



May 10, 2016

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

Village Farms International Announces First Quarter 2016 Results Reflecting a 14% Increase in Revenues and an 84% Increase in EBITDA

Vancouver, B.C., May 10, 2016 – Village Farms International, Inc. (the “Company”) (TSX: VFF) (OTC:VFFIF) announced today results for the quarter ended March 31, 2016.

Conference Call

A conference call will be held on May 12, 2016 to discuss the Company’s first quarter 2016 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.**

First Quarter 2016 Operating Results Summary:

(Note: amounts in U.S. Dollars)

- Sales increased 14% to \$31.7 million in the first quarter of 2016 compared to \$27.7 million in the first quarter of 2015;
- EBITDA increased 84% to \$3.7 million in the first quarter of 2016 compared to \$2.0 million in the first quarter of 2015;
- Loss per share of (\$0.01) in the first quarter of 2016 versus (\$0.02) in the first quarter of 2015; and
- Net loss decreased \$0.7 million to (\$0.2) million in the first quarter of 2016 compared to (\$0.9) million in the first quarter of 2015.

Michael DeGiglio, Chief Executive Officer, stated “The first quarter results evidenced a solid performance with revenue growth increasing by 14% and EBITDA increasing in excess of 80% as compared to last year’s first quarter. Our entire team did an excellent job in execution across all revenue and profit drivers. Our yield output from our company-owned assets produced on average nearly 10% more on the same acreage. This result was achieved due to continual yield improvement at our GATES[®] technology greenhouse as well as improved winter sun light levels in West Texas as compared to last year’s first quarter. Improved pricing was partially due to greater consumer demand of our proprietary varieties, including the successful launch of our new True Rebel[™] line. Supply partner revenues also significantly increased by 34%”.

Mr. DeGiglio added: “2016 has commenced with strong trading coupled with the previously announced solar project with Solar City, the current launch of organics within our tomato line, the current launch of our first ready to eat pack and continued progress on our trials for new varieties in the future. These actions, coupled with the addition of some strong new team members, a new supply partner and new customers, gives us confidence in achieving our 2016 guidance of at least 15% year over year growth in both our revenues and EBITDA.”

Operational Summary for the Quarter:

(In thousands of U.S. Dollars)

Sales

Sales for the three months ended March 31, 2016 increased by \$3,961, or 14%, to \$31,708 from \$27,747 for the three months ended March 31, 2015. The increase in sales is primarily due to a 34% increase in supply partner revenue, an increase in the Company’s tomato and cucumber production of 8% and 12%, respectively, and increases in the average selling price of tomatoes, cucumber and peppers. The increase in supply partner volume is due to an additional grower agreement that took effect in the fall of 2015. The increase in the Company’s tomato pounds is due to higher sun light levels as well as production enhancements at our Texas facilities. The comparable 2015 period experienced the lowest sun light levels in over 15 years in west Texas.

The average selling price for the three months ended March 31, 2016 versus the three months ended March 31, 2015 for tomatoes was an increase of 7%, for peppers was an increase of 25% and for cucumbers was an increase of 6%.

Cost of Sales

Cost of sales for the three months ended March 31, 2016 increased by \$1,719, or 7%, to \$26,650 from \$24,931 for the three months ended March 31, 2015. The increase is due to a higher volume of supply partner product versus the same period in 2015 partially offset by a decrease in the cost of production at the Company’s facilities primarily due to increased production from increased sun light and ongoing productivity enhancements.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2016 increased by \$483, or 16%, to \$3,427 from \$2,944 for the three months ended March 31, 2015. The increase was primarily the result of an increase in personnel cost.

Change in Biological Asset

The net change in fair value of the biological asset for the three months ended March 31, 2016 decreased by (\$1,014) to (\$1,830) from (\$816) for the three months ended March 31, 2015. The decrease was primarily due to a higher starting value at January 1, 2016 versus January 1, 2015. The fair value of the biological asset at March 31, 2016 was \$7,221 and was \$6,964 at March 31, 2015. The fair value less cost for the three months ended March 31, 2016 increased \$908 to \$1,601 from \$693 for the three months ended March 31, 2015 (see note 5 of the condensed consolidated interim financial statements for the three months ended March 31, 2016).

Loss from Operations

Loss from operations for the three months ended March 31, 2016 decreased by \$745 to (\$199) from (\$944) for the three months ended March 31, 2015. The decrease was the result of an increase in sales offset by an increase selling, general and administrative expenses and a decrease in change in biological asset.

Income Taxes

Income tax (recovery) for the three months ended March 31, 2016 was a recovery of (\$535) compared to a recovery of (\$675) for the three months ended March 31, 2015. The income tax recovery decrease in 2016 as compared to the same period in 2015 is due to a lower net loss before taxes in 2016 versus same period in 2015.

Net loss

Net loss for the three months ended March 31, 2016 decreased by \$687, or 74%, to (\$241) from (\$928) for the three months ended March 31, 2015. The decrease was the result of an increase in sales offset by an increase in selling, general and administrative expenses and a decrease in the change in biological asset.

EBITDA

EBITDA for the three months ended March 31, 2016 increased by \$1,690, or 84%, to \$3,710 from \$2,020 for the three months ended March 31, 2015, principally as a result of an increase in sales partially offset by an increase in cost of sales and an increase in selling, general and administrative expenses. 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:

(in thousands of U.S. dollars)

	For the three months ended March 31,	
	2016	2015
Net loss	(\$241)	(\$928)
Add:		
Amortization	2,063	2,078
Foreign currency exchange (gain) loss	(19)	108
Interest expense	557	561
Income taxes	(535)	(675)
Stock compensation	43	60
Loss on asset disposal	12	-
Change in biological asset	1,830	816
EBITDA	\$3,710	\$2,020

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 are 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)

	March 31, 2016	December 31, 2015
	(Unaudited)	(Audited)
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 4,339	\$ 4,957
Trade receivables	10,270	9,144
Other receivables	233	425
Inventories	14,130	13,301
Prepaid expenses and deposits	824	298
Biological asset	7,221	6,079
Total current assets	37,017	34,204
<i>Non-current assets</i>		
Property, plant and equipment	93,106	94,285
Other assets	1,521	1,521
Total assets	\$ 131,644	\$ 130,010
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	\$ 8,641	\$ 8,857
Accrued liabilities	3,670	2,623
Income taxes payable	-	662
Operating loan	3,000	-
Current maturities of long-term debt	3,461	4,388
Current maturities of capital lease obligations	28	28
Total current liabilities	18,800	16,558
<i>Non-current liabilities</i>		
Long-term debt	44,437	44,428
Long-term maturities of capital lease obligations	-	7
Deferred tax liability	4,648	5,184
Deferred compensation	894	902
Total liabilities	68,779	67,079
SHAREHOLDERS' EQUITY		
Share capital	24,903	24,903
Contributed surplus	1,240	1,197
Accumulated other comprehensive loss	(470)	(602)
Retained earnings	37,192	37,433
Total shareholders' equity	62,865	62,931
Total liabilities and shareholders' equity	\$ 131,644	\$ 130,010

Village Farms International, Inc.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
For the Three Months Ended March 31, 2016 and 2015
(In thousands of United States dollars, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2016	2015
Sales	\$ 31,708	\$ 27,747
Cost of sales	(26,650)	(24,931)
Change in biological asset	(1,830)	(816)
Selling, general and administrative expenses	(3,427)	(2,944)
Loss from operations	(199)	(944)
Interest expense	557	561
Foreign exchange (gain) loss	(19)	108
Other expense (income), net	27	(10)
Loss on sale of assets	12	-
Loss before income taxes	(776)	(1,603)
Recovery of income taxes	(535)	(675)
Net loss	\$ (241)	\$ (928)
Basic loss per share	\$ (0.01)	\$ (0.02)
Diluted loss per share	\$ (0.01)	\$ (0.02)
Other comprehensive loss:		
Foreign currency translation adjustment	132	(200)
Comprehensive loss	\$ (109)	\$ (1,128)

Village Farms International, Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31, 2016 and 2015
(In thousands of United States dollars)
(Unaudited)

	Three Months Ended March 31,	
	2016	2015
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Net loss	\$ (241)	\$ (928)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,063	2,078
Loss on sale of assets	12	-
Foreign exchange (gain) loss	(19)	108
Interest paid	551	563
Share-based compensation	43	60
Deferred income taxes	(536)	(384)
Change in biological asset	1,830	816
Changes in non-cash working capital items	<u>(5,038)</u>	<u>(5,421)</u>
Net cash used in operating activities	<u>(1,335)</u>	<u>(3,108)</u>
 Cash flows from investing activities:		
Purchases of property, plant and equipment	<u>(646)</u>	<u>(528)</u>
Net cash used in investing activities	<u>(646)</u>	<u>(528)</u>
 Cash flows from financing activities:		
Proceeds from borrowings	3,000	3,500
Repayments on borrowings	(1,098)	(1,099)
Interest paid on long-term debt	(551)	(563)
Payments on capital lease obligations	<u>(7)</u>	<u>(6)</u>
Net cash provided by financing activities	<u>1,344</u>	<u>1,832</u>
 Effect of exchange rate changes on cash and cash equivalents	<u>19</u>	<u>(108)</u>
 Net decrease in cash and cash equivalents	(618)	(1,912)
Cash and cash equivalents, beginning of period	4,957	6,337
Cash and cash equivalents, end of period	\$ <u>4,339</u>	\$ <u>4,425</u>
 Supplemental cash flow information:		
Income taxes paid	<u>\$ 862</u>	<u>\$ 303</u>