Village farms Greenhouse Grown

November 14, 2013

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

Village Farms International Announces Third Quarter 2013 Results

Vancouver, B.C., November 14, 2013 – Village Farms International, Inc. (the "Company") (TSX: VFF) announced today results for the nine months and quarter ended September 30, 2013.

Conference Call

A conference call will be held November 20, 2013 to discuss the Company's third 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 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 416-764-8668**.

Michael DeGiglio, Chief Executive Officer of the Company, stated "The third quarter 2013 was an excellent quarter, due to continuing solid operational performance and the completion of multiple key corporate initiatives setting the stage for future growth. Our strong quarter of operational results is reflected in our $4.6 million of adjusted EBITDA. Additionally, with the completion of our insurance settlement in the third quarter our net debt stands at $35.7 million on September 30, 2013, a reduction of nearly $28 million from a year ago."

"Pricing continued to remain firm with core tomato pricing continuing at normal historical levels which were 29% above 2012 pricing for the same quarterly period. Pricing comparisons into the fourth quarter of 2013 continue to be favorable to 2012, as evidenced by the fair market value of the Company's biological asset as at September 30, 2013. Our expectation for solid operating results continues into the fourth quarter."

"As reported in September we settled our insurance claim, after filing a lawsuit, for the severe destruction incurred at our Marfa, Texas greenhouse facilities in 2012 from a hail storm. The final settlement payment of $11.3 million provided us with the working capital necessary, without taking on any new debt, to commence the repair of the next 20 acre block of the remaining damaged 40 acres. Upon completion of this block, we will have repaired and put back into production 60 of the damaged or destroyed 82 acres. Construction has commenced with an expected completion date in April 2014 with harvesting from this block commencing during the summer of 2014. We have incorporated many new replacement systems and new technologies to its design making this block virtually a new greenhouse restarting its useful life. With our strong working capital position and forecasted positive operating results, we plan to commence construction on the final damaged 20 acre block in 2014. We are not planning to commence construction on the final 20 acre block until we complete the current construction project and bring this repaired facility into full production."

Mr. DeGiglio continued, "We continue to focus on operational excellence through product innovation, stronger customer bonds, continued advancement of our consumer marketing strategies, technology scale up and production and fulfillment cost reduction. Our Canadian and Texas facilities have demonstrated exceptional operational and financial performance year to date, with the only exception being our newest expansion located in the Permian Basin. This facility, which is the first commercial scale up of our propriety GATES® technology, has yet to generate an operating profit. The Permian Basin facility has improved measurability since commissioning and it has begun to show signs of improved financial performance in the fourth quarter. As this facility continues to improve in 2014, as we believe it will, combined with the addition of the next repaired 20 acres in Marfa Texas, we have expectations for continued and increased operational performance in 2014."

"On a final note I wish to express my deepest gratitude to our team in the recent selection of Village Farms as one of five finalists for the 2013 Texas Workforce Solutions Employer of the Year. We are very proud of the acknowledgement especially in the company of Exxon-Mobil, GE Transportation, Durcon and Caterpillar."

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

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

- Revenues increased 11% to $39.6 million for the third quarter of 2013 compared to $35.7 million for the third quarter of 2012.
- Adjusted EBITDA (defined below), for the quarter ended September 30, 2013 increased by $4.3 million to $4.6 million, as compared to $0.3 million for the quarter ended September 30, 2012.
- Net debt decreased by ($27.6) million to $35.7 million on September 30, 2013 compared to $63.3 million on September 30, 2012.
- Insurance claim is settled. Total net claim proceeds received of $47.2 million were received over 2012 and 2013.
- Commencement of repairs on 20 additional acres at the Marfa facilities scheduled for completion in April 2014, bringing the facility up to 60 operational acres in the summer of 2014.
- Nominated for 2013 Texas Workforce Solutions Employer of Year Award.

Operational Summary:

(in thousands of US dollars)

Revenue

Revenue was $39,645 and $105,897 for the three and nine months ended September 30, 2013, respectively, which represent an 11% and 2% increase, respectively, over the same periods in the prior year. The increase in revenue for the third quarter of 2013 is primarily due to a 29% increase in the average selling price of tomatoes as compared to 2012, which more than offset a (43%) decrease in our supply partner revenues. The decrease in supply partner revenues is a result of fewer supply partner contracts in 2013 versus 2012. The year to date, revenue increase, is due to an increase of 25% in the average selling price of tomatoes, as compared to the same nine month period in 2012 offset by a (37%) decrease in supply partner revenues.

Expenses

- Cost of sales were $33,669 and $91,496 for the three and nine months ended September 30, 2013, respectively, which represent a (1%) and (8%) decrease, respectively, over the same periods in the prior year. The decreases are due to lower supply partner volumes.
- SG&A expenses were $3,142 and $9,808 for the three and nine months ended September 30, 2013, respectively, which represent a (6%) and (8%) 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 three months ended September 30, 2013 decreased by $2,751 to ($1,059) from $1,692 for the three month period ended September 30, 2012. The decrease is due to a higher fair value at June 2013 of $8,311 versus the June 2012 balance of $5,348, due to higher production volumes in July 2013 versus July 2012, as well as higher prices. The fair value of the biological asset at September 30, 2013 is $6,616 and was $5,916 at September 30, 2012.

Income from Operations

Income from operations increased quarter over quarter by $2,240, to $11,896 in the third quarter of 2013, from $9,656 in the third quarter of 2012. The significant improvement is due to improved pricing and lower production and overhead costs, with slightly higher non-recurring net insurance proceeds less asset writeoffs in the third quarter of 2013 versus the third quarter of 2012 of $388.

Interest Expense

Interest expense, net, for the three month period ended September 30, 2013 decreased by $336 to $759 from $1,095 for the three month period ended September 30, 2012. The decrease is due to a decrease in the Company’s outstanding borrowings and lower borrowing rates for the three months ended September 30, 2013 from the same period in 2012.

Net Income

Net income for the three months ended September 30, 2013 decreased by $2,331 to $7,757 from $10,088 for the three months ended September 30, 2012. The decrease is due to an increase in the provision for income tax for the three months ended September 30, 2013 of $4,175 partially offset by an increase in income from operations of $2,240.

EBITDA

EBITDA for the three months ended September 30, 2013 increased $4,706 to $14,764 from $10,058 for the three months ended September 30, 2012. The increase is due to stronger operational results due to higher pricing and lower costs, as well as a slightly higher non-operating net recovery related to the damaged assets. EBITDA for the nine months ended September 30, 2013 was $25,519 and for the trailing twelve months totaled $28,329. See the EBITDA calculation below as well as the Company's management discussion and analysis for the quarter ended September 30, 2013.

Hail Damage and Insurance Proceeds

On May 31, 2012, the Company suffered a hail storm that closed three of its Texas facilities. The Company was insured and as of September 30, 2013, $47,174 (net of recovery costs) has been received from its insurer. The claim has been closed.

For the nine months ended September 30, 2013, the Company received $15,943 in insurance proceeds net of recovery costs versus $30,751 of total insurance proceeds net of recovery costs for the nine month period ended September 30, 2012. In the nine months ended September 30, 2013, the Company took an asset write off of $601 related to storm damage. The Company took an inventory write down of $4,649 for the damaged crops, growing materials and packaging costs, as well an asset write off of $4,360 of book value assets lost as a result of the hail storm for the nine months ended September 30, 2012.

Reconciliation of Adjusted EBITDA[(1)]

(in thousands of U.S. dollars)	**For the three months ended September 30,**		**For the nine months ended September 30,**	
	2013	**2012**	**2013**	**2012**
Net income	$7,757	$10,088	$11,813	$17,140
Amortization	1,820	1,807	5,487	5,723
Interest expense, net	759	1,095	2,848	3,178
Income taxes	3,324	(851)	5,062	(4,782)
Change in biological asset	1,059	(1,692)	336	487
Other non-cash items	45	(389)	(27)	(715)
EBITDA	14,764	10,058	25,519	21,031
Less: insurance proceeds	(10,722)	(12,030)	(15,943)	(30,751)
Plus: asset write-off	601	1,571	601	4,360
Plus: inventory write-off	-	726	-	4,649
Adjusted EBITDA	$4,643	$325	$10,177	($711)

(1) Information on non-GAAP Measures

Adjusted EBITDA is a 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.

A Conversion of Participating Preferred Shares and Issuance of 9,387,002 Common Shares

The Company received an exchange notice from Albert Vanzeyst to convert all of his outstanding participating preferred shares of VF U.S. Holdings Inc. into 9,387,002 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 occurred on October 8, 2013, the Company has 38,707,345 common shares issued and outstanding and VF U.S. Holdings Inc. no longer has any participating preferred shares outstanding. Mr. Vanzeyst has advised the Company that he has no current plans to sell any of the common shares that he received 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. 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 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)

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 20,902	$ 2,801
Trade receivables	10,069	7,377
Other receivables	375	552
Inventories	6,904	11,970
Income taxes receivable	247	503
Prepaid expenses and deposits	579	246
Biological asset	6,616	4,757
Total current assets	45,692	28,206
Non-current assets		
Property, plant and equipment	95,300	99,372
Intangible assets	1,016	1,094
Other assets	2,204	1,462
Total assets	$ 144,212	$ 130,134
LIABILITIES		
Current liabilities		
Trade payables	$ 8,059	$ 10,011
Accrued liabilities	3,702	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	15,953	16,169
Non-current liabilities		
Long-term debt	52,443	54,897
Long-term maturities of capital lease obligations	67	86
Deferred tax liability	12,748	8,041
Deferred compensation	618	490
Total liabilities	81,829	79,683
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	707	588
Accumulated other comprehensive income	55	55
Retained earnings	36,771	24,958
Total shareholders' equity	62,383	50,451
Total liabilities and shareholders' equity	$ 144,212	$ 130,134

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

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net sales	$ 39,645	$ 35,711	$ 105,897	$ 103,386
Cost of sales	(33,669)	(34,142)	(91,496)	(99,645)
Insurance proceeds, net	10,722	12,030	15,943	30,751
Provision for property and equipment damaged	(601)	(1,571)	(601)	(4,360)
Provision for inventory-damaged crop, growing materials, supplies	-	(726)	-	(4,649)
Change in biological asset	(1,059)	1,692	(336)	(487)
Selling, general and administrative expenses	(3,142)	(3,338)	(9,808)	(10,704)
Income from operations	11,896	9,656	19,599	14,292
Interest expense	761	1,095	2,851	3,180
Interest income	(2)	-	(3)	(2)
Foreign exchange loss/(gain)	17	(128)	(40)	(66)
Amortization of intangible assets	26	26	78	78
Gain on derivatives	-	(341)	(106)	(852)
Other expense/(income), net	13	(47)	(53)	(218)
Gain on sale of assets	-	(186)	(3)	(186)
Income before income taxes	11,081	9,237	16,875	12,358
Provision for (Recovery of) income taxes	3,324	(851)	5,062	(4,782)
Net income and comprehensive income	$ 7,757	$ 10,088	$ 11,813	$ 17,140
Basic earnings per share	$ 0.20	$ 0.26	$ 0.31	$ 0.44
Diluted earnings per share	$ 0.20	$ 0.26	$ 0.30	$ 0.44

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2013	**2012**	**2013**	**2012**
Cash flows from operating activities:				
Net income	$ 7,757	$ 10,088	$ 11,813	$ 17,140
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	1,820	1,807	5,487	5,723
Gain on disposal/sale of assets	-	(186)	(3)	(186)
Provision for property and equipment damaged	51	1,571	51	4,360
Gain on derivative	-	(341)	(106)	(852)
Foreign exchange (loss)/gain	(17)	128	40	66
Net interest expense	803	1,100	2,691	3,177
Share-based compensation	28	80	119	203
Deferred income taxes	2,978	(896)	4,707	(4,827)
Change in biological asset	1,059	(1,692)	336	487
Changes in non-cash working capital items	6,411	3,103	(588)	(11,937)
Net cash provided by operating activities	20,890	14,762	24,547	13,354
Cash flows from investing activities:				
Purchases of property, plant and equipment	(439)	(3,442)	(1,404)	(12,556)
Proceeds from sale of property, plant, and equipment, net	-	593	19	593
Other noncurrent assets and liabilities, net	60	66	(614)	266
Net cash used in investing activities	(379)	(2,783)	(1,999)	(11,697)
Cash flows from financing activities:				
(Payments on)/Proceeds from operating loan, net	-	(783)	-	5,255
Payments on long-term debt, net	(1,042)	(9,985)	(1,699)	(5,224)
Interest paid on long-term debt	(807)	(1,100)	(2,694)	(3,179)
Interest received	2	-	3	2
Payments on capital lease obligation	(6)	-	(17)	-
Net cash used in financing activities	(1,853)	(11,868)	(4,407)	(3,146)
Effect of exchange rate changes on cash and cash equivalents	17	(128)	(40)	(66)
Net increase/(decrease) in cash and cash equivalents	18,675	(17)	18,101	(1,555)
Cash and cash equivalents, beginning of period	2,227	1,327	2,801	2,865
Cash and cash equivalents, end of period	$ 20,902	$ 1,310	$ 20,902	$ 1,310
Supplemental cash flow information:				
Income taxes paid	$ 333	$ 10	$ 342	$ 44