April 1, 2013

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

Village Farms International Announces Year End and Fourth Quarter 2012 Results

Vancouver, B.C., April 1, 2013 – Village Farms International, Inc. (the "Company") (TSX: VFF) announced today results for the year and fourth quarter ended December 31, 2012.

Conference Call

The Company will hold a teleconference to discuss its full year results and recent developments on Tuesday April 2nd, 2013 beginning at 11:00 a.m. Pacific Standard Time, (2:00 p.m. Eastern Standard Time).

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

Year Ended December 31, 2012 Operating Results Summary:
(Note amounts in U.S. Dollars)

- Net sales decreased (19%) to $133.9 million for the year ended December 31, 2012 compared to $164.4 million for the year ended December 31, 2011;
- Earnings per share of $0.20 for the year ended December 31, 2012 versus $0.15 for the year ended December 31, 2011;
- Net income increased 36% to $7.9 million for the year ended December 31, 2012 versus $5.8 million for the year ended December 31, 2011;
- EBITDA increased 52% to $23.8 million for the year ended December 31, 2012 compared to $15.7 million for the year ended December 31, 2011.

Michael DeGiglio, Chief Executive Officer, stated "Calendar year 2012 was a difficult and demanding year for Village Farms. The Company faced many challenges, the primary one being low market pricing continuing from the fourth quarter of 2011 through most of the first three quarters of 2012, principally caused from the continuing and increasing capacity of Mexican tomatoes. The excess supply was dumped into the U.S. and Canadian markets. This had a negative impact on pricing in the entire fresh tomato industry in the U.S. and Canada, aiding in the demise of some long standing growers. In addition, we had start up complications with our new Monahans, TX facility, which included labour challenges and housing availability. These events, coupled with the devastating hail storm in Marfa, Texas on May 31st completely destroying 82 acres, the impact of this event on our financial institutions and the unresolved insurance claim, overshadowed favorable prior years of operating results.

We have been and continue to experience improved tomato pricing, especially as compared to the same period in 2012. We have repaired half of our Marfa facilities in the fourth quarter of the year, and we are pleased to report it is operational. We enhanced the labour situation, at our new Monahans facility, by providing some of our own housing solutions. Recently the US Department of Commerce acknowledged the dumping actions by the Mexican tomato industry by supporting the US tomato industry and materially revised the sixteen year-old Suspension Agreement with Mexico with a new agreement enacted on March 4th 2013. The new agreement includes enhanced minimum pricing, significant penalties for violations, full participation from Mexican growers, clear definitions of controlled environmental growing and field production, together with annual pricing reviews. The general terms of the agreement should return the U.S. industry closer to fair trade with Mexico and not just feral trade.

Our Canadian operations had terrific production in 2012 with great growing weather and execution by our team ending the year with strong results. Additionally, we are especially pleased to date with the acceptance and performance of our new product launch of our exclusive Mini San Marzano tomatoes and remain energized with the pipeline of new products we continue developing."

Mr. DeGiglio added "While our performance metrics are improving operationally, the slow response by our insurance carrier on our business income losses continues to put a strain on the Company's working capital. While our amended credit facility, which we completed in the fourth quarter, provided some relief, it did come with additional fees and a higher interest rate. We are pleased to report, on March 28th 2013, we closed on a new five-year term loan with one of our existing lenders. With this new credit facility and improving cash flows, the strains caused by the incomplete insurance claim will lessen rapidly. We continue to press our insurance carrier for a more timely response to our business income losses. In addition to needing a firm commitment from our insurance company as to the amount and timing of all future payments, the reconstruction of the remaining Marfa facility, in whole or in part, will remain dependent, as it has been, on the availability of required skilled overseas labour and on the timing to manufacture and deliver the required materials. We remain cautious about the U.S. and Canadian economic outlooks for the remainder of 2013."

Mr. DeGiglio added "On a personal note I wish to acknowledge all our personnel for their sacrifices, long hours and steadfast commitment displayed during 2012."

Operational Summary for the Year ended December 31, 2012:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the year ended December 31, 2012, decreased $30,506, or 19%, to $133,942 from $164,448 for the year ended December 31, 2011. The decrease in net sales is primarily due to a 9% decrease the net selling price of tomatoes, a 7.1% decrease in the Company's production, and a 28% decrease in supply partner revenue due to a 21% decrease in pounds sold as well as the impact of lower average selling prices. The decrease in the average selling price was caused from dumping by Mexican growers in the U.S. market; see "Outlook–Tomato Suspension Agreement-Mexico" in the Company's, year-end management's discussion and analysis. The average selling price, for the year ended December 31, 2012 versus the year ended December 31, 2011; for peppers was a decrease of 14% and for cucumbers was a decrease of 18%.

For the year ended December 31, 2012, total tomato pounds sold decreased 13% over the comparable period in 2011; pepper pounds sold decreased 1% and cucumber pieces sold for year ended December 31, 2012 increased 6% over the comparable period in 2011. The decrease in tomato pounds is due to a 38% decrease in supply partner pounds due to less contract supplies in 2012 versus 2011 and a 7% decrease in Village Farms owned facility pounds, due to the hailstorm that suspended production at the three Marfa, TX facilities; see "Hail Damage and Insurance Proceeds". The increase in cucumber pounds was due to a 5% increase in volume from Village Farms owned facilities and a 6% increase in supply partner pounds as retail demand for cucumbers is increasing.

Cost of Sales

Cost of sales for the year ended December 31, 2012 decreased $14,662 or 10% to $125,965 from $140,627 for the year ended December 31, 2011. The decrease is due to lower costs related to the purchase of supply partner product, lower transportation costs related to reduced produce pounds shipped offset by higher cost at Village Farms owned greenhouses from increased input costs relating to the increased production acreage of specialty tomatoes and cucumbers and the new Monahans facility.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended December 31, 2012 decreased $57 to $14,537 from $14,594 for the year ended December 31, 2011, the decrease is due to a decrease in personal cost of over $300 offset by an increase in bank and professional fees of nearly $250.

Change in Biological Asset

The net change in fair value of biological asset for the year ended December 31, 2012, decreased $809, to ($540) from $269 for the year ended December 31, 2011. The fair value of the biological asset at December 31, 2012 is $4,757 which is lower than the value of $5,572 at December 31, 2011 due to the decrease of production in tomatoes on the vine in early first quarter 2013 compared to early first quarter 2012, due to the reduced acreage in 2013 versus 2012 as all the Company's U.S. facilities have not been repaired.

Income from Operations

Income from operations for the year ended December 31, 2012, increased $5,634, or 59%, to $15,130 from $9,496 for the year ended December 31, 2011. The increase was the result of insurance proceeds, net of write-offs, offset by a lower gross profit and the decrease in change in biological asset value.

Interest Expense, net

Interest expense, net for the year ended December 31, 2012 increased $1,313 to $4,329 from $3,016 for the year ended December 31, 2011. The increase is due to an increase of the Company's borrowing rate on its term loans versus the year ended December 31, 2011 as well as a larger average outstanding borrowing balance in 2012 due to the addition of the Monahans facility.

Other Income

Other income for the year ended December 31, 2012, increased $161 to $1,412 from $1,251 for the year ended December 31, 2011. The increase was due to a higher gain on derivatives in 2012 than 2011, a gain on sale of assets in 2012 offset by a loss a foreign exchange loss in 2012.

Income Taxes

Income tax expense for the year ended December 31, 2012 was $4,311 compared to $1,926 for the year ended December 31, 2011, due to higher income from operations in 2012 and a higher percentage of income in the U.S. which has a tax rate of 35% versus 25% in Canada.

Net Income

Net income for the year ended December 31, 2012 increased $2,097 to $7,902 from $5,805 for the year ended December 31, 2011. The increase was due to an increase in income from operations offset by increased interest expense and income tax expense.

EBITDA

EBITDA for the year ended December 31, 2012 increased $8,180 to $23,837 from $15,657 for the year ended December 31, 2011, as a result of insurance proceeds, offset by lower gross profit. See the EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Income to EBITDA", in the Company's, year-end management's discussion and analysis.

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 at December 31, 2012, $32,532 has been received from its insurance carrier for property and business interruption coverage with $1,301 of fees incurred associated with this recovery, of which $800 has been paid and $501 is accrued in current liabilities. Insurance proceeds net of fees paid are included in income from operations pursuant to International Accounting Standard ("IAS") 16, Property, Plant and Equipment.

As at December 31, 2012, writedowns of $4,352 for property and equipment destroyed or damaged were recognized. Additionally, the Company took a writedown to inventories of $4,649 for the damaged crops, growing materials and packaging supplies.

Subsequent Event and Change to Material Contract after December 31, 2012

The Company completed a refinancing of its credit facilities on March 28, 2013 with its existing Canadian creditors. The Company's new $58,000 term loan matures on April 1, 2018 and bears interest at LIBOR plus a margin based on the Company's annual financial covenants. The funds will be used to pay off the outstanding balances of term loans, plus provide some operating capital for the Company, most of which will be used to pay for legal and closing costs related to the new term loan. Additionally, a new $8,000 operating loan was entered into with the current operating loan provider.

In March 2013, the Company received additional business interruption advances from its insurance carrier pertaining to its May 2012 hail storm claim totaling $2,216, less fees of $89 associated with this recovery. Additionally, the Company has provided to its insurer a final settlement offer which the insurer is reviewing.

Fourth Quarter 2012 Operating Results Summary:
(Note amounts in U.S. Dollars)

- Net sales decreased (12%) to $30.6 million for the fourth quarter of 2012 compared to $34.7 million for the fourth quarter of 2011;
- (Loss) earnings per share of ($0.24) for the fourth quarter of 2012 versus $0.03 for the fourth quarter of 2011;
- Net (loss) income decreased to ($9.2) million in the fourth quarter of 2012 compared to $1 million in the fourth quarter of 2011;
- EBITDA increased 250% to $2.8 million in the fourth quarter of 2012 compared to $0.8 million in the fourth quarter of 2011.

Operational Summary for the Quarter:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the three month period ended December 31, 2012 decreased $4,186 or 12% to $30,557 from $34,743 for the three month period ended December 31, 2011. The decrease in net sales is primarily due to a 17% decrease in the Company's production of all commodities, as well as a 34% decrease in supply partner revenue, which were partially offset by an increase of 30% in the average selling price of tomatoes as compared to the same period in 2011. The average selling price, for peppers was an increase of 4% and for cucumbers was a decrease of 8%.

The tomato price increase, in the fourth quarter of 2012, was a result of an increased mix of specialty tomatoes grown by the Company and the impact of the pending U.S. government case for anti-dumping against Mexico, which management believes curtailed summer and fall tomato planting in Mexico resulting in lower fourth quarter imports from Mexico. For the three months ended December 31, 2012, total tomato pounds sold decreased 28% over the comparable period in 2011; pepper pounds sold decreased 17% and cucumber pieces sold for three months ended December 31, 2012 increased 4% over the comparable period in 2011. The decrease in tomato pounds sold was due to a 17% decrease in Village Farms grown tomatoes as a result of loss of greenhouse facilities caused by the hail storm and a 66% decrease in supply partner production volumes. The decrease in peppers is due to less supply partner production and the increase in cucumbers is due to an increase in the growing area of cucumbers in the Company's Texas locations.

Cost of Sales

Cost of sales for the three months ended December 31, 2012 decreased $5,721 or 18% to $26,320 from $32,041 for the three months ended December 31, 2011. The decrease is due to lower costs related to the purchase of supply partner product, lower transportation costs and lower greenhouse production costs due to fewer acres in production in the fourth quarter of 2012 versus the fourth quarter of 2011.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three month period ended December 31, 2012 increased $248 to $3,834 from $3,586 for the three month period ended December 31, 2011. The increase is due to higher bank and professional fees, which more than offset lower personnel cost savings.

Change in Biological Asset

The net change in fair value of biological asset for the three months ended December 31, 2012 decreased $2,594 to ($54) from $2,540 for the three months ended December 31, 2011. The decrease in the three months ended December 31, 2012 is due to a higher opening fair value of inventory cost in September 30, 2012 of $2,909 versus September 30, 2011 of $856, as well as lower pounds sold in the early part of the first quarter of 2103 versus the first quarter of 2012, as a result of the reduced acreage from the hail storm damage.

Income from Operations

Income from operations for the three months ended December 31, 2012, decreased by $827, to $829 from $1,656 for the three months ended December 31, 2011. The decrease was the result of a decrease in the change in biological asset value of $2,594 in the three months ended December 31, 2012 versus the same period in 2011 and an increase in selling, general and administrative expenses offset by an increase of $1,535 of gross profit and insurance proceeds of $480.

Interest Expense, net

Interest expense, net, for the three month period ended December 31, 2012 increased $336 to $1,150 from $814 for the three month period ended December 31, 2011. The increase is due to an increase in the Company's borrowing balance on its term loans and higher borrowing rates.

Other Income

Other income for the three months ended December 31, 2012, decreased $182 to $177 from $359 for the three months ended December 31, 2011. The decrease was primarily due to a foreign exchange loss for the three months ended December 31, 2012 of ($169) from a gain of $13 for the same period in 2011.

Income Taxes

Income tax expense for the three month period ended December 31, 2012 was $9,093 compared to a $228 for the three month period ended December 31, 2011. The large income tax expense in the fourth quarter is due to the Company not recognizing the book tax on insurance proceeds in prior quarters. Although insurance property proceeds used to repair and rebuild damaged facilities are not taxable, it does create a difference in depreciable asset basis between book and tax, which the Company did not take into account when determining its second and third quarter book tax expense.

Due to the Company's net operating loss carryforward from 2011, if the Company does not spend the entire amount of property proceeds on the repair and rebuild of its damaged facilities, in the required 24 month period, there will be no cash taxes due.

Business interruption proceeds are taxable in the year they are received.

Net (Loss) Income

Net income for the three months ended December 31, 2012 decreased by $10,210, to ($9,237) from net income of $973 for the three months ended December 31, 2011. The decrease was the result of a combination of the decrease in the change in biological asset value of $2,594 and increased income tax expense offset by an increase in gross profit of $1,535 for the three months ended December 31, 2012.

EBITDA

EBITDA for the three month period ended December 31, 2012 increased $2,006 to $2,810 from $804 for the three month period ended December 31, 2011, as a result of higher gross profit, due to the increased selling price for tomatoes. See the EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Income to EBITDA", in the Company's, year-end management's discussion and analysis.

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. These premium products 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

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Village Farms International, Inc.

Consolidated Statements of Financial Position

(In thousands of United States dollars)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,801	$ 2,865
Trade receivables	7,377	8,579
Other receivables	552	512
Inventories	11,970	11,624
Assets held for sale	-	407
Income taxes receivable	503	-
Prepaid expenses and deposits	246	590
Biological asset	4,757	5,572
Total current assets	28,206	30,149
Non-current assets		
Property, plant and equipment	99,372	97,601
Deferred tax asset	-	689
Intangible assets	1,094	1,198
Other assets	1,462	1,381
Total assets	$ 130,134	$ 131,018
LIABILITIES		
Current liabilities		
Trade payables	$ 10,011	$ 10,440
Accrued liabilities	2,609	3,211
Income taxes payable	7	22
Current maturities of long-term debt	3,413	4,312
Current maturities of capital lease	23	-
Current portion of derivatives	106	1,235
Total current liabilities	16,169	19,220
Non-current liabilities		
Long-term debt	54,897	65,543
Long-term maturities of capital lease	86	-
Derivatives	-	51
Deferred tax liability	8,041	3,931
Deferred compensation	490	-
Total liabilities	79,683	88,745
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	588	312
Accumulated other comprehensive income	55	55
Retained earnings	24,958	17,056
Total shareholders' equity	50,451	42,273
Total liabilities and shareholders' equity	$ 130,134	$ 131,018

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

	Year Ended December 31, 2012	Year Ended December 31, 2011	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011
Net sales	$ 133,942	$ 164,448	$ 30,557	$ 34,743
Cost of sales before insurance proceeds and provisions	(125,965)	(140,627)	(26,320)	(32,041)
Insurance proceeds, net	31,231	-	480	-
Provision for property and equipment damaged	(4,352)	-	-	-
Provision for inventory - damaged crops, materials	(4,649)	-	-	-
Change in biological asset	(540)	269	(54)	2,540
Selling, general and administrative expenses	(14,537)	(14,594)	(3,834)	(3,586)
Income from operations	15,130	9,496	829	1,656
Interest expense	4,331	3,033	1,150	816
Interest income	(2)	(17)	-	(2)
Foreign exchange (gain)/loss	103	(1)	169	(13)
Amortization of intangible assets	104	103	26	25
Derivatives (gain)	(1,180)	(1,054)	(328)	(394)
Other income, net	(261)	(285)	(44)	23
Sale or disposal of assets (gain)	(178)	(14)	-	-
Income (loss) before income taxes	12,213	7,731	(144)	1,201
Provision for income taxes	4,311	1,926	9,093	228
Net income (loss) and comprehensive income	$ 7,902	$ 5,805	$ (9,237)	$ 973
Basic earnings per share	$ 0.20	$ 0.15	$ (0.24)	$ 0.03
Diluted earnings per share	$ 0.20	$ 0.15	$ (0.24)	$ 0.02

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

	Year Ended December 31, 2012	Year Ended December 31, 2011	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011
Cash flows from operating activities:				
Net income (loss)	$ 7,902	$ 5,805	$ (9,237)	$ 973
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	7,552	6,010	1,829	1,647
Sale of assets (gain)	(178)	(14)	-	-
Disposal of assets loss	4,352	-	-	-
Gain on derivatives	(1,180)	(1,054)	(328)	(394)
Foreign exchange (gain)/loss	103	(48)	37	(36)
Net interest expense	4,331	3,016	1,154	814
Share based compensation	276	237	73	89
Deferred income taxes	4,800	1,640	9,626	10
Change in biological asset	540	(269)	54	(2,540)
Changes in non-cash working capital items	(117)	3,445	11,819	3,663
Net cash provided by operating activities	28,381	18,768	15,027	4,226
Cash flows from investing activities:				
Purchases of property, plant and equipment	(13,438)	(40,560)	(882)	(16,880)
Proceeds from sale of assets held for sale	593	37	-	-
Other	409	(255)	143	(59)
Net cash used in investing activities	(12,436)	(40,778)	(739)	(16,939)
Cash flows from financing activities:				
Payments on long-term debt	(18,462)	(51,468)	(11,576)	-
Issuances of long-term debt	6,917	69,855	-	11,439
Interest paid on debt	(4,333)	(3,033)	(1,154)	(816)
Interest income	2	17	-	2
Payments on capital lease	(30)	(278)	(30)	-
Net cash (used in) provided by financing activities	(15,906)	15,093	(12,760)	10,625
Effect of exchange rate changes on cash and cash equivalents	(103)	48	(37)	36
Net (decrease) increase in cash and cash equivalents	(64)	(6,869)	1,491	(2,052)
Cash and cash equivalents, beginning of period	2,865	9,734	1,310	4,917
Cash and cash equivalents, end of period	$ 2,801	$ 2,865	$ 2,801	$ 2,865
Supplemental cash flow information:				
Income taxes paid	$ 14	$ 60	$ -	$ 1
Supplemental non-cash financing and investing information:				
Assets acquired by capital lease	$ 139	$ -	$ 139	$ -