August 14, 2013

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

Village Farms International Announces Second Quarter 2013 Results

Vancouver, B.C., August 14, 2013 – Village Farms International, Inc. (the "Company") (TSX: VFF) announced today results for the quarter ended June 30, 2013.

Conference Call

A conference call will be held today (August 14, 2013) to discuss the Company's second quarter 2013 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 Mr. Michael DeGiglio, Chief Executive Officer, and Mr. Stephen Ruffini, Chief Financial Officer.

To participate in the conference call, please dial into the conference call a few minutes before the start time: **1-888-390-0605 or 416-764-8609**.

Michael DeGiglio, Chief Executive Officer of the Company, stated "I am pleased to report the second quarter results for 2013. We had a strong quarter of operational results as demonstrated by our $4.3 million in EBITDA and have lowered our net debt, since June 30, 2012 by nearly $18 million or 24%."

"As a reminder, our primary challenges over the past eighteen months included the illegal price dumping (selling below their cost of production) and mis-labeling of greenhouse grown tomatoes by Mexican growers in the U.S. market, the calamity from the May 30, 2012 hailstorm, in Texas, which destroyed over 50% of our U.S. greenhouse assets, the ongoing issues and delays with both our insurance carrier and one of our lenders (which no longer participates in our term loan) and the commercialization and ramp up of our GATES® technology in Monahans, Texas."

"Pricing in all tomato varieties continues to remain solid with core tomato pricing returning to normal levels and 39% above 2012 pricing. Strong pricing continues into the third quarter as evidenced by the fair market value of the Company's biological asset as at June 30, 2013, which stands at an all time high for the second quarter even with fewer assets in production. If not for the continued loss of revenue and profit contribution due to the lost acreage in Marfa, Texas, our second quarter results would have yielded the best second quarter results in the Company's history. Our current pricing, yield and costs of production remain in line with our 2013 expectations."

"The combination and successful implementation of specific strategies continue to drive increasing recovery in our business. Even with the Company's lower internal production and decrease of our supply partner production due to realignment and strategic changes, our revenues increased, for the quarter. The improvement in market pricing is a result of balance in market demand and supply in specific core tomato varieties, the positive impact of the planned changes in our product mix to meet consumers' changing demands and tastes, growth in the market of our propriety varieties that no other grower/marketer can offer and the amended U.S. and Mexico Suspension Agreement (curtailing the distribution of mis-labeled greenhouse grown products exported to the United States). We continue to improvise our pipeline of new and exclusive varieties by continuing to diversify our products through new product launches and evaluating new varieties, both in tomatoes as well as other vegetables that our retailers are requesting that we grow."

Mr. DeGiglio continued "In addition to advancing our sales and marketing strategies, and strengthening our core customer relationships, we continue cost controls, in both our cost of production and SG&A costs, and to focus on improving our working capital position. Our senior management team continues to take action, including filing a lawsuit on July 17, 2013 against Travelers, to resolve our 2012 insurance claim for losses at our Marfa, Presidio and Gates facilities after the 2012 hail storm."

"We remain highly focused and confident in maximizing our operational results, continued implementation of our marketing and consumer strategies and advancement of our propriety technologies."

Readers should note that our financial results for the second quarter and following periods in 2013 are not directly comparable to the prior year periods in 2012 due to non-recurring insurance proceeds and hail storm related write-offs in 2012.

Year to Date Highlights:
(Note amounts in U.S. dollars)

- Revenues increased 4% to $40.9 million for the second quarter of 2013 compared to $39.5 million for the second quarter of 2012.
- Adjusted Income from Operations (defined below), for the quarter ended June 30, 2013 increased $10.0 million to $2.9 million, as compared to ($7.1) million for the quarter ended June 30, 2012.
- Adjusted EBITDA (defined below), for the quarter ended June 30, 2013 increased by $8.4 million to $4.4 million, as compared to ($4.0) million for the quarter ended June 30, 2012.
- The biological asset value on June 30, 2013 was $8.3 million as compared to $5.3 million as at June 30, 2012.
- Net debt decreased by ($17.9) million to $55.4 million on June 30, 2013 compared to $73.3 million on June 30, 2012.

Operational Summary:

(in thousands of US dollars)

Revenue

Revenue was $40,866 and $66,251 for the three and six months ended June 30, 2013, respectively, which represent a 4% increase and (2%) decrease, respectively, over the same periods in the prior year. The increase in revenue for the second quarter of 2013 is primarily due to a 39% increase in the average selling price of tomatoes as compared to 2012, which more than offset a (6%) decrease in the Company's production as well as a decrease in our supply partner production of (41%). The decrease in supply partner production is a result of fewer supply partner contracts in 2013 versus 2012. The year to date, revenue decrease, is due to a (9%) decrease in Company's production, as a result of fewer production facilities, as well as lower supply partner production, which was almost entirely offset by an increase of 32% in the average selling price of tomatoes, as compared to the same six month period in 2012.

Expenses

- Cost of sales were $34,801 and $57,826 for the three and six months ended June 30, 2013, respectively, which represent a (17%) decrease and (12%) decrease, respectively, over the same periods in the prior year. The decreases are due to lower Company and supply partner production.
- SG&A expenses were $3,547 and $6,666 for the three and six months ended June 30, 2013, respectively, which represent a (6%) and (10%) decrease, respectively, over the same periods in the prior year. The decreases are due to lower personnel, marketing and travel costs partially offset by higher banking and legal costs associated with unwinding prior banking relationships.

Change in fair value of biological asset, net

The net change in fair value of biological asset for the quarter ended June 30, 2013 increased $1,390 to $425 from ($965) for the quarter ended June 30, 2012. The fair value of the biological asset as at June 30, 2013 was $8,311 and was $5,348 as at June 30, 2012, the higher valuation is due to higher sales and pricing in July 2013 versus July 2012.

Income from Operations

Adjusted income from operations (as defined below) increased quarter over quarter by $10,025, to $2,943 in the second quarter of 2013, from a loss from operations of ($7,082) in the second quarter of 2012. The significant improvement is due to improved pricing and lower production and overhead costs.

Interest Expense

Interest expense, for the quarter ended June 30, 2013 decreased ($252), or (22%), to $873 from $1,125 for the quarter ended June 30, 2012. The decrease is due to the Company's lower borrowing base in 2013 versus the same period in 2012 as well as a lower borrowing rate in the second quarter of 2013 versus the same period in 2012.

Net Income

Net income for the quarter ended June 30, 2013 decreased ($6,295), to $1,448 from $7,743 for the quarter ended June 30, 2012. The decrease is due to the receipt of insurance proceeds exceeding the inventory and asset write offs in the second quarter of 2012, by $12,008, as well as the Company not providing any provision for income tax on the insurance proceeds.

Hail Damage and Insurance Proceeds

On May 31, 2012, the Company suffered a hail storm that closed three of its Texas facilities. The Company is insured and as of June 30, 2013, $36,452 (net of recovery costs) has been received from its insurer, for advances on repairs and business interruption claims. On July 17, 2013, the Company filed a lawsuit against Travelers Insurance Company due to the ongoing delay in resolving the Company's hail storm claim. The Company will endeavor to complete its claim in an expeditious manner so it can complete the repairs to its still damaged Marfa, Texas greenhouse facility.

For the six months ended June 30, 2013, the Company received $5,221 in business interruption insurance proceeds net of recovery costs versus $18,720 of total insurance proceeds net of recovery costs for the six month period ended June 30, 2012. Due to the hail storm, the Company took an inventory write down of $3,923 for the damaged crops, growing materials and packaging costs, as well an asset write off of $2,789 of book value assets lost as a result of the hail storm for the six months ended June 30, 2012.

Reconciliation of Adjusted Income from Operations[1]

	Three Months Ended June 30		Six Months Ended June 30,	
(in thousands)	2013	2012	2013	2012
Income from Operations	$2,900	$4,926	$7,703	$4,635
Less: Insurance Proceeds	43	(18,720)	(5,221)	(18,720)
Plus: Asset Write-Off	-	2,789	-	2,789
Plus: Inventory Write-Off	-	3,923	-	3,923
Adjusted Income from Operations	$2,943	($7,082)	$2,482	($7,373)

Reconciliation of Adjusted EBITDA[1]

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2013	2012	2013	2012
Net Income	$1,448	$7,743	$4,056	$7,051
Amortization	1,829	2,022	3,667	3,915
Interest	873	1,125	2,089	2,083
Taxes	620	(3,688)	1,738	(3,931)
Change in Biological Asset	(425)	965	(723)	2,179
Other non-cash items	(4)	(169)	(75)	(326)
Less: Insurance Proceeds	43	(18,720)	(5,221)	(18,720)
Plus: Asset Write-Off	-	2,789	-	2,789
Plus: Inventory Write-Off	-	3,923	-	3,923
Adjusted EBITDA	$4,384	($4,010)	$5,531	($1,037)

(1) Information on non-GAAP Measures

Adjusted Income from Operations and EBITDA are non-GAAP measures. Management uses adjusted income from operations and 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. These non-GAAP measures are not intended to replace the presentation of our financial results in accordance with GAAP. The Company's use of the term adjusted income from operations and 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.

A Conversion of Participating Preferred Shares and Issuance of 9,886,949 Common Shares

The Company has received an exchange notice from Michael DeGiglio to convert all of his outstanding participating preferred shares of VF U.S. Holdings Inc. into 9,886,949 common shares of the Company in accordance with the amended and restated securityholders' agreement dated December 31, 2009. Pursuant to the securityholders' agreement, this exchange right was exercisable at any time prior to October 18, 2013. Following the closing of this exchange transaction, which is scheduled to occur on August 16, 2013, the Company will have 29,320,343 common shares issued and outstanding and VF U.S. Holdings Inc. will have 93,870.02 participating preferred shares (equivalent to 9,387,002 common shares) remaining outstanding. Mr. DeGiglio has advised the Company that he has no current plans to sell any of the common shares that he will receive in the exchange transaction.

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, 2012, 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 Statement of Financial Position
(In thousands of United States dollars)

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,227	$ 2,801
Trade receivables	14,410	7,377
Other receivables	241	552
Inventories	7,956	11,970
Income taxes receivable	247	503
Prepaid expenses and deposits	626	246
Biological asset	8,311	4,757
Total current assets	34,018	28,206
Non-current assets		
Property, plant and equipment	96,705	99,372
Intangible assets	1,042	1,094
Other assets	2,207	1,462
Total assets	$ 133,972	$ 130,134
LIABILITIES		
Current liabilities		
Trade payables	$ 7,734	$ 10,011
Accrued liabilities	3,557	2,609
Income taxes payable	-	7
Current maturities of long-term debt	4,168	3,413
Current maturities of capital lease obligations	24	23
Current portion of derivative	-	106
Total current liabilities	15,483	16,169
Non-current liabilities		
Long-term debt	53,485	54,897
Long-term maturities of capital lease obligations	74	86
Deferred tax liability	9,771	8,041
Deferred compensation	561	490
Total liabilities	79,374	79,683
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	679	588
Accumulated other comprehensive income	55	55
Retained earnings	29,014	24,958
Total shareholders' equity	54,598	50,451
Total liabilities and shareholders' equity	$ 133,972	$ 130,134

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,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net sales	$ 40,866	$ 39,483	$ 66,251	$ 67,675
Cost of sales	(34,801)	(41,819)	(57,826)	(65,503)
Insurance proceeds, net	(43)	18,720	5,221	18,720
Provision for property and equipment damaged	-	(2,789)	-	(2,789)
Provision for inventory-damaged crop, growing materials, supplies	-	(3,923)	-	(3,923)
Change in biological asset	425	(965)	723	(2,179)
Selling, general and administrative expenses	(3,547)	(3,781)	(6,666)	(7,366)
Income from operations	2,900	4,926	7,703	4,635
Interest expense	873	1,125	2,090	2,085
Interest income	-	-	(1)	(2)
Foreign exchange (gain)/loss	(50)	55	(57)	62
Amortization of intangible assets	26	26	52	52
Gain on derivatives	-	(288)	(106)	(511)
Other income, net	(20)	(47)	(66)	(171)
(Gain)/loss on sale of assets	3	-	(3)	-
Income before income taxes	2,068	4,055	5,794	3,120
Provision for (Recovery of) income taxes	620	(3,688)	1,738	(3,931)
Net income and comprehensive income	$ 1,448	$ 7,743	$ 4,056	$ 7,051
Basic and diluted earnings per share	$ 0.04	$ 0.20	$ 0.10	$ 0.18

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		Six Months Ended June 30	
	2013	**2012**	**2013**	**2012**
Cash flows from operating activities:				
Net income	$ 1,448	$ 7,743	$ 4,056	$ 7,051
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	1,829	2,022	3,667	3,915
Loss/(gain) on sale/disposal of assets	3	2,789	(3)	2,789
Gain on derivative	-	(288)	(106)	(511)
Foreign exchange (gain)/loss	(50)	(5)	(57)	42
Net interest expense	670	1,125	1,886	2,083
Share-based compensation	43	64	91	123
Deferred income taxes	614	(3,661)	1,729	(3,931)
Change in biological asset	(425)	965	(723)	2,179
Changes in non-cash working capital items	79	(9,757)	(6,997)	(15,038)
Net cash provided by/(used in) operating activities	4,211	997	3,543	(1,298)
Cash flows from investing activities:				
Purchases of property, plant and equipment	(537)	(3,006)	(965)	(9,114)
Proceeds from sale of property, plant, and equipment, net	13	-	19	-
Other noncurrent assets and liabilities, net	(171)	17	(674)	200
Net cash used in investing activities	(695)	(2,989)	(1,620)	(8,914)
Cash flows from financing activities:				
Proceeds from operating loan, net	(3,028)	3,160	-	6,038
(Payments on) proceeds from long-term debt, net	(347)	443	(657)	4,761
Interest paid on long-term debt	(670)	(1,125)	(1,887)	(2,085)
Interest received	-	-	1	2
Payments on capital lease obligation	(6)	-	(11)	-
Net cash (used in) provided by financing activities	(4,051)	2,478	(2,554)	8,716
Effect of exchange rate changes on cash and cash equivalents	50	5	57	(42)
Net (decrease)/increase in cash and cash equivalents	(485)	491	(574)	(1,538)
Cash and cash equivalents, beginning of period	2,712	836	2,801	2,865
Cash and cash equivalents, end of period	$ 2,227	$ 1,327	$ 2,227	$ 1,327
Supplemental cash flow information:				
Income taxes paid	$ 8	$ -	$ 9	$ 27