



November 12, 2015

Village Farms International Announces Third Quarter 2015 Results

- Net sales increased by 5%, or \$5.0 million, to \$106.8 million for the nine months ended September 30, 2015 compared to \$101.8 million for the nine months ended September 30, 2014.
- EBITDA for the nine months ended September 30, 2015 increased by 48%, or \$2.0 million, to \$6.2 million, as compared to \$4.2 million for the nine months ended September 30, 2014.
- Rolling 12-month EBITDA for the twelve months ended September 30, 2015 increased by 55%, or \$3.8 million, to \$10.7 million.
- Net (loss) decreased by \$2.0 million, to (\$0.4) million for the nine months ended September 30, 2015 compared to (\$2.4) million for the nine months ended September 30, 2014.
- (Loss) per share of (\$0.01) for the nine month period ended September 30, 2015 versus (\$0.06) per share for the same period in 2014.
- Year to date net debt decreased (\$2.2) million to \$44.8 million.

Vancouver, B.C., November 12, 2015 – Village Farms International, Inc. (the “Company”) (TSX: VFF) (OTCQX:VFFIF), announced today results for the quarter ended September 30, 2015.

Michael DeGiglio, Chief Executive Officer, stated “Our repositioning strategy over the last few years is positively trending with improved success as demonstrated by our third quarter results. Our transition to increased production of exclusive varieties resulted in increased penetration and price increases in key accounts.”

“As we move into the final quarter of 2015, we are excited with the launch of our new marketing and distribution agreement with Great Northern Greenhouses, one of the premier growers, in Leamington, Ontario, as it will drive a significant increase in revenues in 2016. Additionally, this new relationship will provide us with a strong foothold in Ontario, Canada for future additional market penetration. We continue to receive positive feedback from our customer base on our product innovation and pipeline of new products.”

Mr. DeGiglio continued “We have made significant strides over the last three years in rebuilding most of our assets damaged in the 2012 hail storm, paying down \$20 million of debt, shifting our production and market focus to adjust to changing consumer trends and furthering our production technology. We have exciting marketing partnerships and operational projects in the works for 2016 that will further enhance our operating results both for the short term and long term.”

Conference Call

A conference call will be held on November 13, 2015 to discuss the Company's third quarter and year to date 2015 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 778-383-7413 or 416-764-8688.**

Year to Date Operational Discussion:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the nine months ended September 30, 2015 increased \$4,964, or 5%, to \$106,813 compared to \$101,849 for the nine months ended September 30, 2014. The increase in net sales is primarily due to a 15% increase in the average selling price of tomatoes, partially offset by a decrease of (7%) in tomato pounds sold, a (24%) decrease in pepper pounds sold and a (9%) decrease in the average selling price of cucumbers. The increase in tomato prices and decrease in tomato pounds sold are both due to a reduction in the growing area of the lower priced, higher yielding tomato-on-the-vine, to higher priced, lower yielding specialty tomatoes. The decrease in pepper volume is due to the closing of the Company's Dominican Republic pepper operation in June 2014 and the loss of a pepper distribution contract.

Cost of Sales

Cost of sales for the nine months ended September 30, 2015 increased \$4,767, or 5%, to \$98,293 from \$93,526 for the nine months ended September 30, 2014. The increase is primarily due to the increase in cost per pound produced from the Company's facilities. The increase in cost per pound is due to the increase in specialty tomatoes that cost more to grow and harvest per pound than the tomatoes-on-the-vine or beefsteak varieties.

Change in fair value of biological asset, net

The net change in fair value of biological asset for the nine months ended September 30, 2015 increased \$682 to \$1,181 from \$499 for the nine months ended September 30, 2014. The increase is due to higher pricing in October 2015 versus October 2014, offset partially by a lower beginning value on January 1, 2015 versus the January 1, 2014 value.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the nine month period ended September 30, 2015 decreased (\$1,366), or 14%, to \$8,669 from \$10,035 for the nine month period ended September 30, 2014. The decrease is due to decreases in employee related costs and professional fees.

Income (loss) from Operations

Income from operations for the nine months ended September 30, 2015 increased \$2,245 to \$1,032 from a loss of (\$1,213) for the nine months ended September 30, 2014. The increase is primarily a result of the change in fair value of biological asset increase of \$682 and a decrease in selling, general and administrative expenses of (\$1,366).

Income Taxes

Income tax (recovery) for the nine month period ended September 30, 2015 was (\$381) compared to (\$1,040) for the nine month period ended September 30, 2014. The effective tax recovery rate is 49% for the nine month September 30, 2015 from 30% for the same period in 2014. The 49% recovery rate in 2015 is due to the change in the biological asset for the nine months ended September 30, 2015, which is expected to revert to the Company's normal 30% effective tax rate at December 31, 2015.

Net (Loss)

Net (loss) for the nine month period ended September 30, 2015 decreased \$2,035 to a loss of (\$392) from a loss of (\$2,427) for the nine month period ended September 30, 2014. The decrease is primarily a result of a decrease in selling, general and administrative expenses, a decrease in interest expense and an increase in the change in biological asset.

EBITDA

EBITDA for the nine month period ended September 30, 2015 increased \$2,025 to \$6,231 from \$4,206 for the nine month period ended September 30, 2014, primarily as a result of the decrease in selling, general and administrative expenses of (\$1,366), an increase in net sales of \$4,964 and the addition of VF Clean Energy, as compared to the same period in 2014, partially offset by an increase in cost of sales of \$4,767. See the EBITDA calculation in "Non-IFRS Measures - Reconciliation of Net Earnings to EBITDA."

Third Quarter Summary:

- Net Sales increased by 3%, or \$1.3 million, to \$37.9 million for the third quarter of 2015 compared to \$36.6 million for the third quarter of 2014.
- EBITDA increased \$1.7 million to \$1.8 million in the third quarter of 2015 compared to \$1.1 million in the third quarter of 2014.
- Net (loss) decreased \$1.4 million to (\$0.3) million in the third quarter of 2015 compared to (\$1.7) million in the third quarter of 2014.

Steve Ruffini, Chief Financial Officer, stated "Our operating results are trending positively, which is reflected by our year over prior year pricing, which is a direct result of our crop changes to right size our higher volume large tomatoes and increase our specialty volumes. This trend is continuing as reflected by our increased bio asset valuation this September versus September 2014."

Third Quarter Operational Discussion:

(In thousands of U.S. Dollars)

Net Sales

Net sales for the three month period ended September 30, 2015 increased by \$1,277, or 3%, to \$37,855 from \$36,578 for the three month period ended September 30, 2014. The increase in net sales is primarily due to an increased average selling price for tomatoes of 22% over the same period in 2014, which was offset by a decrease of (9%) in tomato pounds sold. The decrease in tomato pounds sold is due to an increase in the growing area of specialties tomatoes. The specialties have lower yields than the tomatoes-on-the-vine or beefsteak varieties.

Pepper pounds sold for the three months ended September 30, 2015 decreased (33%) over the comparable period in 2014, due to the loss of a pepper distribution contract, and cucumber pieces sold for three months ended September 30, 2015 decreased (7%) over the comparable period in 2014.

Cost of Sales

Cost of sales for the three month period ended September 30, 2015 increased by \$338, or 1%, to \$35,348 from \$35,010 for the three month period ended September 30, 2014. The increase in cost per pound is due to the increase in specialty tomatoes that cost more to grow and harvest per pound than the tomatoes-on-the-vine or beefsteak varieties.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three month period ended September 30, 2015 decreased (\$778) to \$2,802 from \$3,580 for the three month period ended September 30, 2014. The decrease is due to a decrease in professional fees.

Change in Biological Asset

The net change in fair value of biological asset for the three months ended September 30, 2015 decreased by (\$45) to \$511 from \$556 for the three months ended September 30, 2014. The decrease is due to a higher beginning value on July 1, 2015 versus the July 1, 2014 value, mostly offset by higher selling prices in October 2015 versus October 2014. The higher prices are mainly due to increases from the tomatoes-on-the-vine. The fair value of the biological asset at September 30, 2015 is \$7,016 and was \$6,631 at September 30, 2014.

Income (Loss) from Operations

Income (loss) from operations for the three month period ended September 30, 2015 increased by \$1,672 to \$216 from a loss of (\$1,456) for the three month period ended September 30, 2014. The increase was primarily the result of the increase in change in net sales of \$1,277 and a decrease of \$778 in selling, general and administrative expenses, partially offset by an increase of \$338 in cost of sales.

Net (Loss)

Net (loss) for the three month period ended September 30, 2015 decreased by \$1,335 to a loss of (\$318) from a net loss of (\$1,653) for the three month period ended September 30, 2014. The decrease was the result of the increase in change in net sales of \$1,277 and a decrease of (\$778) in selling, general and administrative expenses, and a decrease in other expense of (\$337) offset by an increase in cost of sales of \$338 and a decrease in the income tax recovery of (\$685).

EBITDA

EBITDA for the three month period ended September 30, 2015 increased by \$1,721 to \$1,781 from \$60 for the three month period ended September 30, 2014, primarily as a result of an increase in change in net sales of \$1,277, a decrease of (\$778) in selling, general and administrative expenses, and a decrease in other expense of (\$337), offset by an increase in cost of sales of \$338. See the EBITDA calculation in “Non-IFRS Measures - Reconciliation of Net Income to EBITDA.”

Non-IFRS Measures - Reconciliation of Net Income to EBITDA

References to “EBITDA” are to earnings before interest, taxes, depreciation, amortization, foreign currency exchange gains and losses on translation of long-term debt, unrealized gains on the changes in the value of derivative instruments, 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.

The following table illustrates the calculation of net income to EBITDA:

<i>(in thousands of U.S. dollars)</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Net Loss	(\$318)	(\$1,653)	(\$392)	(\$2,427)
Add:				
Amortization	2,046	2,027	6,226	5,763
Foreign currency exchange loss (gain)	(20)	72	106	67
Interest expense	570	581	1,716	1,905
Income taxes	(23)	(708)	(381)	(1,040)
Stock compensation	37	70	137	209
Change in biological asset	(511)	(556)	(1,181)	(499)
Loss on asset disposal	-	227	-	228
EBITDA	\$1,781	\$60	\$6,231	\$4,206

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, 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 30, 2014, 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 Statements of Financial Position
(In thousands of United States dollars)

	September 30, 2015	December 31, 2014
	(Unaudited)	(Audited)
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 5,147	\$ 6,337
Trade receivables	10,197	9,168
Other receivables	406	939
Inventories	9,978	14,424
Prepaid expenses and deposits	433	229
Biological asset	7,016	4,698
Total current assets	33,177	35,795
<i>Non-current assets</i>		
Property, plant and equipment	96,172	101,430
Other assets	1,481	1,664
Total assets	\$ 130,830	\$ 138,889
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	\$ 8,551	\$ 11,795
Accrued liabilities	4,787	3,651
Income taxes payable	-	426
Current maturities of long-term debt	4,392	4,418
Current maturities of capital lease obligations	27	26
Total current liabilities	17,757	20,316
<i>Non-current liabilities</i>		
Long-term debt	45,534	48,947
Long-term maturities of capital lease obligations	14	35
Deferred tax liability	6,257	7,774
Deferred compensation	844	817
Total liabilities	70,406	77,889
SHAREHOLDERS' EQUITY		
Share capital	24,850	24,850
Contributed surplus	1,158	1,021
Accumulated other comprehensive loss	(531)	(210)
Retained earnings	34,947	35,339
Total shareholders' equity	60,424	61,000
Total liabilities and shareholders' equity	\$ 130,830	\$ 138,889

Village Farms International, Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the Three and Nine Months Ended September 30, 2015 and 2014
(In thousands of United States dollars, except per share data, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$ 37,855	\$ 36,578	\$ 106,813	\$ 101,849
Cost of sales	(35,348)	(35,010)	(98,293)	(93,526)
Change in biological asset	511	556	1,181	499
Selling, general and administrative expenses	(2,802)	(3,580)	(8,669)	(10,035)
Income/(loss) from operations	216	(1,456)	1,032	(1,213)
Interest expense, net	570	581	1,716	1,905
Foreign exchange (gain)/loss	(20)	72	106	67
Amortization of intangible assets	-	26	-	78
Other expense/(income), net	7	(1)	(17)	(24)
Loss on sale of assets	-	227	-	228
Loss before income taxes	(341)	(2,361)	(773)	(3,467)
Recovery of income taxes	(23)	(708)	(381)	(1,040)
Net loss for the period	<u>\$ (318)</u>	<u>\$ (1,653)</u>	<u>\$ (392)</u>	<u>\$ (2,427)</u>
Basic loss per share	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>
Diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>
Other comprehensive loss:				
Foreign currency translation adjustment	(174)	(157)	(321)	(157)
Comprehensive loss for the period	<u>\$ (492)</u>	<u>\$ (1,810)</u>	<u>\$ (713)</u>	<u>\$ (2,584)</u>

Village Farms International, Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Three and Nine Months Ended September 30, 2015 and 2014
(In thousands of United States dollars, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cash flows from operating activities:				
Net loss for the period	\$ (318)	\$ (1,653)	\$ (392)	\$ (2,427)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	2,046	2,027	6,226	5,763
Loss on sale of assets	-	227	-	228
Foreign exchange (gain)/loss	(20)	72	106	67
Net Interest paid	570	583	1,727	1,983
Share-based compensation	37	70	137	209
Deferred income taxes	(783)	(782)	(1,517)	(1,852)
Change in biological asset	(511)	(556)	(1,181)	(499)
Changes in non-cash working capital items	3,285	6,878	75	(1,673)
Net cash provided by operating activities	<u>4,306</u>	<u>6,866</u>	<u>5,181</u>	<u>1,799</u>
Cash flows from investing activities:				
Purchases of property, plant and equipment, net	(590)	(1,183)	(1,537)	(7,300)
Property, plant and equipment acquired in business combination	-	(4,150)	-	(4,150)
Other assets acquired in business combination	-	(265)	-	(265)
Proceeds from sale of property, plant, and equipment, net	-	3	-	4
Other non-current assets and liabilities, net	26	(97)	317	(10)
Net cash used in investing activities	<u>(564)</u>	<u>(5,692)</u>	<u>(1,220)</u>	<u>(11,721)</u>
Cash flows from financing activities:				
Proceeds from borrowings	2,000	2,689	7,000	6,689
Repayments on borrowings	(3,098)	(4,042)	(10,298)	(6,126)
Interest paid on long-term debt, net	(570)	(583)	(1,727)	(1,983)
Payments on capital lease obligations	(7)	(6)	(20)	(19)
Net cash used in financing activities	<u>(1,675)</u>	<u>(1,942)</u>	<u>(5,045)</u>	<u>(1,439)</u>
Effect of exchange rate changes on cash and cash equivalents	20	(72)	(106)	(67)
Net increase/(decrease) in cash and cash equivalents	2,087	(840)	(1,190)	(11,428)
Cash and cash equivalents, beginning of period	3,060	8,080	6,337	18,668
Cash and cash equivalents, end of period	<u>\$ 5,147</u>	<u>\$ 7,240</u>	<u>\$ 5,147</u>	<u>\$ 7,240</u>
Supplemental cash flow information:				
Income taxes paid/(recovered)	<u>\$ 220</u>	<u>\$ (68)</u>	<u>\$ 885</u>	<u>\$ 1,396</u>