June 30, 2012. For more information about the Company's presentation of EBITDA, a non-IFRS measure, see the Company's Management, Discussion and Analysis for the three and six months ended June 30, 2012.

Hail Damage and Insurance Proceeds

On May 31, 2012 the Company suffered a hail storm that closed three of the Texas facilities; the company is insured and as at August 14, 2012, $19,500 has been received from its carrier, for repairs and business interruption and $780 of fees is associated with this recovery. As at June 30, 2012, $13,920 of insurance proceeds is receivable and included in other receivables. As at June 30, 2012, an impartment write-down of $2,789 for assets destroyed or damaged was recognized. The assets impacted had been written down, for book purposes, to fairly low values as compared to the fair market value of the assets, primarily due to the age of the assets. The Company also took an inventory writedown of $3,923 for the damaged crops, growing materials and packaging costs.

In August 2012, insurance proceeds of $8,998 were used to make a prepayment on term debt, as sufficient funds have not yet been received to repair or replace the remaining Marfa facilities damaged in the hail storm.

Second Quarter 2012 Operating Results Summary:
(Note amounts in U.S. dollars)

- Revenues decreased 26% to $39.5 million for the second quarter of 2012 compared to $53.6 million for the second quarter of 2011;
- Earnings per share of $0.20 for the second quarter of 2012 versus $0.01 for the second quarter of 2011;
- Net income increased to $7.7 million in the second quarter of 2012 versus $.5 million in the second quarter of 2011;
- EBITDA increased 33% to $8.0 million in the second quarter of 2012 compared to $6.0 million in the second quarter of 2011.

Operational Summary for the Quarter:

(in thousands of US dollars)

Revenue

Revenue for the quarter ended June 30, 2012 decreased ($14,166) or (26%), to $39,483 from $53,649 for the quarter ended June 30, 2011. The decrease in revenue is primarily due to a (24%) decrease in the average selling price of tomatoes as compared to 2011 and a (5%) decrease in the Company's production as well as a decrease in our supply partner production of (12%). The year on year decrease in the Company's production would have been (20%) if its new Monahans facility was excluded; although a substantial portion of the decrease was due to the loss of the June volume (estimated at 5.5

million pounds) from the Company's Marfa facilities as well as an increase in the growing area of lower yielding specialty tomatoes.

Cost of Sales

Cost of sales for the quarter ended June 30, 2012 remained relatively unchanged at $45,742 from $45,730 for the quarter ended June 30, 2011. The Company took an inventory writedown of $3,923 related to crop, growing and packaging material damaged in the hail storm, in the quarter ended June 30, 2012.

Change in fair value of biological asset, net

The net change in fair value of biological asset for the quarter ended June 30, 2012 increased $2,114 to ($965) from ($3,079) for the quarter ended June 30, 2011. The increase is due to a lower beginning biological asset at March 31, 2012 versus March 31, 2011. The fair value of the biological asset at June 30, 2012 is $5,348 and was $6,792 at June 30, 2011 due to lower sales expectations in July 2012 versus July 2011 of 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, 2012 increased $265 to $3,781 from $3,516 for the quarter ended June 30, 2011. Overhead costs rose due to an increase in personnel, marketing, travel and bank fees primarily as a result of activities involving the Company's new Monahans greenhouse facility.

Income from Operations

Income from operations for the quarter ended June 30, 2012 increased by $3,602, to $4,926 from $1,324 for the quarter ended June 30, 2011. The increase was the net result of the receipt of insurance proceeds of $18,720; less inventory and asset write downs of $6,712, as a result of the hail storm, which were offset by lower sales in 2012 versus 2011 due to lower pricing and the loss of June revenues due to the hail storm.

Interest Expense, net

Interest expense, net for the quarter ended June 30, 2012 increased $386 to $1,125 from $739 for the quarter ended June 30, 2011. The increase is due to the Company's increased borrowings related to the new Monahans facility and higher borrowing rate.

Other Income (Costs)

Other income (costs) for the quarter ended June 30, 2012 increased $114 to income of $254 from $140 for the quarter ended June 30, 2011. The increase was due to a larger gain on derivatives in 2012.

Net Income

Net income for the quarter ended June 30, 2012 increased $7,205, to $7,743 from $538 for the quarter ended June 30, 2011. The increase was due to the receipt of insurance proceeds exceeding the inventory and asset write offs, lower product pricing, an increase in the change in fair value of biological asset partially offset by a lower cost of sales and a substantial recovery in the provision for income taxes, as insurance proceeds are not taxable if reinvested within two years.

EBITDA

EBITDA for the quarter ended June 30, 2012, increased $2,030, or 34%, to $7,998 from $5,968 for the quarter ended June 30, 2011, as a result of higher income from operations due to the receipt of insurance proceeds in 2012, higher depreciation charges in 2012 due to the new Monahans facility being offset by lower 2012 product pricing versus strong 2011 pricing. For more information about the Company's presentation of EBITDA, a non-IFRS measure, see the Company's Management, Discussion and Analysis for the three and six months ended June 30, 2012.

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 three 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 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., (732) 676-3008.

Village Farms International, Inc.
Consolidated Condensed 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	
	2012	**2011**	**2012**	**2011**
Cash flows from operating activities:				
Net income	$7,743	$538	$7,051	$5,050
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,022	1,458	3,915	2,911
(Gain) loss on sale of assets/disposal	2,789	-	2,789	(14)
Gain on derivatives	(288)	(107)	(511)	(389)
Foreign exchange (gain) loss	(5)	25	42	(37)
Net interest expense	1,125	739	2,083	1,455
Share based compensation	64	49	123	59
Deferred income taxes	(3,661)	171	(3,931)	1,628
Change in biological asset	965	3,079	2,179	101
Changes in non-cash working capital items	(9,757)	3,363	(15,038)	(4,359)
Net cash provided by (used in) operating activities	997	9,315	(1,298)	6,405
Cash flows from investing activities:				
Purchases of property, plant and equipment	(3,006)	(7,226)	(9,114)	(7,614)
Proceeds from sale of property, plant and equipment	-	-	-	37
Other	17	3	200	(152)
Net cash used in investing activities	(2,989)	(7,223)	(8,914)	(7,729)
Cash flows from financing activities:				
Proceeds from line of credit	3,160	-	6,038	-
Proceeds from (payments on) long-term debt	443	(815)	4,761	(1,630)
Interest paid on debt	(1,125)	(749)	(2,085)	(1,467)
Interest income	-	10	2	12
Payments on obligations under capital leases	-	(52)	-	(213)
Net cash provided by (used in) financing activities	2,478	(1,606)	8,716	(3,298)
Effect of exchange rate changes on cash and cash equivalents	5	(25)	(42)	37
Net (decrease) increase in cash and cash equivalents	491	461	(1,538)	(4,585)
Cash and cash equivalents beginning of period	836	4,688	2,865	9,734
Cash and cash equivalents end of period	$1,327	$5,149	$1,327	$5,149
Supplemental cash flow information:				
Income taxes paid	$-	$15	$27	$48

The accompanying notes are an integral part of these consolidated interim financial statements.

Village Farms International, Inc.
Consolidated Condensed 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	
	2012	2011	2012	2011
Net sales	$39,483	$53,649	$67,675	$85,990
Cost of sales	(45,742)	(45,730)	(69,426)	(71,331)
Insurance proceeds, net	18,720	-	18,720	-
Writeoff of assets damaged	(2,789)	-	(2,789)	-
Change in biological asset	(965)	(3,079)	(2,179)	(101)
Selling, general and administrative expenses	(3,781)	(3,516)	(7,366)	(7,024)
Income from operations	4,926	1,324	4,635	7,534
Interest expense	1,125	749	2,085	1,467
Interest income	-	(10)	(2)	(12)
Foreign exchange loss (gain)	55	25	62	(37)
Amortization of intangible assets	26	26	52	52
(Gain) loss on derivatives	(288)	(107)	(511)	(389)
Other income, net	(47)	(84)	(171)	(267)
(Gain) loss on disposal/sale of assets	-	-	-	(14)
Income before income taxes	4,055	725	3,120	6,734
(Recovery of) Provision for income taxes	(3,688)	187	(3,931)	1,684
Net income and comprehensive income	7,743	538	$7,051	$5,050
Basic earnings per share	$0.20	$0.01	$0.18	$0.13
Diluted earnings per share	$0.20	$0.01	$0.18	$0.13

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

	June 30, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,327	$ 2,865
Trade receivables	13,166	8,579
Other receivables	14,510	512
Inventories	6,354	11,624
Assets held for sale	407	407
Prepaids and deposits	939	590
Biological asset	5,348	5,572
Total current assets	42,051	30,149
Non-current assets		
Property, plant and equipment	100,063	97,601
Deferred tax asset	689	689
Intangible assets	1,146	1,198
Other assets	1,547	1,381
Total assets	$ 145,496	$ 131,018
LIABILITIES		
Current liabilities		
Trade payables	$ 9,506	$ 10,440
Accrued liabilities	4,740	3,211
Income taxes payable	8	22
Line of Credit	6,038	-
Current maturities of long-term debt	4,312	4,312
Current portion of derivatives	775	1,235
Total current liabilities	25,379	19,220
Non-current liabilities		
Long-term debt	70,304	65,543
Derivatives	-	51
Deferred tax liability	-	3,931
Other liabilities	366	-
Total liabilities	96,049	88,745
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	435	312
Accumulated other comprehensive income	55	55
Retained earnings	24,107	17,056
Total shareholders' equity	49,447	42,273
Total liabilities and shareholders' equity	$ 145,496	$ 131,018