Creating Extraordinary Experiences

Interim management statement first quarter 2010, 18 May 2010

First quarter 2010 highlights

- The Group reported a profit from continuing operations of $3.7 million for the first quarter of 2010 as compared to a loss of $6.7 million for the same period in 2009.

- Revenues generated from continuing operations were $32.1 million in the first quarter 2010 an 8.0 percent increase over the $29.7 million reported for the same period in 2009.

- Property EBITDA from continuing operations increased to $8.5 million in the first quarter of 2010 as compared to the $6.6 million recorded in the same period in 2009, a 30.2 percent increase.

- Property EBITDA as a percentage of revenues was 27 percent as compared to the 22 percent reported for the same period last year.

- Adjusted EBITDA from continuing operations increased to $7.0 million in the first quarter of 2010 from $4.1 million reported for the same period last year.

- Corporate costs in the first quarter of 2010 were reduced to $1.5 million from $2.5 million reported for the same period in 2009. Current annual run rate for corporate costs is approximately $6.0 million compared to $8.5 million incurred in 2009 and the $12.9 million in 2008.

- The Group continues to focus on improving existing operations and improving the balance sheet by selling certain real estate assets and actively pursuing cash flow improvement options.

- As of 31 December 2009 our Panama operation is not included in continuing operations as the final sale is expected to close in the second quarter of 2010.

CEO Jack Mitchell comments:

While our markets have been affected by the economic turmoil of the last two years, our strategy to deleverage our balance sheet and focus on our existing operations and projects is paying off. The result is we are reporting a profit from continuing operations of $3.7 million for the first quarter 2010. We are also encouraged by the improvement in our operating margins and the reduction of our corporate costs to an annual run rate of approximately $6 million, which is a significant reduction from 2008 and 2009 levels.

In our 2009 Annual Report issued 30 April 2010, we defined the four key strategies that we established in 2009 which continue into 2010, including:

1. Strengthen our balance sheet by deleveraging certain of our real estate assets.
2. Restructure debt to improve cash flow.
3. Focus on organic growth in our existing markets while also lowering operating and corporate level expenses to increase operating margins.

4. Complete delayed projects under construction to free up construction in progress investment and increase revenues, while at the same time eliminating our historical high investment in new project development.

As recently reported in our 2009 Annual Report, we are working towards a final approval to sell our interests in our Panama operations while at the same time the sale process for certain of our hotels in Peru is making good progress. The successful conclusion of these actions will achieve our key objective of deleveraging and strengthening our balance sheet. In addition, we recently received final loan approval from a Philippines bank to complete the expansion of one of our properties in the Philippines which allows us to deploy new gaming positions and increase revenues. In India, with the India-sourced bank financing in place, our hotel and casino project is moving towards completion and a fourth quarter 2010 opening.

We want to thank our valued employees and management teams around the world who have displayed great dedication and resolve as the Group works its way through a very challenging economic environment and is now poised to move forward into 2010 and beyond. The Group continues to focus on our objectives of a strong balance sheet, solid profitability and corporate citizenship, and a positive workplace environment for our employees. All of these objectives contribute to creating extraordinary experiences for our guests.

Jack Mitchell, President and CEO

Thunderbird Resorts Inc. Group

Financial review

The selected financial data below has been derived from the Group's unaudited interim consolidated financial statements for the three month period ended 31 March 2010 and the related notes included in this report. All monetary amounts are in United States dollars.

(In thousands, except per share data)	As reported (1) 31 March 2010	As reported (1) 31 March 2009	% change	As adjusted (2) 31 March 2010	As adjusted (2) 31 March 2009	% change
Net gaming wins	**$ 25,936**	$ 24,893	4.2%	**$ 39,078**	$ 38,336	1.9%
Food and beverage sales	**2,543**	1,850	37.5%	**3,444**	2,708	27.2%
Hospitality and other sales	**3,613**	2,958	22.1%	**3,613**	2,958	22.1%
Total revenues	**32,092**	29,701	8.1%	**46,135**	44,002	4.8%
Promotional allowances	**1,363**	1,313	3.8%	**1,723**	1,697	1.5%
Property, marketing and administration	**22,183**	21,823	1.6%	**32,147**	31,894	0.8%
Property EBITDA	**8,546**	6,565	30.2%	**12,265**	10,411	17.8%
Corporate expenses	**1,498**	2,508	-40.3%	**1,498**	2,508	-40.3%
Adjusted EBITDA	**7,048**	4,057	73.7%	**10,767**	7,903	36.2%
Adjusted EBITDA as a percentage of revenues	**22%**	14%		**23%**	18%	
Depreciation and amortization	**4,269**	3,614	18.1%	**6,287**	5,495	14.4%
Interest and financing costs, net	**4,030**	4,397	-8.3%	**4,590**	5,109	-10.2%
Management fee attributable to non-controlling interest	**(832)**	(1,015)	-18.0%	**181**	463	-60.9%
Project development	**540**	180	200.0%	**540**	180	200.0%
Shared based compensation	**131**	316	-58.5%	**131**	316	-58.5%
Foreign exchange (gain) / loss	**(3,332)**	2,289	-245.6%	**(3,332)**	2,289	-245.6%
Other (gain) and loss	**(2,489)**	386	-744.8%	**(2,364)**	386	-712.4%
Derivative financial instrument	**88**	10	-780.0%	**88**	10	-780.0%
Income taxes	**980**	573	71.0%	**1,160**	512	126.6%
Profit (loss) for the period from continuing operations	**$ 3,663**	$ (6,693)	-154.7%	**$ 3,486**	$ (6,857)	-150.8%
Profit (loss) for the period from discontinued operations	**(177)**	(164)	7.9%	**-**	-	0.0%
Profit (loss) for the period	**$ 3,486**	$ (6,857)	-150.8%	**$ 3,486**	$ (6,857)	-150.8%
Non-controlling interest	**$ 982**	$ (330)	-397.6%	**$ 982**	$ (330)	-397.6%
Profit (loss) for the period attributable to the owners of the parent	**$ 2,504**	$ (6,527)	-138.4%	**$ 2,504**	$ (6,527)	-138.4%
Currency translation reserve	**779**	(597)	-230.5%	**779**	(597)	-230.5%
Total comprehensive income for the period attributable to the owners of the parent	**$ 3,283**	$ (7,124)	-146.1%	**$ 3,283**	$ (7,124)	-146.1%
Gain (loss) per common share:						
Basic	**$ 0.13**	$ (0.33)		**$ 0.13**	$ (0.33)	
Weighted average number of common shares:						
Basic	**19,730**	**19,676**		**19,730**	**19,676**	
Diluted	**20,394**	**20,633**		**20,394**	**20,633**	

(1) As reported reflects Panama operation as discontinued operations.
(2) As adjusted includes the three months ended 31 March 2010 and 2009 operating results of Panama for comparative purposes.

Basic shares outstanding are the weighted average number of shares outstanding for the three month period ended as of 31 March 2010. Total basic shares outstanding as of 31 March 2010 were 19,729,746. Total actual shares outstanding as of 30 April 2010 were 19,829,746.

Group data by country

(In thousands)	As reported (1)		%	As adjusted (2)		%
	31 March 2010	31 March 2009	change	31 March 2010	31 March 2009	change
REVENUES BY COUNTRY						
Panama	**$ -**	$ -	0.0%	**$ 14,043**	$ 14,300	-1.8%
Guatemala	**829**	1,045	-20.7%	**829**	1,045	-20.7%
Nicaragua	**2,731**	3,145	-13.2%	**2,731**	3,145	-13.2%
Costa Rica	**5,664**	5,217	8.6%	**5,664**	5,217	8.6%
Philippines	**12,252**	11,113	10.2%	**12,252**	11,113	10.2%
Peru	**10,022**	8,347	20.1%	**10,022**	8,347	20.1%
Poland	**519**	762	-31.9%	**519**	762	-31.9%
Other	**74**	73	1.4%	**74**	73	1.4%
Total revenues	**$ 32,091**	$ 29,701	8.0%	**$ 46,134**	$ 44,002	4.8%
PROPERTY EBITDA BY COUNTRY						
Panama	**$ -**	$ -	0.0%	**$ 3,719**	$ 3,845	-3.3%
Guatemala	**(22)**	(477)	95.4%	**(22)**	(477)	95.4%
Nicaragua	**451**	782	-42.3%	**451**	782	-42.3%
Costa Rica	**2,508**	2,059	21.8%	**2,508**	2,059	21.8%
Philippines	**4,048**	3,370	20.1%	**4,048**	3,370	20.1%
Peru	**1,787**	993	80.0%	**1,787**	993	80.0%
Poland	**(226)**	(161)	40.4%	**(226)**	(161)	40.4%
Property EBITDA	**$ 8,546**	$ 6,566	30.2%	**$ 12,265**	$ 10,411	17.8%
Property EBITDA as a percentage of revenues	**27%**	**22%**		**27%**	**24%**	
Other (corporate expenses)	**(1,498)**	(2,508)	-40.3%	**(1,498)**	(2,508)	-40.3%
Adjusted EBITDA	**$ 7,048**	$ 4,057	73.7%	**$ 10,767**	$ 7,903	36.2%
Adjusted EBITDA as a percentage of revenues	**22%**	**14%**		**23%**	**18%**	

(1) As reported reflects Panama operation as discontinued operations.
(2) As adjusted includes the three months ended 31 March 2010 and 2009 operating results of Panama for comparative purposes.

Revenue trends

Revenues from continuing operations increased 8.0 percent to $32.1 million, an increase of $2.4 million over the $29.7 million reported in the previous year's quarter, which was driven by:

- $0.6 million for the increase in revenues from casino operations in Peru, primarily due to the increase in slot positions and drop;
- $0.5 million for the increase in revenues from casino operations in Costa Rica, primarily due to the restoration of gaming hours and drop;
- $1.1 million increase in the Peru Hotel operations due to improved patronage at our hotels;
- $1.3 million in the Fiesta Casino at Poro Point, Philippines, primarily due to the increase in slot positions and associated play.

These increases were offset by decrease in revenues for the following:

- $0.4 million decrease in the Nicaragua operations due to reduced drop from lower patronage at the facilities as a result of the economic downturn;
- $0.2 million decrease in Guatemala due to the closure of the Gran Plaza location; and
- $0.3 million decrease for the casino operations in Poland; $0.2 million decrease in the Fiesta Casino at Rizal, Philippines.

EBITDA and profitability trends

Due to the increase in revenues at the Group's existing flagship locations coupled with the closing of poor performing locations and the stabilization of the new operations, Property EBITDA improved to 27 percent as a percentage of revenues for the first quarter of 2010 compared to 22 percent for the first quarter of 2009. We expect our Property EBITDA as a percentage of revenues to continue to improve as the market conditions stabilize and as the results of our cost savings measures are realized.

The Group's corporate expenses decreased to $1.5 million for the first quarter of 2010 from the $2.5 million reported during the first quarter of 2009 and from $1.6 for the fourth quarter of 2009. This decrease is the result of the restructuring started during the fourth quarter of 2008 and continuing through 2010. We expect this trend to continue as the Group has ongoing efforts to streamline its corporate operations. Our run rate for corporate overhead for 2010 is approximately $6.0 million compared to $8.5 million for 2009.

Adjusted EBITDA for the three month period ended 31 March 2010 increased to $7.0 million from $4.1 million for the same period in 2009. As a percentage of revenues, Adjusted EBITDA increased to 22 percent as compared to 14 percent for the same period in 2009.

The Group's net profit attributable to the equity holders of the parent for the 2010 first quarter was $2.5 million, which includes an unrealized foreign exchange gain of $3.3 million, compared to net loss of $6.5 million for the 2009 first quarter, which included an unrealized foreign exchange loss of $2.3 million.

This change was affected by depreciation and amortization expense of $4.3 million for the period. The net profit for the period was also impacted by other gains of $2.3 million, which includes: a $2.5 million gain on the sale of the Hotel Pardo in Peru offset by a non-cash item of stock based compensation of $0.1 million and a further $0.1 million for the change in value associated with the derivative financial instrument. Project development expense accounted for $0.5 million. In addition, the net profit for the period contains an unrealized foreign exchange profit of $3.3 million that was recorded in association with the large USD loans and intercompany payables outstanding in Peru. The net profit of $2.5 million would have resulted in a $1.7 million net gain after adding the depreciation and amortization and other mentioned items.

(In thousands)	As reported (1)		%	As adjusted (2)		%
	31 March 2010	31 March 2009	change	31 March 2010	31 March 2009	change
Profit (loss) for the period attributable to the owners of the parent	**$ 2,504**	$ (6,527)	-138.4%	**$ 2,504**	$ (6,527)	-138.4%
Depreciation and amortization	**4,269**	3,614	18.1%	**6,287**	5,495	14.4%
Foreign exchange (gain)/loss	**(3,332)**	2,289	245.6%	**(3,332)**	2,289	245.6%
Project development	**540**	180	200.0%	**540**	180	200.0%
Other gain and losses	**(2,270)**	712	-418.8%	**(2,145)**	712	-401.3%
Adjusted net earnings	**$ 1,711**	$ 268	538.4%	**$ 3,854**	$ 2,149	79.3%

(1) As reported reflects Panama operation as discontinued operations.
(2) As adjusted includes the three months ended 31 March 2010 and 2009 operating results of Panama for comparative purposes.

Below is a reconciliation of EBITDA, Property EBITDA and Adjusted EBITDA to loss for the period attributable to the owners of the parent.

(In thousands)	As reported (1) 31 March 2010	As reported (1) 31 March 2009	% change	As adjusted (2) 31 March 2010	As adjusted (2) 31 March 2009	% change
Profit (loss) for the period from continuing operations	**$ 3,663**	$ (6,693)	-154.7%	**$ 3,486**	$ (6,857)	-150.8%
Income tax expense	**980**	573	71.0%	**1,160**	512	126.6%
Net interest expense	**4,030**	4,397	-8.3%	**4,590**	5,109	-10.2%
Depreciation and amortization	**4,269**	3,614	18.1%	**6,287**	5,495	14.4%
EBITDA	**12,942**	1,891	584.4%	**15,523**	4,259	264.5%
Other (gain) loss and derivative financial instruments	**(2,401)**	396	-706.3%	**(2,276)**	396	-674.7%
Project development	**540**	180	200.0%	**540**	180	200.0%
Management fee attributable to non-controlling interest	**(832)**	(1,015)	-18.0%	**181**	463	-60.9%
Shared based compensation	**131**	316	-58.5%	**131**	316	-58.5%
Foreign exchange (gain) / loss	**(3,332)**	2,289	-245.6%	**(3,332)**	2,289	-245.6%
Adjusted EBITDA (3)	**7,048**	4,057	73.7%	**10,767**	7,903	36.2%
Corporate and other	**1,498**	2,508	-40.3%	**1,498**	2,508	-40.3%
Property EBITDA (4)	**$ 8,546**	$ 6,565	30.2%	**$ 12,265**	$ 10,411	17.8%

(1) As reported reflects Panama operation as discontinued operations.
(2) As adjusted includes the three months ended 31 March 2010 and 2009 operating results of Panama for comparative purposes.
(3) Property EBITDA consists of income from operations before depreciation and amortization, write-downs, reserves and recoveries, project development and pre-opening costs, corporate expenses, corporate management fees, merger and integration costs, profit/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure we use to evaluate our country-level operations. However, property EBITDA should not be construed as an alternative to income from operations as an indicator of our operating performance, or to cash flows from operating activities as a measure of liquidity. All companies do not calculate property EBITDA (or similar measures) in the same manner. As a result, property EBITDA as presented in this Annual Report may not be comparable to similarly-titled measures presented by other companies.

(4) Adjusted EBITDA represents net earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, Non-controlling interest, development costs, gain on refinancing and discontinued operations. We use adjusted EBITDA to assess the asset-level performance of our ongoing operations. However, adjusted EBITDA should not be construed as an alternative to income from operations as an indicator of our operating performance, or to cash flows from operating activities as a measure of liquidity. All companies do not calculate adjusted EBITDA or similar measures in the same manner; as a result, adjusted EBITDA as presented in this Annual Report may not be comparable to similarly-titled measures presented by other companies.

Capital resources and liquidity

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments and other general business needs. Our primary source of liquidity has historically been cash provided by our operating activities (including cash provided by distributions from joint ventures, subsidiaries, and management fees), as well as debt and equity capital raised at the corporate or subsidiary level, from private investors, banks and other similar credit providers. Currently our primary liquidity and capital requirements are for the expansions of existing properties, the completion of existing projects under construction, and for the repayment of existing debt.

As we have historically pursued growth, we continually monitored the capital resources available to us to meet our future financial obligations and planned capital expenditures. Our future success in growing our existing operations will be highly dependent on capital resources available to us. In light of the worldwide trends of tightening credit and capital markets, we expect that any future debt financing instruments may impose covenants that would restrict our ability to obtain additional debt financing as we anticipate paying our obligations with cash flow generated from operations. Based upon our current expectations for 2010, we anticipate that our available cash balances, our cash flow from operations and available borrowing capacity under our existing credit arrangements will be sufficient to fund our liquidity requirements for the next 12 months, providing that the sale of our Panama operation is completed.

Due to improving revenues, the sale of the Pardo hotel in Peru during the first quarter of 2010, the pending sale of our Panama operations, the financing of our India hotel projects, and other financing or refinancing in the interim, the circumstances we face currently are significantly more favorable than they were during the third quarter of 2009. Although we are encouraged by the aforementioned developments and our overall operating results in the first quarter and April of 2010, in response to the slowdown in the economy during 2009, the Group continues to seek alternative debt financing.

Please refer to the capital resources and liquidity section of our 2009 Annual Report which was filed on 30 April 2010 for an update on our recent financing and cost reduction efforts as no material events have taken place since then.

Borrowings

As of 31 March 2010, our total borrowings and obligations under leases for continuing operations was $126.4 million compared to $174.6 million as of 31 March 2009. The decrease in debt was primarily due to the reclassification of asset held for sale for Panama and Peru Hotels as well as principal debt payments of $4.0 million made during the three months ended 31 March 2010.

Cash and cash equivalents

Cash and cash equivalents, including restricted cash, decreased to $10.4 million at 31 March 2010 from $10.9 million at 31 December 2009. This decrease is primarily due to the net cash generated by operations of $6.4 million being offset by investing activities using $3.1 million of cash, financing activities using $0.4 million and discontinued operations using $3.8 million resulting in a net change in cash and cash equivalents of $0.9 million for the three month period ended 31 March 2010. The key items reducing cash were principal and interest payments on debt of $ 7.2 million and total capital expenditures of $3.3 million.

Project development update

A detailed project development update is contained in the Group's 2009 Annual Report published on 30 April 2010. There have been no material changes in the development activity as of 31 March 2010 other than noted in subsequent events.

Subsequent developments

A detailed "subsequent events" section is contained in the Group's Annual Report published 30 April 2010. There have been no material changes in the subsequent events activity as of 18 May 2010

Below are the Group's unaudited revenues reported for April 2010:

Sales in thousands	April 2010
Panama (1)	**$ 4,616**
Costa Rica	**1,620**
Nicaragua	**957**
Guatemala	**276**
Philippines	**3,584**
Poland	**268**
Perú Gaming	**1,902**
Perú Hotel	**1,638**
Total Consolidated Sales	**$ 14,861**

(1) This table includes the Panama operations that are reflected as discontinued operations in the interim financial statements.

Risk management and regulatory

We refer to the 2009 Annual Report published on 30 April 2010 for a more detailed review of the risk factors and regulatory issues of our business.

About the Group

Thunderbird Resorts Inc. (a British Virgin Islands company limited by shares, with its registered office in Tortola, British Virgin Islands) is an international provider of branded casino and hospitality services, focused mainly on markets in Central and South America, southeast Asia, and India. Our mission statement is: “We create extraordinary experiences for our guests.” Our goal is to be a leading operator of casinos and recreational gaming facilities in each local market where we operate and to create genuine value for our shareholders and our employees. We operate dynamic, themed and integrated casino entertainment venues, where we work to create extraordinary experiences for our guests. As of 31 March 2010, in our continuing operations, we have over 18,000 square meters of gaming space in approximately 24 gaming facilities worldwide, totaling over 5,000 gaming positions. In addition, we have ownership interests in approximately four hotels and 263 hotel rooms and one nine-hole golf course. In our continuing operations we currently have facilities operating or under development in seven countries on four continents, all attended to by over 4,100 of our highly valued employees.

E-mail: **info@thunderbirdresorts.com**. Our principal executive offices are located at Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514, Panama City, Panama. Our telephone number is (507)-223-1234. Our website is www.thunderbirdresorts.com.

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Cautionary Note with regard to “forward-looking statements”

This Interim Management Statement contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential sales and future plans and objectives of the Thunderbird Resorts Inc. (the “Group” or the “Company”) are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Group's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in the Group's documents filed from time-to-time with the Euronext Amsterdam by NYSE Euronext (“Euronext Amsterdam”), the regulated market of Euronext Amsterdam N.V. and with various Canadian Securities commissions as well as other regulatory authorities.

Important information

This is Thunderbird Resorts Inc.’s Interim Management Statement (“IMS”) for the three month period ended 31 March 2010. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this Interim Management Statement is intended to comply with the rules and regulations for the Euronext Amsterdam by Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. and with Canadian securities laws.

No person has been authorized to give any information or to make any representation other than those contained in this Interim Management Statement and, if given or made, such information or representations must not be relied upon as having been authorized by us. This Interim Management Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this Interim Management Statement shall not under any circumstances, create any implication that there has been no change in our affairs or that information contained herein is correct as of any time subsequent to the date hereof.

Unless otherwise specified or the context so requires, “Thunderbird Resorts Inc.”, the “Company”, the “Group”, “it” and “its” refer to Thunderbird Resorts Inc. and all its Group companies as defined in Article 24b Book 2 of the Dutch Civil Code.

Thunderbird Resorts Inc. accepts responsibility for the information contained in this Interim Management Statement. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Interim Management Statement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information included in this Interim Management Statement reflects our position at the date of this IMS and under no circumstances should the issue and distribution of this Interim Management Statement after the date of its publication be interpreted as implying that the information included herein will continue to be correct and complete at any later date.

Thunderbird Resorts Inc. has adopted the U.S. Dollar (“USD”) as its reporting currency. As required by EU regulation, Thunderbird Resorts Inc.’s annual consolidated financial statements have been prepared in accordance with international financial reporting standards (“IFRS”). The interim consolidated financial information has been prepared in accordance with generally accepted accounting principles. They do not include all of the information and disclosures required by IAS 34, Interim Financial Reporting, or in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2009.