



March 22, 2016

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

Village Farms International Announces Year End 2015 Results With an 18% Increase in EBITDA

Vancouver, B.C., March 22, 2016 – Village Farms International, Inc. (the “Company”) (TSX: VFF) (OTC:VFFIF) announced today results for the year ended and quarter ended December 31, 2015.

Conference Call

A conference call will be held March 24, 2016 to discuss the Company’s fourth quarter and year end 2015 results. The conference call will begin at 8:30 a.m. Pacific Standard Time (11:30 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.**

Annual Highlights:

(Note amounts in U.S. Dollars)

- Sales increased 4% to \$141.9 million in 2015 compared to \$136.6 million in 2014;
- Earnings per share of \$0.05 for 2015 versus (\$0.00) for 2014;
- Net income increased by \$2.2 million to \$2.1 million in 2015 compared to a loss of \$0.1 million in 2014;
- EBITDA increased 18% to \$10.2 million in 2015 compared to \$8.7 million in 2014; and
- Increased value of Change in Biological Asset of \$2.0 million in 2015, which will be reflected in Q1 2016 EBITDA.

Michael DeGiglio, Chief Executive Officer, stated “Our 2015 results continue to demonstrate our upward trend to normalized revenue and cash flows since the hail storm setback in Marfa, Texas during 2012. Our successful industry leading product and packaging innovations that have taken root over the

last year, coupled with the addition of another significant grower partner who united with Village Farms after leaving a competitor is having a beneficial impact that will drive significant growth in top and bottom line results in 2016. The enhancement of our product mix, including multiple exclusive varieties, through the fourth quarter of 2015, coupled with launching the initial winter production from our new partner grower, Great Northern Hydroponics, one of the leading growers based in Ontario, Canada, has been well received by retail customers. As noted in the value of our biological asset as at December 31, 2015, we are off to a strong start for 2016. This strong start to 2016 gives us confidence to provide guidance of, at least, an estimated 15% year over year growth in both our revenues and EBITDA.”

“While market pricing for TOV’s was lower in the fourth quarter of 2015 versus the fourth quarter of 2014, we maintained a stable year over year overall tomato price due to the increased mix of our new and exciting exclusive tomatoes varieties. If not for a large one-time \$250,000 workers’ compensation claim paid in the fourth quarter (stemming from a 2012 accident), our results would have been closer to our strong prior year fourth quarter results.”

“For calendar year 2016, we will continue to concentrate on further penetration and expansion of our retail relationships and new channel expansion to drive increased market penetration. The additional supply will be attained by increased partner volumes, new partner grower alliances and perhaps additional greenhouse expansion. The strong market interests in our recent new product launches (including the launch of certified organic tomatoes) supports our confidence in our pipeline of new and unique varieties that we continue to trial and plan to launch in the future. Our short and long term strategies combining our industry leading technology initiatives on sustainable energy developments, our GATES® greenhouse advances and possible future non-traditional greenhouse product additions continue to progress.”

Mr. DeGiglio went on to say “As we celebrate our 27th birthday this month as the oldest operating vegetable greenhouse enterprise in the U.S. I am proud of our performance, our people and our perseverance and we are very grateful to our customers who we are privileged to serve.”

Operational Summary:

(In thousands of U.S. Dollars)

Sales

Sales for the year ended December 31, 2015, increased \$5,319 or 4%, to \$141,934 compared to \$136,615 for the year ended December 31, 2014. The increase in sales is primarily due to the addition of 20 acres of greenhouse operations (this facility did not have production until late June 2014), as well as a 10% increase in revenue at the Permian Basin facility, and an increase of 5% in contract revenue offset by a (5%) decrease in production from other of the Company’s greenhouse facilities due to increasing specialty tomato acreage, which produce lower pounds than larger tomato varieties. Supply partner tomato pounds sold increased by 17%, while supply partner pepper pounds sold decreased by (35%) due to closure of the Company’s Dominican Republic operations. Cucumber pieces sold were unchanged.

The average selling price for the year ended December 31, 2015 versus the year ended December 31, 2014 for tomatoes was an increase of 12%, for peppers was a decrease of (2%) and for cucumbers was a decrease of (11%). For the year ended December 31, 2015, total tomato pounds sold decreased (4%) over the comparable period in 2014, pepper pounds sold decreased (35%) and cucumber pieces sold were the same as the comparable period in 2014.

Cost of Sales

Cost of sales for the year ended December 31, 2015 increased \$5,448, or 4%, to \$128,178 from \$122,730 for the year ended December 31, 2014. The increase is primarily due to the added cost from the addition of a 20 acre facility that did not start production until late June 2014, \$1,337 in additional contract sales costs (due to increased volume) and \$922 for VF Clean Energy, Inc. (“VFCE”) related costs (which was not part of the Company for the first six months of 2014).

Change in fair value of biological asset, net

The net change in fair value of biological asset for the year ended December 31, 2015 increased \$2,047, to \$1,922 from (\$125) for the year ended December 31, 2014. The increase is primarily due to a higher selling price in January 2016 versus January 2015 as well as 5% more pounds on the vine at December 31, 2015 versus at December 31, 2014 due to increased light levels. The fair value of the biological asset at December 31, 2015 is \$6,079 and was \$4,698 at December 31, 2014.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended December 31, 2015 decreased (\$1,335) or 10% to \$12,046 from \$13,381 for the year ended December 31, 2014. The decrease is primarily due to lower overhead costs as a result of lower professional fees.

Income from Operations

Income from operations for the year ended December 31, 2015 increased \$3,253, to \$3,632 from \$379 for the year ended December 31, 2014. The increase is primarily a result of lower selling, general and administrative expenses of \$1,335 and an increase in change in biological asset of \$2,047.

Interest expense, net

Interest expense, net, for the year ended December 31, 2015 decreased (\$238) to \$2,256 from \$2,494 for the year ended December 31, 2014. The decrease is primarily due to a decrease in the Company’s outstanding indebtedness.

Other (expense)

Other (expense) for the year ended December 31, 2015 improved by \$811, to an expense of (\$443) from (\$1,254) for the year ended December 31, 2014. The decrease was primarily due to the one-time 2014 expense of \$887 from the settlement of the Company’s thermal energy intangible asset. The asset was derecognized as a result of the Company acquiring VFCE at which time it became both the buyer and seller of the energy contract.

Income Taxes

Income taxes for the year ended December 31, 2015 was a recovery of \$1,161 compared to a recovery of \$3,262 for the year ended December 31, 2014. The decrease in the recovery for income taxes between the periods is due to higher income from operations in 2015 versus income from operations in 2014 as a result of an increase in the fair value of the Company's biological asset and a decrease in selling, general and administrative expenses.

Net Income/(Loss)

Net income/(loss) for the year ended December 31, 2015 increased \$2,201 to \$2,094 from a loss of (\$107) for the year ended December 31, 2014. The increase was the result of an increase in income from operations, a decrease in interest expense and a decrease in other expense, offset by a decrease in the income tax recovery.

EBITDA

EBITDA for the year ended December 31, 2015 increased \$1,519, or 18%, to \$10,193 from \$8,674 for the year ended December 31, 2014, primarily as a result of a decrease in selling, general and administrative expenses. See the EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Income to EBITDA."

Fourth Quarter 2015 Operating Results Summary:

(Note amounts in U.S. Dollars)

- Net sales increased 1% to \$35.1 million for the fourth quarter of 2015 compared to \$34.8 million for the fourth quarter of 2014;
- Earnings per share of \$0.06 for the fourth quarter of 2015 versus \$0.06 for the fourth quarter of 2014;
- Net income increased \$0.2 million to \$2.5 million in the fourth quarter of 2015 compared to \$2.3 million in the fourth quarter of 2014; and
- EBITDA decreased (11%) to \$4.0 million in the fourth quarter of 2015 compared to \$4.5 million in the fourth quarter of 2014.

Operational Summary for the Quarter:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the three month period ended December 31, 2015 increased by \$355, or 1%, to \$35,121 from \$34,766 for the three month period ended December 31, 2014. The increase in net sales is primarily due to a 28% increase in supply partner revenue, partially offset by a (2%) decrease in the Company's tomato production and an (8%) decrease in the Company's cucumber production. The increase in supply partner volume is due to additional grower agreements. The decrease in tomato pounds is from a continued increase in the growing area of lower yielding exclusive specialty tomatoes

and the decrease in cucumbers is due to the crop cycle ending at a different time in the fall of 2015 versus the fall of 2014.

The average selling price for the three months ended December 31, 2015 versus the three months ended December 31, 2014 for tomatoes was flat, for peppers was an increase of 3% and for cucumbers was a decrease of (17%). The Company's average selling price for tomatoes remained flat versus the prior year period due to the Company increasing its volume of higher priced specialty tomatoes offsetting a decrease of (7%) in the Company's largest crop, tomato-on-the-vine.

Cost of Sales

Cost of sales for the three month period ended December 31, 2015 increased by \$681, or 2%, to \$29,885 from \$29,204 for the three month period ended December 31, 2014. The increase is due to a 27% higher volume of supply partner product versus the same period in 2014. The Company experienced a decrease in the cost of production at the Company's facilities primarily due to a lower cost at the Permian Basin facility, as it is in its fourth year of production with a more experienced labour force and continued enhancements in the technology.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three month period ended December 31, 2015 increased \$31 to \$3,377 from \$3,346 for the three month period ended December 31, 2014.

Change in Biological Asset

The net change in fair value of the biological asset for the three month period ended December 31, 2015 increased by \$1,365 to \$741 from (\$624) for the three month period ended December 31, 2014. The increase is primarily due to higher selling prices in January 2016 versus January 2015. The higher prices are mainly due to increases from the tomatoes-on-vine and beefsteak varieties. The fair value of the biological asset at December 31, 2015 is \$6,079 and was \$4,698 at December 31, 2014.

Income from Operations

Income from operations for the three month period ended December 31, 2015 increased by \$1,008, to \$2,600 from \$1,592 for the three month period ended December 31, 2014. The increase was primarily the result of an increase in the change in biological asset of \$1,365.

Interest Expense, net

Interest expense, net, for the three month period ended December 31, 2015 decreased by (\$49) to \$540 from \$589 for the three month period ended December 31, 2014. The decrease is primarily due to a reduction in the Company's outstanding indebtedness.

Income Taxes

Income tax (recovery) for the three month period ended December 31, 2015 was a recovery of (\$780) compared to a recovery of (\$2,222) for the three month period ended December 31, 2014. The income tax recovery decrease in 2015 as compared to the same period in 2014 is due to higher income before taxes in 2015 versus the same period in 2014.

Net Income

Net income for the three month period ended December 31, 2015 increased by \$166, or 7%, to \$2,486 from \$2,320 for the three month period ended December 31, 2014. The increase was the result of an increase in income from operations, a decrease in interest expense and a decrease in other expense which were offset by a decrease in income tax recovery.

EBITDA

EBITDA for the three month period ended December 31, 2015 decreased by (\$506), or 11%, to \$3,962 from \$4,468 for the three month period ended December 31, 2014, principally as a result of a (7%) decrease in tomatoes-on-the-vine prices from the three month period ended December 31, 2014 and a one-time workers' compensation settlement in 2015. See the EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Income to EBITDA."

Non-IFRS Measures

References in this press release to "EBITDA" are to earnings before interest, taxes, depreciation, amortization, foreign currency exchange gains and losses on translation of long-term debt, unrealized change in biological asset, stock compensation, and gains and losses on asset sales. EBITDA is a cash flow measure that is not recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows. Management believes that EBITDA is an important measure in evaluating the historical performance of the Company.

Reconciliation of Net Income to EBITDA

The following table is the reconciliation of net income to EBITDA, as presented by the Company:

<i>(in thousands of U.S. dollars)</i>	For the three months ended December 31,		For the year ended December 31,	
	2015	2014	2015	2014
Net income (loss)	\$2,486	\$2,320	\$2,094	(\$107)
Add:				
Amortization	2,059	2,122	8,285	7,885
Foreign currency exchange loss	119	75	225	142
Interest expense	540	589	2,256	2,494
Income taxes	(780)	(2,222)	(1,161)	(3,262)
Stock compensation	39	63	176	272

Change in biological asset	(741)	624	(1,922)	125
Intangible derecognizing	-	887	-	887
Loss on disposal of assets	240	10	240	238
EBITDA	<u>\$3,962</u>	<u>\$4,468</u>	<u>\$10,193</u>	<u>\$8,674</u>

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 sustainable growing methods and producing 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, industry performance and trends and capital availability. 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, 2015, 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.
Consolidated Statements of Financial Position
(In thousands of United States dollars)

	December 31, 2015	December 31, 2014
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 4,957	\$ 6,337
Trade receivables	9,144	9,168
Other receivables	425	939
Inventories	13,301	14,424
Prepaid expenses and deposits	298	229
Biological asset	6,079	4,698
Total current assets	34,204	35,795
<i>Non-current assets</i>		
Property, plant and equipment	94,285	101,430
Other assets	1,521	1,664
Total assets	\$ 130,010	\$ 138,889
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	\$ 8,857	\$ 11,795
Accrued liabilities	2,623	3,651
Income taxes payable	662	426
Current maturities of long-term debt	4,388	4,418
Current maturities of capital lease obligations	28	26
Total current liabilities	16,558	20,316
<i>Non-current liabilities</i>		
Long-term debt	44,428	48,947
Long-term maturities of capital lease obligations	7	35
Deferred tax liability	5,184	7,774
Deferred compensation	902	817
Total liabilities	67,079	77,889
SHAREHOLDERS' EQUITY		
Share capital	24,903	24,850
Contributed surplus	1,197	1,021
Accumulated other comprehensive loss	(602)	(210)
Retained earnings	37,433	35,339
Total shareholders' equity	62,931	61,000
Total liabilities and shareholders' equity	\$ 130,010	\$ 138,889

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

	Years Ended December 31,		Three Months Ended December 31,	
	2015	2014	2015	2014
Sales	\$ 141,934	\$ 136,615	\$ 35,121	\$ 34,766
Cost of sales	(128,178)	(122,730)	(29,885)	(29,204)
Change in biological asset	1,922	(125)	741	(624)
Selling, general and administrative expenses	(12,046)	(13,381)	(3,377)	(3,346)
Income from operations	<u>3,632</u>	<u>379</u>	<u>2,600</u>	<u>1,592</u>
Interest expense	2,256	2,494	540	589
Foreign exchange loss	225	142	119	75
Amortization of intangible assets	-	104	-	26
Other income, net	(22)	(117)	(5)	(93)
Settlement of pre-existing relationship	-	887	-	887
Loss on sale of assets	240	238	240	10
Income (loss) before income taxes	<u>933</u>	<u>(3,369)</u>	<u>1,706</u>	<u>98</u>
Recovery of income taxes	(1,161)	(3,262)	(780)	(2,222)
Net income (loss)	<u>\$ 2,094</u>	<u>\$ (107)</u>	<u>\$ 2,486</u>	<u>\$ 2,320</u>
Basic earnings (loss) per share	<u>\$ 0.05</u>	<u>\$ (0.00)</u>	<u>\$ 0.06</u>	<u>\$ 0.06</u>
Diluted earnings (loss) per share	<u>\$ 0.05</u>	<u>\$ (0.00)</u>	<u>\$ 0.06</u>	<u>\$ 0.06</u>
Other comprehensive loss:				
Foreign currency translation adjustment	<u>(392)</u>	<u>(265)</u>	<u>(71)</u>	<u>(108)</u>
Comprehensive income (loss)	<u>\$ 1,702</u>	<u>\$ (372)</u>	<u>\$ 2,415</u>	<u>\$ 2,212</u>

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

	Years Ended December 31,		Three Months Ended December 31,	
	2015	2014	2015	2014
Cash flows from operating activities:				
Net income (loss)	\$ 2,094	\$ (107)	\$ 2,486	\$ 2,320
Adjustments to reconcile net income (loss) to net cash provided by/(used in) operating activities:				
Depreciation and amortization	8,285	7,885	2,059	2,122
Amortization of deferred charges	245	-	245	-
Loss on sale of assets	240	238	240	10
Settlement of pre-existing relationship	-	887	-	887
Unrealized foreign exchange loss	127	142	21	75
Interest paid	2,265	2,564	538	581
Share-based compensation	176	272	39	63
Deferred income taxes	(2,590)	(4,196)	(1,073)	(2,344)
Change in biological asset	(1,922)	125	(741)	624
Changes in non-cash working capital items	(1,565)	(2,715)	(1,957)	(1,042)
Net cash provided by operating activities	<u>7,355</u>	<u>5,095</u>	<u>1,857</u>	<u>3,296</u>
Cash flows from investing activities:				
Purchases of property, plant and equipment	(2,075)	(8,791)	(538)	(1,491)
Business acquisition, net of cash acquired	-	(4,415)	-	-
Proceeds from sale of property, plant, and equipment	-	4	-	-
Other non-current assets and liabilities, net	-	(14)	-	(4)
Net cash used in investing activities	<u>(2,075)</u>	<u>(13,216)</u>	<u>(538)</u>	<u>(1,495)</u>
Cash flows from financing activities:				
Proceeds from borrowings	7,000	6,689	-	-
Repayments on borrowings	(11,394)	(8,168)	(1,096)	(2,042)
Interest paid on long-term debt	(2,265)	(2,564)	(538)	(581)
Proceeds from exercise of stock options	53	-	53	-
Payments on capital lease obligations	(26)	(25)	(6)	(6)
Net cash used in financing activities	<u>(6,632)</u>	<u>(4,068)</u>	<u>(1,587)</u>	<u>(2,629)</u>
Effect of exchange rate changes on cash and cash equivalents	(28)	(142)	78	(75)
Net decrease in cash and cash equivalents	(1,380)	(12,331)	(190)	(903)
Cash and cash equivalents, beginning of year	6,337	18,668	5,147	7,240
Cash and cash equivalents, end of year	<u>\$ 4,957</u>	<u>\$ 6,337</u>	<u>\$ 4,957</u>	<u>\$ 6,337</u>
Supplemental cash flow information:				
Income taxes paid	<u>\$ 1,069</u>	<u>\$ 1,452</u>	<u>\$ 184</u>	<u>\$ 56</u>