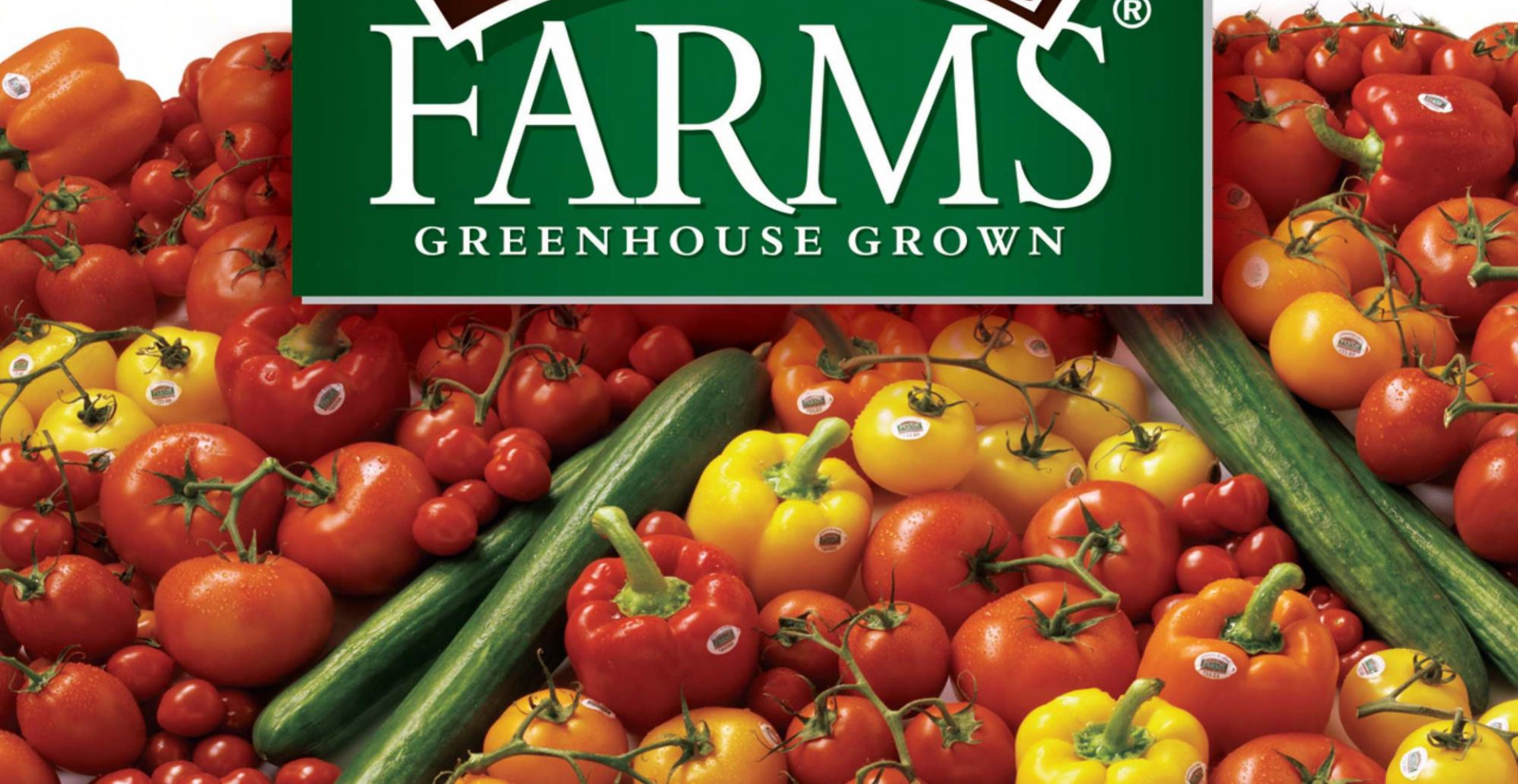


HYDROPERFECT<sup>®</sup>

VILLAGE<sup>®</sup>

FARMS

GREENHOUSE GROWN



# Company Overview

- **Founded 1989**
- **Second largest tomato growers/marketers in North America**
- **Operating and marketing in Canada, US and Mexico n**
  - **Greenhouse facilities owned – BC (110 acres), TX (122 acres)**
  - **Exclusive and prospective marketing arrangements – Mexico and Canada**
  - **Five distribution centers**
- **Complete hydroponic product line - tomatoes, peppers and cucumbers**

# Company Overview

## ● 2008 Financial Highlights

● Sales - \$133.1m - 17% growth over 2007

● EBITDA - \$21.2m – 47% increase over 2007

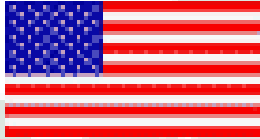
● Cash flow from operations - \$17.9m

● Year end Debt to EBITDA ratio – 2.76x

## ● 2006 Acquisition of Largest Canadian Tomato Producer

## ● Converted out of income trust structure to Canadian public company structure on 12/31/09

# Owned Assets



- **122 total acres, 4 facilities**
- **High-tech**
- **4 Distribution Facilities**
- **122 Acres of production**  
**September through June**



- **110 Total Acres,**
- **3 Facilities (Delta, B.C.),**  
**largest grower in Canada;**
- **1 Distribution Facility**
- **110 acres of production**  
**January through**  
**November production**

GREENHOUSE GROWN

# Core Operating Principals

- **Being the leading supplier of greenhouse grown produce in North America;**
- **Producing the highest quality product which adheres to the highest quality of food safety and sustainable growing practices;**
- **Being the low cost producer;**
- **Year round supplier to our customers;**
- **Excellence in customer service and logistics;**
- **Maintaining a conservative balance sheet;**
- **Enhancing shareholder value through continual improvements in execution.**

# Company Management

- **Mike DeGiglio**

- **Co-Founder and CEO**
- **Former CEO EcoScience**

- **Albert Vanzeyst**

- **Co-Founder and President**
- **Recognized leading hydroponic grower**

- **Steve Ruffini**

- **CFO**
- **Former CFO of Hit Entertainment**

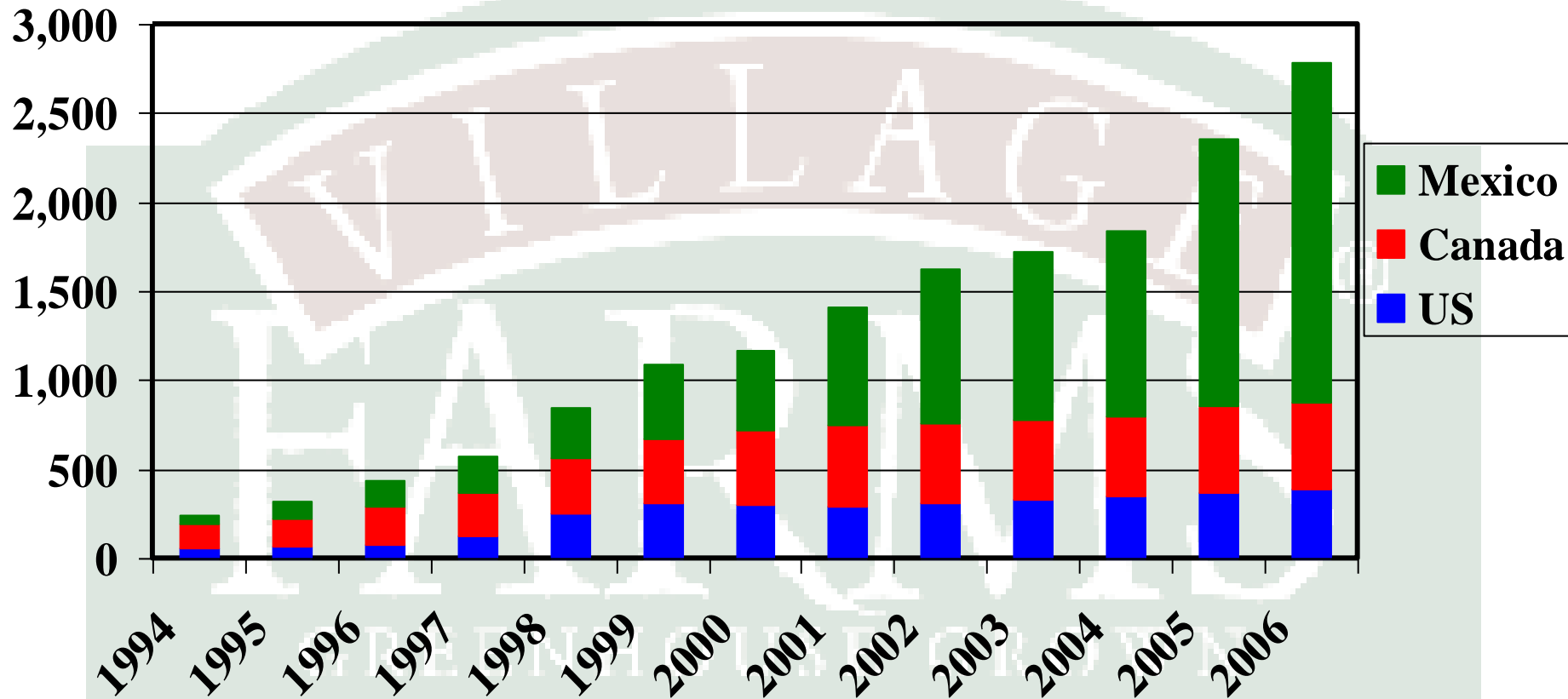
# Marketing Strategy

- **Year-Round Supplier**
- **Innovation in new products, packaging and presentation**
- **Majority of sales to retail food chains**
- **Direct and local delivery**
- **Adherence to Good Agricultural Practices (“GAP”) and highest food safety standards**
- **Excellence in Customer Service and Logistics**

# North American Market

- **Key US producers**
  - **High elevation – year round production**
  - **Freight advantages**
- **Canada producers**
  - **High yields – summer production only (lower pricing)**
  - **Exchange (majority is exported)**
  - **Proximity to US – Ontario vs. BC**
  - **High energy/labor costs**
- **Mexico producers**
  - **Some high elevation – some year round production**
  - **Proximity to US – North vs. South**

# North American Greenhouse Tomato Production (hectares)



Source: Roberta Cook and Linda Calvin, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry", prepared for the United States Department of Agriculture, updated in 2007.

# Village Farms Exclusive Marketing Partners



- 88 total acres, 7 facilities
  - 73 acres – bell peppers
  - 15 acres – English cucs
- All high-tech production
- All food safety compliant
- Production
  - March–November

- 24 total acres – 2 facilities
- All high-tech
- Production
  - February–November
  - TOV

- 86 total acres, 6 facilities
  - 13 acres beefsteak
  - 34 acres TOV
  - 16 spec. tomatoes
  - 23 acres bell peppers
- Production
  - August–May
- All food safety compliant

# Consumer Value Proposition

**Retail consumers pay a premium for hot house produce due to its consistent quality, taste and appearance**

- **Tomatoes**
  - **Natural vine ripened product**
    - **Flavor fully develops**
    - **Maximizes sugars**
    - **Balanced acidity**
    - **No mealy texture**
    - **Thin skinned**
    - **Juicy and flavorful**
- **Peppers**
  - **Vibrant colors**
  - **Firm skin, free of spots and blemishes**
  - **Stems; green and fresh**
  - **Sweet taste**
- **Long English Cucumbers**
  - **Thin deep green skin**
  - **Unwaxed/not coated**

