Thunderbird resorts

Creating Extraordinary Experiences

Half-yearly Report and Q2 2010 Results

Table of contents

Q2 2010 results

- Increased revenues year over year
- Philippines operations continue strong performance in Q2 2010
- Focus continues on cash flow, alternative financing and cost savings

Highlights

- Revenues from continuing operations increased to $33.0 million in Q2 2010 from $30.9 million reported for the same period in 2009
- Adjusted EBITDA from continuing operations increased to $7.0 million in Q2 2010 from $5.0 million reported for the same period in 2009
- Property EBITDA from continuing operations as a percentage of sales increased to 26 percent in Q2 2010 from the 24 percent reported for the same period in 2009
- Corporate costs in Q2 2010 were reduced to $1.4 million from the $2.5 million reported for the same period in 2009
- As previously announced, our Panama operating segment is not included in our continuing operations as we closed on the sale of our Panama casinos on 19 August 2010 paying off approximately $30.8 million of non-Panama operating debt and removing approximately $46.8 million of debt from our consolidated balance sheet. The reduced debt will result in a significant improvement to the statement of financial position and cash flows of the Group from Q3 2010 onwards.

CEO Jack Mitchell comments:

In 2010, the Group is focused on the following key areas:

1. Build strong financials: Continue to execute on the core strategies established in 2009 to assure strong, sustainable financial fundamentals.

2. Continued transition to integrated resorts: Continue to build on its record of developing, owning, and operating integrated resorts anchored by casinos. This business model is unique globally for the investment level up to $200 million. We believe this model has the best balance of statement of comprehensive income and statement of financial position performance.

3. Greater growth in Asia: We are achieving superior financial results in the Philippines. We believe this trend will be reflective of Asia in general and that there are more undeveloped gaming markets in this region than in others. The Group will focus on development in Asia and specifically on new projects in India and the Philippines.

This 2010 Half Yearly Report elaborates on these areas described above.

1. BUILD STRONG FINANCIALS

In 2009, in the midst of the global downturn, the Group began to make certain adjustments to assure strong, sustainable financial fundamentals designed to operate profitably even in a poor economic environment. Below are the steps we identified and a summary of the progress we have achieved.

Strengthen our balance sheet by deleveraging

- Subsequent to 31 December 31 2009, the Group sold the first of five hotels that are for sale in Lima, Peru. Certain of these hotels do not fit our integrated resort model. This transaction enabled the pay down of a portion of our Peru hotel senior bank debt to its current approximate balance of $19 million. A second hotel is under contract and is scheduled to close in September. The effort to sell three of the remaining four hotels continues. We plan to hold and develop the Fiesta Hotel and Casino in Lima, which we believe is the premiere integrated resort anchored by a casino in Peru.

- Subsequent to 31 December 31 2009, the Group entered into agreements to sell its 63.63 percent stake in its six Panama casinos to a Spanish gaming company with gaming holdings in Panama. On 19 August 2010, the Group closed on this sale, which results in a significant improvement in the Group's statement of financial position and related debt ratios through the reduction in consolidated Group debt of approximately $46.8 million along with a significant improvement in the overall cash flows of the Group.

Restructure debt to improve cash flow

- Effective 1 May 2010, the Group was able to refinance with an original lender an approximate $12.8 million, 72 month term loan to new terms that include a 108 month payment term. The original loan was unsecured, so to obtain this extended maturity date, the Group granted the lender a security interest in the cash, assets and shares represented by the Group's four slot parlors in Peru owned by its subsidiaries, Sun Nippon Company, S.A. and Interstate Gaming Del Peru, S.A. These new terms improve the cash flow of the operation.

- With improved financials, the Group is also working on refinancing its real estate with long term (more than 10 years) amortizing loans. This will have a significant positive impact on cash flows.

Focus on organic growth in our existing markets while also lowering operating and corporate level expenses to increase operating margins

- By focusing on our customers through customer service initiatives and adding additional gaming positions within the same properties, our revenue from continuing operations has increased from $30.9 million in Q2 2009 to $33.0 million in Q2 2010, which represents same store growth of 6.9 percent.

- The Group has implemented cost savings measures that reduced corporate operating costs from $12.4 million in 2008 to $8.5 million in 2009, and we are on schedule to reduce corporate expenses further to an approximate run rate of $6.0 million in 2010.

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

- In April 2010, the Group obtained $5.7 million in financing from Philippines based Veterans Bank to complete a 950 sqm event center/casino expansion in its Rizal property located on the east side of Manila, Philippines. The expansion is scheduled to open in Q4 2010 and will add 160 slot machines and 28 table positions. The expansion is projected, with minimal additional operating expense, to increase the revenue of this business by approximately 20 percent on annual run rate basis by year end 2011.

- The Group is actively pursuing financing to complete a 708 sqm casino expansion in its Poro Point, Philippines business. This expansion, with approximately 50 percent of civil works already complete, will add 100 slot machines and 21 table positions. It is projected to increase revenues by approximately 17 percent within 12 months of opening while requiring minimal additional expense.

- The Group is constructing a hotel and entertainment project in Daman, India with a 50/50 joint venture partner. This project is the first integrated resort anchored by a casino for the entire country. The Group holds a 50 percent position in the hotel operating company, which in turn owns a 176-room luxury hotel on 10 acres of land, as well as a significant lease agreement with a 5,700 sqm casino owned by Indian investors. We anticipate a soft opening in fourth quarter of 2010.

Results of these execution items:

- *Revenues*: The Group increased revenues in our continuing operations during the second quarter of 2010 to $33.0 million as compared to the first quarter of 2010 of $32.1 million and as compared to the second quarter of 2009 of $30.9 million.

- *EBITDA*: In the first six months for 2010, we posted Property EBITDA from continuing operations of $17.0 million and Adjusted EBITDA of $14.1 million. This is compared to Property EBITDA of $14.0 million and Adjusted EBITDA of $9.0 million for the same period last year.

- *Net Income*: In Q1 2010, we reported a profit from continuing operations of $3.7 million compared to a loss of $6.7 million in Q1 2009. Although we are reporting a loss of $1.1 million in Q2 2010.

The Group anticipates further improvements in the coming quarters as the results of its restructuring efforts continue to unfold.

2. CONTINUED TRANSITION TO INTEGRATED RESORTS

The Group has steadily moved into the segment of integrated resorts anchored by casinos, targeting total project investments of up to $200 million. Below are some of the accomplishments to date:

- In 2005, the Group opened up its first integrated resort and its first property in Asia, located in Rizal, Philippines just outside the western border of Metro Manila.

- In 2006, the Group opened up its second integrated resort, this time located in Poro Point, Philippines in the province of La Union. It has completed development of a 9-hole golf course, 36 room hotel, beach club, and 170 lot subdivisions as components of the integrated resort.

- In 2007, the Group purchased six hotel properties in Peru and has converted one to the most successful integrated resort anchored by a casino in Peru. Plans are under way to sell four of the five remaining hotels and possibly convert one of the hotels to a second integrated resort/casino property.

- In Q4 2010, the Group expects to open the first major integrated resort anchored by a casino in the Republic of India, specifically located in the Union Territory of Daman just two hours north of Mumbai, the largest city in the country.

- In Costa Rica, the Group owns two well located properties with significant improvements and appraised values collectively of approximately $25 million. The Group continues it efforts to pursue the financing needed to complete what will be two of the most important integrated resort/casino projects in Costa Rica.

This model has several benefits: a) At the sub $200 million investment level, this model is almost devoid of international competitors, meaning the Group is already becoming known as a solution in this space; b) There is a destination effect on traffic from offering an array of resort amenities; c) Real estate builds our balance sheet over time; d) Governments increasing require this model for licensing; and e) Larger properties with a more complete amenity mix are helping Thunderbird to build a strong, dominating brand in the markets in which it operates.

3. GREATER FOCUS ON ASIA

The Group is also increasingly focused on developing Asia. Our Philippines operations are achieving strong returns on capital and operating margins. Our India business is projected to achieve similarly strong results. Both markets, in which the Group is a first mover, offer multiple development opportunities and greater upside for our shareholders. Specifically, these and other Asian economies are: a) less developed in our segment; b) are generally larger markets than our Latin American markets; and c) in most cases have economies that are growing at stronger rates than our Latin American markets.

4. CONCLUSIONS

Our Management team has attained a new level of experience and maturity in developing and operating our businesses. The significant challenges of the worldwide hospitality recession made us stronger. Our operations employees are regarded as some of the best in the markets they serve, and we have created a multitude of opportunities for upward mobility. Our brands are becoming household names in our markets. Our corporate social responsibility programs create genuine value in the communities in which we operate. Our customers are increasingly loyal as is represented by consistent growth in traffic throughout most of our portfolio, and is a direct reflection of our efforts to create extraordinary experiences for our guests.

The qualities described above are the cornerstones of the great company that Thunderbird Resorts Inc. is building. We trust that in the quarters and years to come our shareholders will benefit from these qualities and from our strong resolve to execute on our priorities as described above.

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 and six month period ended 30 June 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) Three Months Ended 30 June 2010	As reported (1) Three Months Ended 30 June 2009	% change	As adjusted (2) Three Months Ended 30 June 2010	As adjusted (2) Three Months Ended 30 June 2009	% change
Net gaming wins	**$ 26,326**	$ 25,524	3.1%	**$ 38,781**	$ 38,614	0.4%
Food and beverage sales	**2,743**	2,226	23.2%	**3,751**	3,223	16.4%
Hospitality and other sales	**3,931**	3,112	26.3%	**3,931**	3,112	26.3%
Total revenues	**33,000**	30,862	6.9%	**46,463**	44,949	3.4%
Promotional allowances	**1,442**	1,272	13.4%	**1,714**	1,678	2.1%
Property, marketing and administration	**23,138**	22,115	4.6%	**32,965**	31,905	3.3%
Property EBITDA	**8,420**	7,475	12.6%	**11,784**	11,366	3.7%
Corporate expenses	**1,400**	2,508	-44.2%	**1,400**	2,508	-44.2%
Adjusted EBITDA	**7,020**	4,967	41.3%	**10,384**	8,858	17.2%
Adjusted EBITDA as a percentage of revenues	**21%**	16%		**22%**	20%	
Depreciation and amortization	**2,952**	4,113	-28.2%	**4,933**	6,063	-18.6%
Interest and financing costs, net	**4,442**	4,134	7.5%	**5,080**	5,045	0.7%
Management fee attributable to non-controlling interest	**(1,217)**	(351)	246.7%	**4**	594	-99.3%
Project development	**294**	61	382.0%	**294**	61	382.0%
Share based compensation	**131**	315	-58.4%	**131**	315	-58.4%
Foreign exchange (gain) / loss	**1,384**	(2,948)	-146.9%	**1,384**	(2,948)	-146.9%
Other (gain) and loss	**11**	597	-98.2%	**(114)**	597	-119.1%
Derivative financial instrument	**(88)**	(35)	-151.4%	**(88)**	(35)	-151.4%
Income taxes	**228**	783	-70.9%	**3,933**	809	386.2%
Profit (loss) for the period from continuing operations	**$ (1,117)**	$ (1,702)	-34.4%	**$ (5,173)**	$ (1,643)	214.9%
Profit (loss) for the period from discontinued operations	**(4,056)**	59	-6974.6%	**-**	-	0.0%
Profit (loss) for the period	**$ (5,173)**	$ (1,643)	214.9%	**$ (5,173)**	$ (1,643)	214.9%
Non-controlling interest	**$ (1,146)**	$ 518	-321.2%	**$ (1,146)**	$ 518	-321.2%
Profit (loss) for the period attributable to the owners of the parent	**$ (4,027)**	$ (2,161)	86.3%	**$ (4,027)**	$ (2,161)	86.3%
Currency translation reserve	**(357)**	898	-139.8%	**(357)**	898	-139.8%
Total comprehensive income for the period attributable to the owners of the parent	**$ (4,384)**	$ (1,263)	247.1%	**$ (4,384)**	$ (1,263)	247.1%
Gain (loss) per common share: (3)						
Basic	**$ (0.22)**	$ (0.06)		**$ (0.22)**	$ (0.06)	
Weighted average number of common shares:						
Basic	**19,828**	**19,686**		**19,828**	**19,686**	
Diluted	**19,728**	**20,072**		**19,728**	**20,072**	

(1) As reported reflects the results of the Panama operations as discontinued operations due to the sale.
(2) As adjusted includes the results of the Panama operations for comparative purposes.
(3) Dilutive effects on EPS are not shown for a period when there is a loss.

(In thousands, except per share data)	As reported (1) Six Months Ended 30 June 2010	As reported (1) Six Months Ended 30 June 2009	% change	As adjusted (2) Six Months Ended 30 June 2010	As adjusted (2) Six Months Ended 30 June 2009	% change
Net gaming wins	**$ 52,262**	$ 50,417	3.7%	**$ 77,859**	$ 76,950	1.2%
Food and beverage sales	**5,286**	4,076	29.7%	**7,195**	5,931	21.3%
Hospitality and other sales	**7,544**	6,070	24.3%	**7,544**	6,070	24.3%
Total revenues	**65,092**	60,563	7.5%	**92,598**	88,951	4.1%
Promotional allowances	**2,805**	2,585	8.5%	**3,437**	3,375	1.8%
Property, marketing and administration	**45,321**	43,938	3.1%	**65,112**	63,799	2.1%
Property EBITDA	**16,966**	14,040	20.8%	**24,049**	21,777	10.4%
Corporate expenses	**2,898**	5,016	-42.2%	**2,898**	5,016	-42.2%
Adjusted EBITDA	**14,068**	9,024	55.9%	**21,151**	16,761	26.2%
Adjusted EBITDA as a percentage of revenues	**22%**	15%		**23%**	19%	
Depreciation and amortization	**7,221**	7,727	-6.5%	**11,220**	11,558	-2.9%
Interest and financing costs, net	**8,472**	8,853	-4.3%	**9,670**	10,153	-4.8%
Management fee attributable to non-controlling interest	**(2,049)**	(1,366)	50.0%	**185**	1,058	-82.5%
Project development	**834**	241	246.1%	**834**	241	246.1%
Share based compensation	**262**	631	-58.5%	**262**	631	-58.5%
Foreign exchange (gain) / loss	**(1,948)**	(659)	195.6%	**(1,948)**	(659)	195.6%
Other (gain) and loss	**(2,478)**	983	-352.1%	**(2,478)**	983	-352.1%
Derivative financial instrument	**-**	(25)	100.0%	**-**	(25)	100.0%
Income taxes	**1,208**	1,356	-10.9%	**5,093**	1,321	285.5%
Profit (loss) for the period from continuing operations	**$ 2,546**	$ (8,717)	-129.2%	**$ (1,687)**	$ (8,500)	-80.2%
Profit (loss) for the period from discontinued operations	**(4,233)**	217	-2050.7%	**-**	-	0.0%
Profit (loss) for the period	**$ (1,687)**	$ (8,500)	-80.2%	**$ (1,687)**	$ (8,500)	-80.2%
Non-controlling interest	**$ (164)**	$ 188	-187.2%	**$ (164)**	$ 188	-187.2%
Profit (loss) for the period attributable to the owners of the parent	**$ (1,523)**	$ (8,688)	-82.5%	**$ (1,523)**	$ (8,688)	-82.5%
Currency translation reserve	**422**	301	40.2%	**422**	301	40.2%
Total comprehensive income for the period attributable to the owners of the parent	**$ (1,101)**	$ (8,387)	-86.9%	**$ (1,101)**	$ (8,387)	-86.9%
Gain (loss) per common share: (3)						
Basic	**$ (0.06)**	$ (0.43)		**$ (0.06)**	$ (0.43)	
Weighted average number of common shares:						
Basic	**19,828**	**19,686**		**19,828**	**19,686**	
Diluted	**19,728**	**20,072**		**19,728**	**20,072**	

(1) As reported reflects the results of the Panama operations as discontinued operations due to the sale.
(2) As adjusted includes the results of the Panama operations for comparative purposes.
(3) Dilutive effects on EPS are not shown for a period when there is a loss.

Basic shares outstanding is the weighted average number of shares outstanding for the six month period ended as of 30 June 2010. Total basic shares outstanding as of 30 June 2010 was 19,829,746. Total actual shares outstanding as of 30 June 2010 was 19,829,746.

Below is a reconciliation of EBITDA, Property EBITDA and Adjusted EBITDA to loss for the period from continuing operations:

(In thousands)	As reported [1] Three Months Ended 30 June 2010	As reported [1] Three Months Ended 30 June 2009	% change	As adjusted [2] Three Months Ended 30 June 2010	As adjusted [2] Three Months Ended 30 June 2009	% change
Profit (loss) for the period from continuing operations	**$ (1,117)**	$ (1,702)	-34.4%	**$ (5,173)**	$ (1,643)	214.9%
Income tax expense	**228**	783	-70.9%	**3,933**	809	386.2%
Net interest expense	**4,442**	4,134	7.5%	**5,080**	5,045	0.7%
Depreciation and amortization	**2,952**	4,113	-28.2%	**4,933**	6,063	-18.6%
EBITDA	**6,505**	7,328	-11.2%	**8,773**	10,274	-14.6%
Other (gain) loss and derivative financial instruments	**(77)**	562	-113.7%	**(202)**	562	-135.9%
Project development	**294**	61	382.0%	**294**	61	382.0%
Management fee attributable to non-controlling interest	**(1,217)**	(351)	246.7%	**4**	594	-99.3%
Share based compensation	**131**	315	-58.4%	**131**	315	-58.4%
Foreign exchange (gain) / loss	**1,384**	(2,948)	-146.9%	**1,384**	(2,948)	-146.9%
Adjusted EBITDA [3]	**7,020**	4,967	41.3%	**10,384**	8,858	17.2%
Corporate and other	**1,400**	2,508	-44.2%	**1,400**	2,508	-44.2%
Property EBITDA [4]	**$ 8,420**	$ 7,475	12.6%	**$ 11,784**	$ 11,366	3.7%

(In thousands)	As reported [1] Six Months Ended 30 June 2010	As reported [1] Six Months Ended 30 June 2009	% change	As adjusted [2] Six Months Ended 30 June 2010	As adjusted [2] Six Months Ended 30 June 2009	% change
Profit (loss) for the period from continuing operations	**$ 2,546**	$ (8,717)	-129.2%	**$ (1,687)**	$ (8,500)	-80.2%
Income tax expense	**1,208**	1,356	-10.9%	**5,093**	1,321	285.5%
Net interest expense	**8,472**	8,853	-4.3%	**9,670**	10,153	-4.8%
Depreciation and amortization	**7,221**	7,727	-6.5%	**11,220**	11,558	-2.9%
EBITDA	**19,447**	9,219	110.9%	**24,296**	14,532	67.2%
Other (gain) loss and derivative financial instruments	**(2,478)**	958	-358.7%	**(2,478)**	958	-358.7%
Project development	**834**	241	246.1%	**834**	241	246.1%
Management fee attributable to non-controlling interest	**(2,049)**	(1,366)	50.0%	**185**	1,058	-82.5%
Share based compensation	**262**	631	-58.5%	**262**	631	-58.5%
Foreign exchange (gain) / loss	**(1,948)**	(659)	195.6%	**(1,948)**	(659)	195.6%
Adjusted EBITDA	**14,068**	9,024	55.9%	**21,151**	16,761	26.2%
Corporate and other	**2,898**	5,016	-42.2%	**2,898**	5,016	-42.2%
Property EBITDA	**$ 16,966**	$ 14,040	20.8%	**$ 24,049**	$ 21,777	10.4%

(1) As reported reflects the results of the Panama operations as discontinued operations due to the sale..
(2) As adjusted includes the results of the Panama operations for comparative purposes.

Q2 2010 Group summary

(In thousands)	As reported (1)			%	As adjusted (2)			%
	Three Months Ended				Three Months Ended			
		30 June 2010	30 June 2009	change		30 June 2010	30 June 2009	change
REVENUES BY COUNTRY								
Panama	**$**	**-**	$ -	0.0%	**$**	**13,463**	$ 14,088	-4.4%
Guatemala		**639**	961	-33.5%		**639**	961	-33.5%
Nicaragua		**2,939**	3,336	-11.9%		**2,939**	3,336	-11.9%
Costa Rica		**5,164**	4,844	6.6%		**5,164**	4,844	6.6%
Philippines		**12,783**	11,374	12.4%		**12,783**	11,374	12.4%
Peru		**10,826**	9,315	16.2%		**10,826**	9,315	16.2%
Poland		**586**	938	-37.5%		**586**	938	-37.5%
Other		**63**	93	-32.3%		**63**	93	-32.3%
Total revenues	**$**	**33,000**	$ 30,862	6.9%	**$**	**46,463**	$ 44,949	3.4%
PROPERTY EBITDA BY COUNTRY								
Panama	**$**	**-**	$ -	0.0%	**$**	**3,364**	$ 3,892	0.0%
Guatemala		**(244)**	(384)	36.5%		**(244)**	(384)	36.5%
Nicaragua		**620**	924	-32.9%		**620**	924	-32.9%
Costa Rica		**1,544**	1,882	-18.0%		**1,544**	1,882	-18.0%
Philippines		**4,111**	3,714	10.7%		**4,111**	3,714	10.7%
Peru		**2,485**	1,184	109.9%		**2,485**	1,184	109.9%
Poland		**(96)**	154	-162.3%		**(96)**	154	-162.3%
Property EBITDA	**$**	**8,420**	$ 7,475	12.6%	**$**	**11,784**	$ 11,366	3.7%
Property EBITDA as a percentage of revenues		**26%**	**24%**			**25%**	**25%**	
Other (corporate expenses)		**(1,400)**	(2,508)	-44.2%		**(1,400)**	(2,508)	-44.2%
Adjusted EBITDA	**$**	**7,020**	$ 4,967	41.3%	**$**	**10,384**	$ 8,858	17.2%
Adjusted EBITDA as a percentage of revenues		**21%**	**16%**			**22%**	**20%**	

(In thousands)	As reported (1)			%	As adjusted (2)			%
	Six Months Ended				Six Months Ended			
		30 June 2010	30 June 2009	change		30 June 2010	30 June 2009	change
REVENUES BY COUNTRY								
Panama	**$**	**-**	$ -	0.0%	**$**	**27,506**	$ 28,388	-3.1%
Guatemala		**1,468**	2,006	-26.8%		**1,468**	2,006	-26.8%
Nicaragua		**5,670**	6,481	-12.5%		**5,670**	6,481	-12.5%
Costa Rica		**10,828**	10,061	7.6%		**10,828**	10,061	7.6%
Philippines		**25,035**	22,487	11.3%		**25,035**	22,487	11.3%
Peru		**20,848**	17,662	18.0%		**20,848**	17,662	18.0%
Poland		**1,105**	1,700	-35.0%		**1,105**	1,700	-35.0%
Other		**137**	166	-17.5%		**137**	166	-17.5%
Total revenues	**$**	**65,091**	$ 60,563	7.5%	**$**	**92,597**	$ 88,951	4.1%
PROPERTY EBITDA BY COUNTRY								
Panama	**$**	**-**	$ -	0.0%	**$**	**7,083**	$ 7,737	-8.5%
Guatemala		**(266)**	(861)	69.1%		**(266)**	(861)	69.1%
Nicaragua		**1,071**	1,706	-37.2%		**1,071**	1,706	-37.2%
Costa Rica		**4,052**	3,941	2.8%		**4,052**	3,941	2.8%
Philippines		**8,159**	7,084	15.2%		**8,159**	7,084	15.2%
Peru		**4,272**	2,177	96.2%		**4,272**	2,177	96.2%
Poland		**(322)**	(7)	4500.0%		**(322)**	(7)	4500.0%
Property EBITDA	**$**	**16,966**	$ 14,040	20.8%	**$**	**24,049**	$ 21,777	10.4%
Property EBITDA as a percentage of revenues		**26%**	**23%**			**26%**	**24%**	
Other (corporate expenses)		**(2,898)**	(5,016)	-42.2%		**(2,898)**	(5,016)	-42.2%
Adjusted EBITDA	**$**	**14,068**	$ 9,024	55.9%	**$**	**21,151**	$ 16,761	26.2%
Adjusted EBITDA as a percentage of revenues		**22%**	**15%**			**23%**	**19%**	

(1) As reported reflects the results of the Panama operations as discontinued operations due to the sale
(2) As adjusted includes the results of the Panama operations for comparative purposes.

Revenue trends for Q2 2010

Revenues from continuing operations increased 6.9 percent to $33.0 million, an increase of $2.1 million over the $30.9 million reported in the second quarter 2009, which increase was caused by:

- $0.6 million for the increase in revenues due to the casino operations in Peru; led by Luxor Lima accounting for $0.3 million, Fiesta Casino Benavides with $0.2 million and the remaining $0.1 million is spread among the other locations
- $0.9 million from hotel operations in Peru
- $0.5 million from Costa Rica; led by Fiesta Casinos – Hotel Presidente and Fiesta Casino – Heredia both with $0.2 million increases in sales and the remaining $0.1 million is spread among the other properties
- $1.4 million in the Philipines operations primarily due to the increase in slot drop and table hold
- $0.1 million for the Bello Horizonte, Managua

These increases were offset by decreases in sales for the following:

- $0.3 million decrease in Poland operations
- $0.5 million decrease in other Nicaragua operations primarily in the Pharaohs Managua with $0.3 million and Pharaohs Camino Real with $0.2 million. The decrease is due primarily to competition in the Managua area
- $0.2 million decrease in our Costa Rica Fiesta Casino-Holiday Inn Express; and
- $0.4 million decrease in Guatemala due to the lower performance of the Intercontinental location and Gran Plaza that was closed in July 2009

Q2 2010 EBITDA and profitability trends

Property EBITDA from continuing operations increased to 26 percent as a percentage of sales for the second quarter of 2010 compared to 24 percent for the 2009 quarter. We expect our Property EBITDA to continue to improve as a percentage of sales.

The Group's corporate expenses decreased to $1.4 million for the second quarter of 2010 from the $2.5 million reported during the second quarter of 2009. This decrease is the result of the restructuring started during the fourth quarter of 2008. We expect the run rate of corporate costs to stabilize at this level.

The Group's net loss attributable to the equity holders of the parent for the period was $4.0 million, which includes an unrealized foreign exchange loss of $1.4 million and a one time $3.5 million tax expense in our discontinued Panama operations compared to a net loss of $2.2 million for the 2009 second quarter, which included an unrealized foreign exchange gain of $2.9 million.

Group overview

We are an international provider of branded casino and hospitality services, focused on markets in Southeast Asia, India, Central America and South America. Our goal is to be a leading recreational property developer and operator in each of our markets by creating genuine value for our communities, our employees and our shareholders. We seek to achieve this by offering dynamic, themed and integrated resort venues, typically anchored by full-service casinos. Our statement of financial position for 30 June 2010 reflects our operations in Panama and four of our Peru hotels, which were in the process of being marketed for sale at 30 June 2010, as assets held for sale. In addition, our Panama operations are disclosed as discontinued operations on our statement of comprehensive income due to the pending sale. Therefore, as of 30 June 2010, after we factor in those two transactions (that is assuming the Panama sale and the retention of one Peru hotel), we had: 24 operating gaming facilities, one slot machine route, four hotels and one nine-hole golf course, over 5,000 gaming positions in almost 18,000 square meters of gaming space worldwide, 263 hotel rooms in Peru, Costa Rica and the Philippines, all attended to by our more than 4,100 highly trained and valued employees. We believe that opportunities exist around the world to create more modern gaming, entertainment and hospitality properties in mid-sized markets similar to our existing markets. Our mission is to bring our specific expertise to bear in exploiting those opportunities by catering to local and regional patrons seeking integrated gaming, dining and other entertainment experiences. We plan to expand our operations in certain of our existing markets, both through new developments and expansions of existing facilities. While we desire to extend our strategy to other markets as opportunities and resources permit, for the current period we intend to focus on our existing markets.

Our properties are intended to provide entertainment opportunities predominantly to the local populations. Many gaming-friendly locations with relatively large populations remain underserved. We believe that our product, which emphasizes an entertainment aspect fully integrated with the gaming experience, provides the local and regional population with a more attractive entertainment product than a casino-only experience. We believe that our management team has a successful track record of identifying, developing, acquiring and operating gaming and hospitality facilities in the U.S., Latin American, and Southeast Asian markets, including significant experience dealing with Latin American and Asian gaming regulatory issues.

Our objective and business strategies

Our primary business objective is to become a leading recreational property developer and operator in our existing markets, as well as in new markets. We have developed and intend to pursue the following business strategies:

- **Focus on profitability and cash generation.** In recent years we were focused on development and growth through opening new markets and new facilities in existing markets. As we have now built what we believe to be a solid fundamental business with over 5,000 gaming positions, we will focus on attaining profitability for the Group through improving operational efficiencies and enhancing revenues in existing facilities wherever possible. Our expansion efforts will be focused on capital investments that result in new gaming positions that are part of integrated resorts.

- **Use a "hub and spoke" growth strategy.** From our hub in Manila, Philippines, we have grown further into the Philippines and also intend to grow into Southeast Asia and India. As opportunities present themselves and subject to financing, we intend to grow within South America from our hub in Lima, Peru. From our historical hub in Panama City, we have grown throughout Costa Rica, Guatemala and Nicaragua. Even though the sale of our Panama interests has closed, we anticipate maintaining our corporate office in Panama. We have a core group of qualified and loyal employees in Panama who help us maintain our operations worldwide, contributing accounting, legal, operations, human resources and IT expertise. We will continue to utilize our Panamanian base of expertise for the benefit of the Group worldwide, but will not operate gaming facilities in Panama for the foreseeable future.

- **Intgrated Resorts Anchored by Casinos.** Where possible and required by regulatory authorities the Group may develop, own and operate integrated resorts anchored by a casino.

- **Manage each country as a business unit.** We manage each country's operations as a fully-integrated business unit, centralizing administrative and management functions under the supervision of a "country manager," and country finance director which allows us to lower overhead and working capital needs while keeping management knowledgeable about each local market**.**

- **Be a first mover in new mid-sized markets.** We search for opportunities to acquire, construct, expand or improve casinos that can provide the first truly major market-style experience or casino-anchored recreational venue in each new market or region we evaluate for expansion. While we desire to extend our strategy to other markets as opportunities and resources permit, for the current period we intend to focus on our existing markets.

- **Implement technology-based infrastructure and controls.** We operate our gaming facilities using consistent controls and procedures standards, and use interlinked communication and monitoring systems to allow real-time monitoring of operations. This allows us to market our facilities, and manage our people and assets, more effectively. We utilize in all of our country operations worldwide: (i) daily and per shift reporting and reconciliation of casino gaming activities; (ii) daily drop and win reports; (iii) weekly closing cycles for basic reconciliations; (iv) monthly variance reports; (v) interlinked communication and monitoring systems; (vi) country level transactional accounting; (vii) daily sales reports; and (viii) digital surveillance.

- **Implement and expand player tracking measures.** We have implemented (in certain of our properties) sophisticated customer service programs to promote greater visitation frequency and length of stay, including our player tracking and cash club systems.

- **Maintain quality standards at our facilities.** We strive to continually improve and renovate our facilities to improve the "customer experience" so that our patrons are excited to return and to provide positive word of mouth to new customers. Key elements of this strategy include regular updates to our facilities' décor designed by our in-house architects, frequent updates to gaming positions, new food and beverage products and services, new and updated layouts, and increased frequency and variety of our live shows.

Our competitive strengths

We believe that our competitive strengths include the following:

- **Experienced management.** We believe that our senior management has significant experience in the development, acquisition and operation of gaming and hospitality establishments, including critical expertise with respect to regulatory matters as they relate to all of these businesses.

- **Brand identity.** We feel that our brand has a unique and recognizable identity in many of our markets, while still conforming to local market tastes, including the Fiesta and Pharaoh's casino brands, the Salsa's and Pirate's bar brands and our Thunderbird Hotel brands.

- **Diversity of locations.** We currently have facilities operating in seven countries on four continents. This diversity provides us with a number of potential "hubs" for our "hub and spoke" approach to expansion and, unlike many single jurisdiction gaming companies, significantly reduces our exposure to the political and economic risk of any particular country.

- **Strategic local partners.** We believe that our relationships with our local partners provide us with a competitive advantage, as such partners assist us with local legal compliance, help us understand the local business climate and regulatory regime, and provide insight regarding local marketing approaches and community relationships.

- **Fully-integrated project development, completion and operation teams.** Our operations encompass not only property operation and management, but also project sourcing and analysis and design, architecture and construction management. We feel that our expertise and experience in these areas allow us to apply a fully-integrated approach to quickly evaluate potential projects and execute projects that we decide to develop or expand.

Business development

India

Daman Hospitality Private Limited. Construction continues on the Group's luxury hotel/hospitality complex in Daman, India, announced originally in March 2008. We expect that this 177-room, luxury resort will include: (i) 2,700 square meter indoor event and meeting areas; (ii) 6,500 square meters of outdoor pools and event areas for up to 2,000 people; (iii) three bars, including a branded Salsa's Bar, a cutting edge bar/disco, and a high-end lounge bar, all with facilities for live music; (iv) four restaurants, including one Vegas-style buffet, one high-end Szechuan restaurant, a pool bar and one cafe near the event center; (v) a 450 square meter Zaphira Spa; (vi) 200 square meter gym for guests and club members; (vii) 750 square meter shopping area; and (viii) a 5,700 square meter world class casino and entertainment venue which will be leased to an Indian company.

Construction of this project has been and is being funded by three sources. DHPL and its India partner have contributed approximately $18 million in cash and property as equity into the project. DHPL has also raised approximately $27 million senior secured loan facility from four India banks plus approximately $13.5 million in fully convertible debentures, secured behind senior lenders. The debentures were funded during 2009 and the senior secured loan was obtained in the first quarter of 2010 and its funds are being drawn on for ongoing construction. The project construction is progressing towards a soft fourth quarter of 2010 opening. DHPL may seek up to another 3.0 million of additional fully convertible debentures at its discretion as well as an operating line of credit of up to approximately $3.5 million.

Costa Rica

Tres Rios project. In 2008, construction started on a resort project in the eastern suburbs of San Jose. This 22-acre "Tres Rios" facility was intended to be a 108-room resort hotel with a convention center, spa and a Fiesta-brand casino. As of 30 June 2010, we have invested approximately approximately $13.6 million using historical currency conversion rates of which our portion is $6.8 million for the acquisition of land, infrastructure development (including roads, ramps and a bridge) and the eight commercial lots comprising the Tres Rios property. This development, along with the new Costa Rica gaming decree, which limits new casinos to one slot machine per room and one table game per ten rooms at the associated hotel, has caused us to change plans with respect to this project.

We have therefore minimized the amount we will invest in the hotel and will attempt to maximize third party investment. In addition, we will need to comply with the new gaming decree which causes the Tres Rios casino to have less than the number of slot machines and tables originally planned. Accordingly, we are considering other financing structures, including additional financial investors in the hotel. One such option being considered involves the construction of a 108 room hotel, with convention center and casino. While these options are being pursued however, the "on-site" construction at Tres Rios has been indefinitely suspended since the fourth quarter of 2008. There is no certainty that we will be successful in pursuing other options. Due to these changed circumstances, we cannot say when, or if, the Tres Rios hotel and the casino will be operational.

During 2009 and 2008, our Costa Rica affiliate, Grupo Thunderbird de Costa Rica, S.A. ("GTCR"), executed agreements to purchase from third party investors the remaining 50 percent interest in the Tres Rios real estate. The aggregate purchase price of these purchases totaled approximately $3.4 million. Currently, GTCR owns 100 percent of such real estate on which the Tres Rios Project is situated. The purchases were funded by seller financing which provide for payments of interest only for 6 months followed by 36 months of amortized payments of principal and interest.

Escazu. We have also acquired land in the southwestern suburb of San Jose where we plan to build the Escazu project. As of 30 June 2010, we have invested approximately approximately $4.0 million using historical currency conversion rates of which our portion is $2.0 million. The land is subject to a lien securing a loan with Banco Nacional de Costa Rica. We are seeking further debt financing required for the project. However, as a result of the new executive decree mentioned above, we are seeking to develop a structure whereby approximately two-thirds of the land owned by Grupo Thunderbird de Costa Rica, S.A. at Escazu, will be transferred to a third-party who will financially commit to construct a 100 to 200 room hotel or condo-hotel within a given time frame. Land for the casino would be retained by our affiliate for the associated casino. Due to these changed circumstances, we cannot estimate when, or if, the Escazu hotel and casino will be operational.

Guatemala

Fiesta Intercontinental and Video Suerte Mazatenago. In August of 2009, our two remaining properties in Guatemala, Fiesta Intercontinental Guatemala and Video Suerte Mazatenango (which are operated by our local subsidiaries), were temporarily closed for 17 days and 22 days, respectively, due to a declaration statement made by the Deputy in charge of the Commission for Transparency in Guatemala which called into question the legitimacy of "video lottery" operations. The Deputy's declaration resulted in inquiries into existing video lottery operations throughout the country to determine if the operations are prohibited. We successfully challenged the Deputy’s declaration and the inquiry by the Ministry of Public Defense and these properties were reopened by order of the local courts, with Intercontinental Guatemala opening on 20 August 2009 and Video Suerte Mazatenango opening on 25 August 2009; however, there is no assurance that the court’s ruling will not be appealed, challenged or reviewed by a higher court.

Based on the uncertain legal and commercial issues, we opted for the change of our licensee to continue operations in Guatemala. As of 24 November 2009, we ended our relationship under authorization of Confederacion Deportiva Autonoma de Guatemala (“CDAG”), and we initiated with Fundacion Para la Defensa Ecologica Monte Carlo Verde (“FMCV”). This license allows us to operate for 17 hours daily resulting in the closure of one working shift.

Nicaragua

Carretera Masaya project. The Group had previously announced in 2007 plans for the development of a flagship casino in downtown Managua on land purchased by the Group in 2003 and 2006 that is in the Masaya area of Managua, Nicaruagua, on land already owned by our Nicaragua affiliate. Thereafter, due to changing market conditions and the less than favorable credit conditions, those plans were put on hold in 2009. The Group is now re-assessing market and credit conditions related to that project and have begun re-evaluating the merits and timing of the development of this facility. Since the necessary land is in a premium location, the Board of Directors of our Nicaragua affiliate recently approved the expenditure of funds for updated construction plans for a first phase of a new casino and entertainment area that does not include a hotel. There can be no assurances that the project will move beyond this assessment stage. We expect the construction plans and evaluation to be completed by third quarter of 2010.

The Group also exercised an existing option, included in our rental agreement, to purchase the leased space (880 square meters) in the mall at Multi-Centro de Las Americas, where we currently operate Zona Pharaohs Casino and Ringside Restaurant.

Additionally, in March of 2010, the company purchased the property which contains the corporate offices adjacent to our casino on Carretera Masaya. The current offices contain 1,150 square meters. The purchase price was $0.4 million of which our Nicaraguan affiliate financed $0.3 million through a loan facility from Banco America Central with a term of seven years and an interest rate of 10.5 percent.

Panama

Sale of Panama interests. Thunderbird announced in the first quarter of 2010, that it has entered into definitive agreements for the sale of its 63.63 percent stake in its six Panama casinos with Alta Cordillera, S.A. ("Alta"). Alta and Powelton Company, Inc., the latter with whom the Group signed and announced a letter of intent on February 2, 2010, are both affiliates of Codere, S.A. (a Spanish based gaming company which currently has gaming holdings in Panama). The sale was closed on 19 August 2010.

Peru

As of 31 December 2009, the Group's Peru subsidiary, Thunderbird Hoteles Las Americas ("THLA") owns and operates six hotels in Lima, Peru (the "THLA Hotels"). In order to reduce the Group's investment and related debt in "non-gaming" assets, in the fourth quarter of 2009 the Group began to actively engage in selling four of the six THLA Hotels that have no casino component. These four hotels are the Thunderbird Hotel Principal, Thunderbird Hotel Pardo, Thunderbird Hotel Bellavista, and Thunderbird Resorts El Pueblo. On 24 February 2010, the Group closed on the sale of the Thunderbird Hotel Pardo for approximately $8.4 million. Thunderbird Hotel Pardo has 64 rooms and is located in the busy district of Miraflores, just minutes from Lima's financial district. The Group entered into a one year hotel management agreement with the new owner of the Thunderbird Hotel Pardo, in conjunction with the sale transaction. The total $8.4 million net sale proceeds (after certain taxes and closing costs) was used to pay down secured Peruvian sourced debt related to the Thunderbird Hotel Pardo. THLA currently continues to own and operate the remaining five hotels. The Group continues to pursue the sale of the Thunderbird Hotel Principal, Thunderbird Hotel Bellavista, Thunderbird Hotel Carrera and Thunderbird Resorts El Pueblo hotel properties as previously announced. We have also engaged MBA Lazard to conduct a structured sale of three of these four hotels which is ongoing. The sale and refinancing efforts will continue simultaneously. While there can be no assurances that these alternatives will succeed, management is encouraged by the performance of the properties during the fourth quarter of 2009 and the first two quarters of 2010.

Philippines

We entered the Philippines market in 2005 and we now own interest in, and operate, two casinos with 738 slot machines and 379 table positions, as well as two hotels and a nine-hole golf course. We are expanding our facilities with multi-stage projects ongoing for each property. The Group previously announced that the expansions of the Fiesta Casino and Resort at Rizal and the Fiesta Casino at Poro Point would be completed during 2009. Due to delays in securing the complete financing for the Poro project, the completion is within approximately 120 to 180 days after the expansion funding has been received. In addition to these projects, we believe that the Philippines will provide additional opportunities for expansion in the future, as well as serve as our "hub" for further expansion into Asia.

Expansion of Thunderbird Resorts—Rizal. This hotel and Fiesta casino, our first in the Philippines, is located on a tropical hillside overlooking the country's largest lake. The hotel, a luxury boutique with 41 suites, has three restaurants and a meeting area and is adjacent to a private 18-hole golf course to which hotel guests have access. The hotel and casino are part of a larger entertainment complex that includes themed restaurants and golf courses. The property is located on the eastern side of Manila, while all other significant casino developments are on the western side of Manila. We commenced our expansion project in Rizal, on the eastern side of Manila, in the third quarter of 2008. The expansion will include an event center, additional food and beverage areas, and gaming areas offering 120 new slot positions and 49 new table positions in addition to the current 453 slot machines and 207 table positions. The total investment is projected to be $13.2 million of which approximately $8.2 million has been raised through a Philippine private debt offering of $9.5 million. Until additional funds are raised, there is no certainty that the expansion will be completed within the revised times. In April 2010, we received approval from the Board of Directors of a local Philippines bank for a secured loan facility of approximately a $5.7 million. We executed the loan documentation and commenced making construction draw downs during the month of June 2010. The credit facility has a five-year repayment term and is secured by certain portions of the real estate at our existing Rizal location. These monies, together with anticipated manufacturer financing on 120 new slot machines, should enable us to complete the Rizal expansion by the fourth quarter of 2010.

Expansion of Thunderbird Resorts—Poro Point. This Fiesta casino is located in San Fernando, on Poro Point, a peninsula that extends into the South China Sea and was previously the site of a U.S. air force base. In 2005, we obtained a 25-year lease on this 130 acre-tract, on which the existing resort and planned expansions are located. San Fernando, in the province of La Union, is a five-hour drive, or a forty five- flight, from Manila. In April 2008, we opened our 36 room hotel and nine-hole golf course at Poro Point which completed Phase I of our expansion. We commenced the expansion of the existing casino at Poro Point in the third quarter of 2008 to create an additional 1,000 square meters of gaming space that will offer 60 new slot machines and 21 new table positions in addition to the current 285 slot machines and 172 table positions, along with expanded food and beverage operations. The estimated cost of this expansion is $7.4 million, of which $2.3 million has been raised through a Philippine private debt offering of $7.4 million. Until an additional portion of private debt offering and the construction loan are fully funded, there is no certainty that the expansion will be completed.

Extended lease. In March 2010, the Company has received approval for a 25-year lease extension from the Bases Conversion Development Corporation ("BCDA") and the Poro Point Management Corporation ("PPMC") for the Group's leased property. Once the lease is formally extended, it extends into the Year 2055. Management believes the grant of an additional 25-year lease term will enhance the Group's effort to obtain the remaining financing of the ongoing expansion of our hotel and casino operations in Poro Point. The lease extension to the year 2055 should also facilitate the Group's long term plans to develop the existing location into a world class residential enclave offering a mixture of single detached homes, townhouses, and medium rise condominium units. This development is consistent with the Group's strategy to minimize its investment in real estate unless such investment is a condition to enhancing and securing the gaming license, which is the case in the Philippines. The lease extension to the year 2055 as approved by the BCDA and PPMC is subject to certain conditions that will be embodied in formal documents that are expected to be executed within a reasonable period of time.

Private/Public offering. In order to raise funds to complete the Rizal and Poro expansions described above and to pay down debt levels at the Poro and Rizal affiliate levels, the Group is exploring several funding sources simultaneously, including:

(i) senior debt secured by casino and other Philippine assets;

(ii) a private/public offering of debt and/or equity in Poro and Rizal entities; and/or

(iii) the formation of a new Philippine corporation to hold the Group's Poro and Riza shares and/or the shares of other Poro and Rizal shareholders, for purposes of selling shares of this to be formed holding company in an initial public offering of the holding company's shares.

The Group is being advised by a Philippines and Hong Kong based investment banking firm on these possible transactions. These possible funding sources are being studied and there can be no assurance that any of them will be successful.

Poland

Casino Centrum. Our two Polish casinos are located in the central part of Lodz, Poland and operate under one casino license and one slot license. The gaming area of the casino locations is approximately 397 square meters in the aggregate with approximately 101 slot positions and 44 table positions. Due to the increasing tax levels in Poland (50 percent effective 1 January 2010), and the relatively flat revenues in our facilities, the Group is closely evaluating the market conditions in Poland for 2010 to determine the long-term viability of this market for the Group.

The Group has plans to loan Casino Centrum up to $0.3 million in tranches against performance goals in order to right size its operational expenses. In August 2010, the Group converted approximately $0.4 million in debt due to Casino Centrum into equity, resulting in the Group gaining operating control by increasing its ownership to approximately 51% of Casino Centrum. Moreover, the Group maintains that Nisterio Investment Ltd., a minority shareholder, owes certain shares to the Group that upon transfer of these disputed shares will increase the Group's ownership to 56% of Casino Centrum.

Other events

Effective 1 August 2009, our Board of Directors and senior executive officers temporarily elected to defer monthly director fees and 20 percent of executive salaries until the Group's cash flows meet internal targets. The deferred compensation will continue to accrue. This deferral may be revoked at any time upon notice from the revoking director or senior executive officer.

Recent material contracts and financings

Since 31 December 2009, material changes in our financing arrangements include:

- In the first quarter of 2010, the Group raised $1 million in parent level debt, interest only at 10 percent maturing in the first quarter of 2015. This agreement included detachable warrants exercisable into up to 200,000 shares of common stock. In April 2010, 100,000 of the warrants were exercised for a selling price of approximately $0.08 million, with the remaining warrants exercisable through the first quarter of 2015. The Group continues to seek opportunities for the issuance of debt and/or equity at the parent company level to "qualified" investors in transaction(s) which may be exempt from registration according to applicable securities laws and regulations.

- In 2010 we received extensions on the maturity dates of a $2 million Peru related debt through September 2010. We have verbal agreements to extend two $2 million interest only loans until January 2011, inclusive of the one due in September 2010 and are documenting those extensions.

  In May 2010, we obtained two (2) bank financings for projects: In the Philippines, a senior secured loan facility of approximately $5.7 million with a 5 year term, secured by portions of the real estate at our existing Rizal location, which when funded, together with manufacturer financing for 120 slot machines, will enable us to complete the existing Rizal expansion in the fourth quarter of 2010, which will enhance our cash flows; and in India, a senior secured bank loan entered into by our Indian joint venture entity, Daman Hospitality Private Limited and four Indian banks dated 31 January 2010, of approximately $26 million, the proceeds of which are being used towards the construction of our five-star hotel entertainment facility in Daman, India.

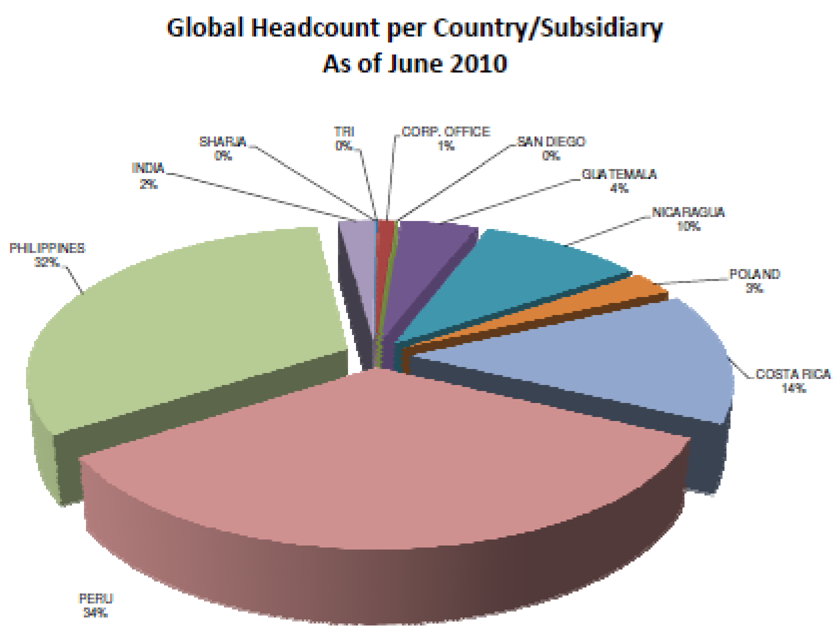
- In February 2010, a contract was executed and consummated between Thunderbird Hoteles Las Americas ("THLA") for the sale of our Pardo hotel in Lima, Peru for approximately $8.4 million in net sale proceeds, along with the execution of a 1-year contract between the parties for THLA to continue to manage the operations of the Pardo hotel.

- Effective 1 May 2010, the Group was able to refinance with an original lender an approximate $12.8 million, 72-month term loan to new terms that include a 108-month payment term. The original loan was unsecured, so to obtain this extended maturity date, the Group granted the lender a security interest in the cash, assets and shares represented by the Group's four slot parlors in Peru owned by its subsidiaries, Sun Nippon Company, S.A. and Interstate Gaming Del Peru, S.A. These new terms improve the cash flow of the operation.

- The Group entered a contract dated 15 March 2010 for the sale of its 63.63% stake in its six Panama casinos with Alta Cordillera, S.A. ("Alta"). The sale was consummated on 19 August 2010, for approximately $38 million.

Employees

As of 30 June 2010, we had 5,374 employees, including 1,330 in Panama, 1,309 in the Philippines, 400 in Nicaragua, 186 in Guatemala, 1,376 in Peru, 105 in Poland, 575 in Costa Rica, 84 in India and 5 elsewhere. None of our employees are represented by a labor union, and we believe our relations with our employees to be good. We had 5,354 employees as of 31 December 2009. We do not, and historically have not, employed a significant number of temporary employees.



Incorporation and trading market

Prior to 2005, we were a company formed under the laws of British Columbia, Canada. In 2005, we converted our corporate form to that of a company formed under the laws of the Yukon, Canada. Effective October 2006, we filed "discontinuation documents" with the Yukon Registrar and continued the charter of Thunderbird Resorts Inc. to the British Virgin Islands. We do not carry on business nor have any material assets in Canada and we do not plan to commence business operations in Canada in the future

Our existing common shares are traded on the Euronext Amsterdam under the symbol TBIRD and on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the symbol 4TR. The Regulated Unofficial Market of the Frankfurt Stock Exchange does not qualify as a regulated market as defined in the Markets in Financial Instruments Directive (MIFID).

Outlook

Historically, we have worked to strategically position the Group for greater success by expanding our operations through development of new facilities in our existing markets, expansions of our existing facilities and acquisitions and development in new markets. Currently, we are focused on maintaining and strengthening our presence in existing markets and building a presence in India, initially through our project under development in Daman, India. We are currently evaluating additional expansion opportunities in our existing markets, including Peru and the Philippines. These potential expansions, if any, will be affected by and determined by several key factors, including: (i) the outcome of any license selection processes; (ii) identification of and agreement with appropriate local partners, if any; (iii) availability of acceptable financing; and (iv) the expected risk-adjusted return on our investment. Any such project may require us to make substantial investments or may cause us to incur substantial costs related to the investigation and pursuit of such opportunities, which investments and costs we may fund through cash flow from operations only after careful consideration. To the extent such source of funds is insufficient, we may also seek to raise such additional funds through public or private equity or debt financings, at the project level, country level or through Thunderbird Resorts Inc. Any such additional financing may not be available on attractive terms, or at all. Potential lack of additional financing may also affect our ability to repay current indebtedness, part of which is currently being renegotiated. If we cannot successfully renegotiate certain terms of our indebtedness, we may be forced to sell certain of our assets or a portion of our equity interest in some of our operating entities. Furthermore, if we default on our indebtedness, this may adversely affect our cash flow, our ability to operate our business and the market price of our common shares.

Group half year performance

During the six month period ended 30 June 2010, we generated sales of $65.1 million from continuing operations as compared to $60.6 million for the same period in 2009, a 7.5 percent increase. The increase in sales of $4.5 million for 2010 was attributable to the following: an increase in slot and table wins in the Philippines operations accounted for $2.5 million; Peru hotel operations increased $2.0 million; Peru casino operations increased $1.2 million; and Costa Rica operations increased $0.8 million. These increases were offset by the decreases in Guatemala operations with $0.5 million, Nicaragua with $0.8 million, and Poland with $0.6 million.

Property EBITDA for continuing operations increased 20.8 percent to $16.9 million for the six month period ended 30 June 2010 as compared to $14.0 million for the same period in 2009. The increase of $2.9 million is focused in three areas:

- Operations in Peru hotels and casino generated a gain of $2.0 million, mainly due to the increase in hotel occupancy and the stabilization of Fiesta Casino Benavides
- Operations in the Philippines generated a gain of $1.1 million
- The existing operations accounted for a $0.2 million decrease, primarily due to Nicaragua operations which accounted for $0.6 million decrease, Poland decreased by $0.3 million, partially offset by increases in Guatemala by $0.6 million and Costa Rica by $0.1 million

During the six month period ended 30 June 2010, Property EBITDA for continuing operations increased as a percentage of sales to 26 percent compared to 24 percent for the same period last year. This increase was primarily due to the high margins in the Peru Hotel operation and the stabilization of the Peru flagship Fiesta Casino and the continuing strong performance of our operations in Philippines.

Adjusted EBITDA for continuing operations for the six month period ended 30 June 2010 increased to $14.1 million from $9.0 million for the same period in 2009. As a percentage of sales, Adjusted EBITDA increased to 22 percent as compared to 15 percent for the same period in 2009.

Net loss for the six month period ended 30 June 2010 attributable to the equity holders of the parent improved to a loss of $1.5 million from a net loss of $8.7 million for the same period in 2009. This loss was affected by depreciation and amortization expense which was $7.2 million for the period. The net loss for the year was also impacted by other gains of $2.2 million, which includes $2.5 million gain related to the sale of the Hotel Pardo in Peru netted with a non-cash item of stock based compensation of $0.3 million. Project development costs accounted for $0.8 million. In addition, the net loss for the period contains an unrealized foreign exchange profit of $1.9 million that was recorded in association with the large USD loans and intercompany payables outstanding in Peru. The net loss of $1.5 million would have been a $2.4 million net gain after adding the depreciation and amortization and other mentioned items. The effect these items had on the profitability of the Group is depicted in the table below:

(In thousands)	As reported (1) Six Months Ended		%	As adjusted (2) Six Months Ended		%
	30 June 2010	30 June 2009	change	30 June 2010	30 June 2009	change
Loss for the period attributable to the owners of the parent	**$ (1,523)**	$ (8,688)	-82.5%	**$ (1,278)**	$ (9,006)	-85.8%
Depreciation and amortization	**7,221**	7,727	-6.5%	**11,220**	11,558	-2.9%
Foreign exchange (gain)/loss	**(1,948)**	(659)	-195.6%	**(1,948)**	(659)	-195.6%
Project development	**834**	241	246.1%	**834**	241	246.1%
Other gain and losses	**(2,216)**	1,589	-239.5%	**(2,216)**	1,589	-239.5%
Adjusted net earnings	**$ 2,368**	$ 210	1027.6%	**$ 6,612**	$ 3,723	77.6%

(1) As reported reflects the results of the Panama operations as discontinued operations due to sale.
(2) As adjusted includes the results of the Panama operations for comparative purposes.

Discussions of items excluded from Property EBITDA and Adjusted EBITDA

Items excluded from Property EBITDA and Adjusted EBITDA are discussed below on a consolidated basis.

Depreciation and amortization

For the six month period ended 30 June 2010, depreciation and amortization was $7.2 million as compared to $7.7 million for 2009, a decrease of $0.5 million. The total decrease primarily relates to less depreciation on assets impaired in prior periods including a $0.4 million decrease in Guatemala and a $0.1 million decrease related to Poland. The remaining operations had only minor variances in depreciation.

Share based compensation

On 16 January 2008, the Group granted 500,000 stock awards that vest over a three year period beginning 20 November 2008. The price of the Group's stock on the day of the grant was $7.00 per share, and the amortized expense recognized for the stock grants, as well as the vesting of outstanding options was recognized at $0.3 million for the six month period ended 30 June 2010 compared to $0.6 million for the same period of 2009. These grants and options vest on various dates and the valuation of the options is calculated using the Black Scholes method.

Project development costs

Project development costs were $0.8 million for the six month period ended 30 June 2010 as compared to $0.2 million for the same period in 2009. For the six month period ended 30 June 2010, the development costs are mainly due to the construction of our hotel, casino, and event center in India in the amount of $0.7 million and $0.1 million combined in all of our other projects. Prior year development costs were also primarily related to India.

Interest and financing costs

Net interest and financing costs decreased to $8.5 million for the six month period ended 30 June 2010 from $8.9 million for the same period in 2009. This decrease of $0.4 million resulted from lower debt levels and improved interest rates on refinancings. Corporate accounted for approximately $0.1 million decrease, Peru accounted for $0.1 million decrease, Phillipines accounted for $0.1 million increase, and net finance income in Poland accounted for a $0.2 million decrease.

Non-controlling interests

For the six month period ended 30 June 2010 the non-controlling interests in the Group's operational profits were negative $0.2 million compared with $0.2 million during the same period of 2009. The non-controlling interests consisted primarily of $0.0 million for the 45.4 percent share in the gain recognized by the Nicaragua business, and $1.4 million share in the loss of the 36.67 percent non-controlling interest in the net loss of the Panama operation, and $0.1 million share of the loss in Poland non-controlling interests, partially offset by $0.9 million for the 48 percent non-controlling interest in the profits of the Poro Point, Philippines operation and $0.4 million in profits from non-controlling interests in Costa Rica.

Foreign exchange

For the six month period ended 30 June 2010, the unrealized foreign exchange differences improved to a $1.9 million of income (gain) from the $0.6 million of income reported during the same period in 2009, an increase of $1.3 million.

An unrealized foreign exchange profit or loss is a non-cash item and recognized when the carrying balances of the loans and other debts, which are recorded in the functional currency of the subsidiary, are adjusted according to the current exchange rate at the end of the period. The foreign exchange profit for the six month period ended 30 June 2010 primarily originates in Peru and Costa Rica. In Peru, the foreign exchange accounted for a profit of $1.1 million for the six month period ended 30 June 2010 compared to a profit of $2.5 million in the 2009 period on an average USD debt balance of $61.9 million, due to the value of the Peruvian Soles fluctuating against the USD in the six month period ended 30 June 2010 from 3.01 as of 31 December 2009 to 2.85 as of 30 June 2010 in comparison to the opposite fluctuation for the same period in 2009 from 2.91 as of 31 December 2008 to 3.11 as of 30 June 2009.

In the Philippines, a foreign exchange loss was recognized for less than $0.1 million in the six month period ended 30 June 2010, decreasing from the $0.5 million reported in the same period in 2009 on an average USD debt balance of $32.6 million, due to the value of the Philippine Peso weakening against the USD from 47.65 as of 31 December 2009 to 45.78 as of 30 June 2010, a 1.87 total increase, in comparison to the weakening for the same period in 2009 from 44.45 as of 31 December 2008 to 47.82 as of 30 June 2009, a 3.37 total increase.

Another $1.1 million gain for the six month period ended 30 June 2010 over the same period in 2009 was attributable to our USD debt in Costa Rica due to the Costa Rican Colones strength against the USD in the six month period ended 30 June 2010 from 578.26 as of 31 December 2009 to 544.17 as of 30 June 2010 in comparison to the weakening for the same period in 2009 from 530.30 as of 31 December 2008 to 572.59 as of 30 June 2009. The balance of foreign exchange activity is a $0.3 million loss attributable to our operations in Guatemala, Poland, Nicaragua and non operating companies.

The Group has investigated currency hedging strategies and has decided that the short term benefits do not justify the cost of implementing any such strategies.

Other expenses (gains)

For the six month period ended 30 June 2010, other gains totaled $2.2 million, which primarily included the $2.5 million gain on sale of the Hotel Pardo, one of the four hotels held for sale, that was sold during the first quarter of 2010 and offset by $0.3 million share based compensation.

Income taxes

For the six month period ended 30 June 2010, income tax expense decreased to $1.2 million from the $1.4 million recorded in the prior year. This is due to lower income tax expense of $0.1 million each in Guatemala and Nicaragua and corporate operation entities recorded a decrease of $0.5 million. These decreases are partially off set by the Costa Rica operations which incurred an increase in tax expense of $0.5 million for the period ended 30 June 2010 compared to the same period in 2009. The Philippines operations are primarily exempt from income taxes and other countries had similar tax expense period over period.

Half year performance by country

Below is a discussion of sales, property, marketing and administration expenses, promotional allowances, and Property EBITDA on a country level basis for the six months ended 30 June 2010 compared to six months ended 30 June 2009:

Costa Rica

We entered the Costa Rica market in 2003 and operate nine casinos, one slot route location and one hotel. We have over 1,300 slots and 230 table positions.

Costa Rica - Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	**Six months ended 30 June**		%
	2010	2009	change
Net gaming wins	**$ 9,940**	$ 9,232	7.7%
Food and beverage sales	**822**	700	17.4%
Hospitality and other sales	**67**	129	-48.1%
Sales	**10,829**	10,061	7.6%
Promotional allowances	**153**	191	-19.9%
Property, marketing and administration	**6,624**	5,929	11.7%
Property EBITDA	**$ 4,052**	$ 3,941	2.8%
Property EBITDA as a percentage of sales	**37%**	**39%**	

Net gaming wins and sales

On an as reported basis, sales increased to $10.8 million during the six month period ended 30 June 2010 from $10.1 million reported for the same period last year, a 7.6 percent or $0.7 million for the period. This increase is primarily due to an increase in existing operations by the Fiesta Casino at Hotel Presidente with $0.2 million, Fiesta Casino Heredia with $0.2 million, Fiesta Casino Herradura with $0.2 million, Lucky's Slot Parlors with $0.1 million and the remainder $0.1 million spread out evenly among all other operating properties.

Expenses and promotional allowances

Property, marketing and administrative expenses increased to $6.6 million during the six month period ended 30 June 2010 from $5.9 million reported for the same period last year, a 11.7 percent or $0.7 million increase. The increase is caused to the general increases associated with our existing operation within the country. Promotional allowances remain the same as 30 June 2010 as compared for the same period in 2009.

Property EBITDA

Property EBITDA decreased as a percentage of sales to 37 percent in the six month period ended 30 June 2010 compared to 39 percent for the same period in 2009. This decrease can primarily be attributed to the increase in Property, Marketing and administration operation to improve sale among the properties. Property EBITDA increased to $4.1 million during the six month period ended 30 June 2010 from the $3.9 million reported for the same period in 2009, an increase of $0.1 million or 2.8 percent. The increase of $0.2 million of existing operations in Fiesta Casino Herradura, Fiesta Casino Heredia, Lucky's Colon and Lucky's Tournon, partially offset by a total of $0.1 million decrease performance in the Hotel Presidente property and $0.1 million in Fiesta Casino Holiday Inn Express.

Costa Rica properties include: Fiesta Casino Holiday Inn Express – San Jose; Fiesta Casino Hotel el Presidente – San Jose; Fiesta Casino Heredia – Heredia; Fiesta Casino Herradura – San Jose; Lucky's at Perez Zeledon – San Jose; Lucky's San Carlos – San Carlos; Lucky's Guapiles – Guapiles; Lucky's Tournon – Tournon; Lucky's Colon – Colon; Hotel Diamante - Perez Zeledon; and one Slot Route.

Philippines

We entered the Philippines market in 2005 and we now own controlling interests in, and operate, two casinos with over 700 slots machines and 370 table positions, as well as two hotels and a nine-hole golf course. We are expanding our facilities with multi-stage expansion projects ongoing for each property.

Philippines - Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Net gaming wins	**$ 23,227**	$ 21,215	9.5%
Food and beverage sales	**776**	692	12.1%
Hospitality and other sales	**1,032**	580	77.9%
Sales	**25,035**	22,487	11.3%
Promotional allowances	**356**	272	30.9%
Property, marketing and administration	**16,520**	15,131	9.2%
Property EBITDA	**$ 8,159**	$ 7,084	15.2%
Property EBITDA as a percentage of sales	**33%**	**32%**	

For the six month period ended 30 June 2010, the sales increased 11.3 percent when compared to the same period for 2009. Property EBITDA margins increased to 33 percent for the six month period ended 30 June 2010, compared to the 32 percent for the same period in 2009.

Net gaming wins and sales

Sales increased to $25.0 million during the six months period ended 30 June 2010 from the $22.5 million reported for the same period last year, an 11.3% or $2.5 million. This net increase is primary due to both increase in drop and increase in number of slot machines in the Rizal (73) and in the Poro Point (44) location, as play in both properties has increased due to increase in traffic from nearby communities.

Expenses and promotional allowances

Property, marketing and administrative expenses increased to $16.5 million for the six month period ended 30 June 2010 from the $15.1 million reported for the same period in 2009, a 9.2 percent or $1.4 million increase period over period. The increase is due to the increase in general expenses associated to the increase in sales. Promotional allowances increased to $0.4 million for the six month ended 30 June 2010 from the $0.3 million reported for the same period in 2009. This increase is due to the promotional plans to gather and incentivise customers in the casinos properties.

Property EBITDA

During the six month period ended 30 June 2010, Property EBITDA increased to $8.2 million, an 15.2 percent or $1.1 million increase over the $7.1 million reported for the same period in 2009. As a percentage of sales, Property EBITDA increased to 33 percent for the six month period ended 30 June 2010, as compared to 32 percent for the same period in 2009. The increase was primarily due to the increase in sales as well as some cost saving programs

The Philippines properties include: Thunderbird Resort Rizal Hotel & Casino – Manila, Binangonan; Thunderbird Resorts Poro Point Hotel, Casino, and Golf Course – San Fernando City, La Union.

Peru

Peru Hotels

We entered Peru in July 2007, when we acquired the Hoteles Las Americas properties located in Lima for $43.5 million. The six hotels under this brand, which include a resort/convention center, have 660 rooms and 14 restaurants, bars and entertainment venues. During the fourth quarter of 2008, the Group substantially completed a $10 million renovation program of the six hotels in Lima, Peru, while our flagship Fiesta Casino in Lima opened in September 2008 in the Thunderbird Hotel Las Americas Suites that as of 30 June 2010 offers 427 slot machines and 198 table positions. This flagship Fiesta Casino required a capital investment of approximately $21.2 million, which included budgeted pre-opening costs and working capital of $4.5 million.

Four of our Six Peruvian hotels were classified as assets held for sale at 31 December 2009 and as of 31 March 2010, one of the hotels was sold for approximately $8.4 million. As of 30 June 2010, management decided to include one of the two hotel that were not held for sale into the held for sale category. For comparative purposes, a table is included for all five hotels and another table is provided for the hotel that is not held for sale.

Peru Hotel - Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Food and beverage sales	$ **2,579**	$ 1,702	51.5%
Hospitality and other sales	**6,283**	5,160	21.8%
Sales	**8,862**	6,862	29.1%
Promotional allowances	**-**	-	-
Property, marketing and administration	**7,021**	6,513	7.8%
Property EBITDA	$ **1,841**	$ 349	427.5%
Property EBITDA as a percentage of sales	**21%**	**5%**	

Peru Hotel not held for sale

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Food and beverage sales	$ **754**	$ 377	100.0%
Hospitality and other sales	**197**	46	328.3%
Sales	**951**	423	124.8%
Promotional allowances	**-**	-	-
Property, marketing and administration	**736**	380	93.7%
Property EBITDA	$ **215**	$ 43	400.0%
Property EBITDA as a percentage of sales	**23%**	**10%**	

Food and beverage and hospitality sales

Sales for the six month period ended 30 June 2010 were $8.9 million as compared to $6.9 million reported for the same period in 2009. This increase was primarily due to the increase in room occupation, resulting in the sales average per available room ("revpar") to increase to $48.00 for the six month period ended 30 June 2010 as compared to $35.00 for the same period in 2009. The increase in sales of $2.0 million was comprised of greater sales as follows: El Pueblo Resorts & Convention Center, accounting for $0.4 million, Hotel Las Americas Suites & Casino with $0.5 million, Hotel Las Americas Carrera with $0.2 million, Hotel Las

Americas El Principal with $0.4 million, and Thunderbird Real Estate with $0.8 million partially offset by Hotel Las Americas Pardos with $0.3 million which is the hotel that was sold as 24 Februry 2010.

The revenues of the hotel that is not held for sales for the six month period ended 30 June 2010 is $1.0 million as compared to $0.4 million reported of the same period in 2009.

Expenses and promotional allowances

Property, marketing and administration expenses were $7.0 million for the six month period ended 30 June 2010 and $6.5 million for the same period in 2009. These expenses as a percentage of sales were 79.2 percent in 2010 and 94.9 percent in 2009. The increase in expenses is due to the increase in personnel in operating departments due to strategies and planning from management. Promotional allowances are not separately reported for the hotel operation.

Property EBITDA

Property EBITDA was $1.8 million for the six month period ended 30 June 2010 as compared to $0.3 million reported for the same period in 2009. As a percentage of sales Property EBITDA was 21 percent for 2010 compared to 5 percent for 2009.

Peru casinos

During the third quarter of 2008, the Group acquired five slot parlor locations (one of which was consolidated after the acquisition).

Peru Casino - Six months ended 30 June 2009 compared to six months ended 30 June 2008

(In thousands)	**Six months ended 30 June**				%
		2010		2009	change
Net gaming wins	**$**	**11,468**	$	10,404	10%
Food and beverage sales		**519**		396	31%
Sales		**11,987**		10,800	11%
Promotional allowances		**1,588**		1,297	22%
Property, marketing and administration		**7,968**		7,675	04%
Property EBITDA	**$**	**2,431**	$	1,828	33%
Property EBITDA as a percentage of sales		**20%**		**17%**	

Net gaming wins and sales

Sales for the six month period ended 30 June 2010 were $12.0 million as compared to $10.8 million reported for the same period in 2009 an increase of $1.2 million or 11 percent. The results were primarily driven by the flagship Fiesta Casino Benavides, accounting for $7.6 million or 63.7 percent of the total sales for the period, with the remaining $4.4 million from the slot parlor operations.

Expenses and promotional allowances

Property, marketing and administration expenses were $8.0 million for the six month period ended 30 June 2010 compared to the $7.7 million reported for the same period in 2009 an increase of $0.3 million. Promotional allowances were $1.6 million for the six month period ended 30 June 2010 of which $1.0 million related to the flagship Fiesta Casino Benavides and $0.6 million related to the slot parlor operations.

Property EBITDA

Property EBITDA was $2.4 million for the six month period ended 30 June 2010, which consists of $1.6 million for the flagship Fiesta Casino Benavides property and $0.8 million generated by the slot parlor locations compared to $1.8 million reported for the same period in 2009.

Peru properties include: Hotel Las Americas Miraflores – Lima; Hotel Las Americas Suites & Casino Miraflores – Lima; Hotel Las Americas Bellavista – Lima; Hotel Las Americas Carrera – Lima; El Pueblo Resort & Convention Center – Lima; Fiesta Casino Benavides in the Hotel Las Americas Suites Miraflores – Lima; Luxor Casino – Lima; Mystic Slot – Cuzco; El Dorado Slot – Iquitos; and Luxor Casino – Tacna.

Guatemala

We entered the Guatemalan market in 1997 and we now operate two video lottery parlors in Guatemala City with over 400 video lottery terminals.

Guatemala – Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	**Six months ended 30 June**		%
	2010	2009	change
Net gaming wins	**$ 1,334**	$ 1,717	-22.3%
Food and beverage sales	**134**	289	-53.6%
Hospitality and other sales	**-**	-	-
Sales	**1,468**	2,006	-26.8%
Promotional allowances	**-**	-	-
Property, marketing and administration	**1,734**	2,867	-39.5%
Property EBITDA	**$ (266)**	$ (861)	-69.1%
Property EBITDA as a percentage of sales	**-18%**	**-43%**	

Net gaming wins and sales

Sales for the six month ended 30 June 2010 were $1.5 million compared to the $2.0 million report of the same period in 2009, a decrease of $0.5 million or 26.8 percent decrease. The decrease is due primarly to the closed of the Gran Plaza property in July 2009, accounting for $0.4 million of the decrease and $0.1 million spread among the other properties.

Expenses

Property, marketing and administration expenses decreased to $1.7 million during the six month period ended 30 June 2010 from the $2.9 million reported for the same period in 2009, a 39.5 percent decrease. The decrease is primarily due to the increment in rent expenses and wages and benefits, caused by the closing of the Gran Plaza operation.

Property EBITDA

Property EBITDA decreased to a loss of $0.3 million in the six month period ended 30 June 2010, representing an 18 percent loss as a percentage of sales, compared to a loss of $0.9 million for the same period in 2009. The decrease of the loss is due to the closed of Gran Plaza property in July 2009. Management believes that the operation will get to break even in the country.

Guatemala properties include: Video Lotería Fiesta – Hotel Intercontinental, Guatemala City; Video Loteria Mazatenango – Mazatenango.

Nicaragua

We entered the Nicaraguan market in 2000, and operate four casinos, all under the Pharaoh's brand, and currently offer approximately 400 slot machines and 161 table positions.

Nicaragua* [(1)] *– Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Net gaming wins	**$ 5,220**	$ 6,173	-15.4%
Food and beverage sales	**424**	273	55.3%
Hospitality and other sales	**25**	35	-28.6%
Sales	**5,669**	6,481	-12.5%
Promotional allowances	**708**	825	-14.2%
Property, marketing and administration	**3,890**	3,950	-1.5%
Property EBITDA	**$ 1,071**	$ 1,706	-37.2%
Property EBITDA as a percentage of sales	**19%**	**26%**	

[(1)] The Group indirectly owns 55 percent of the Nicaraguan operation. 100 percent of the operation is consolidated within the consolidated financial statements and minority interest is calculated to reflect the portion of net assets attributable to the minority shareholders.

Net gaming wins and sales

Sales decreased to $5.7 million during the six month period ended 30 June 2010 from the $6.5 million reported for the same period last year, a decrease of $0.8 million or 12.5 percent. The decrease was primarily due to the Camino Real, Pharahos's Managua and Holiday Inn Casinos, which accounted for approximately $0.9 million. These decreases were offset by an increase of sales in the Bello Horizonte facility of $0.1 million. The tables hold and slot drop for the country decreased 19.6 percent and 9.2 percent respectively due to increased competition in the Managua area.

Expenses and promotional allowances

Property, marketing and administrative expenses decreased to $3.9 million for the six month period ended 30 June 2010, a 1.5 percent decrease from the $4.0 million reported for the same period in 2009. The decrease was primarily due to management's effort to reduce costs across all properties. Promotional allowances decreased to $0.7 million for the six month period ended 30 June 2010 as compared to $0.8 million for the same period in 2009.

Property EBITDA

Property EBITDA for the six month period ended 30 June 2010 was $1.1 million compared to the $1.7 million reported for the same period in 2009. As a percentage of sales, Property EBITDA was 19 percent for the six month period ended 30 June 2010 compared to 26 percent for the same period in 2009, primarily as a result of lower sales levels.

Nicaragua properties include: Pharaohs Managua – Managua; Pharaohs at Hotel Camino Real – Managua; Pharaohs at Hotel Holiday Inn Select – Managua; and Pharaohs at Bello Horizonte – Bello Horizonte Shopping Center, Managua.

Poland

In July 2008, we consummated our Poland acquisition transaction and now own an interest in Casino Centrum Sp.z.o.o. through two Cyprus subsidiaries. The acquisition included a small casino and a slot parlor in Lodz, Poland. The properties currently have 71 slot machines and 37 table positions. Poland is currently not performing up to management expectations and as a result the goodwill has been impaired in 2009 by a further $0.7 million following $0.3 million in 2008 associated with the acquisition of the Casino Centrum entity, while it develops new market strategies and is implementing cost cutting measures.

A $1.0 million impairment loss was recorded in 2009 to write down the remaining assets in our Poland operations to our expected net salvage value of operating assets, principally slot machines. Management is closely evaluating the market conditions in Poland for 2010 to determine the long-term viability of this market for the Group.

Poland - Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)		**Six months ended 30 June**			%
		2010		2009	change
Net gaming wins	**$**	**1,073**	$	1,677	-36%
Food and beverage sales		**32**		23	39%
Hospitality and other sales		**-**		-	#DIV/0!
Sales		**1,105**		1,700	-35%
Promotional allowances		**-**		-	-
Property, marketing and administration		**1,427**		1,707	-16.4%
Property EBITDA	**$**	**(322)**	$	(7)	4500%
Property EBITDA as a percentage of sales		**-29%**		**0%**	

Net gaming wins and sales

Sales in the two properties during the six month period ended 30 June 2010 were $1.1 million compared to the $1.7 million for the same period in 2009.

Expenses and promotional allowances

Property, marketing and administrative expenses were $1.4 million for the six month period ended 30 June 2010 compared to the $1.7 million for the same period in 2009, a decreased of $0.3 million or 16.4 percent.

Property EBITDA

Property EBITDA decreased to a loss of $0.3 million for the six month ended 30 June 2010 compared to $0.0 million for 2009. The decrease in property EBITDA was driven by a loss of revenues greater than our cost cutting measures.

Corporate and other

Corporate and Other – Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Net gaming wins	**$ -**	$ -	-
Food and beverage sales	**-**	-	-
Hospitality and other sales	**137**	166	-17.5%
Sales	**137**	166	-17.5%
Promotional allowances	**-**	-	-
Property, marketing and administration	**3,035**	5,182	-41.4%
Adjusted EBITDA	**$ (2,898)**	$ (5,016)	-42.2%

Expenses

Net corporate expenses for the six month period ended 30 June 2010 decreased to $3.0 million as compared to $5.2 million for the same period in 2009, a 42.2 percent decrease year over year. The decrease was due to the effective implementation of the cost saving program initiated in the fourth quarter of 2009, which included the reduction of corporate level staff and other cost cutting measures that were implemented regarding external consulting services, travel costs and certain general administration costs that reduced significantly the run rate to approximately $0.3 million per month

Panama

The Group had announced that it has entered into agreements for the sale of its 63.63 percent stake in its six Panama casinos. On 15 March 2010 we entered into a definitive agreement to sell our interest in our entire Panama operation subject to certain conditions to closing. The sale was closed on 19 August 2010. Accordingly, the operation results are classified under discontinued operations.

We entered this market in 1998 and we operated six casinos prior to sale. In January 2008, we acquired a controlling interest in the operations of approximately 64 percent, thereby consolidating 100 percent of the sales and costs. In our six locations, we operated 1,874 slot machines and 513 table positions and we believed we were the market leader in full service casinos.

Panama [(1)] - Six months ended 30 June 2010 compared to six months ended 30 June 2009

(In thousands)	Six months ended 30 June		%
	2010	2009	change
Net gaming wins	**$ 25,597**	$ 26,532	-3.5%
Food and beverage sales	**1,909**	1,856	2.9%
Hospitality and other sales	**-**	-	-
Sales	**27,506**	28,388	-3.1%
Promotional allowances	**632**	790	-20.0%
Property, marketing and administration	**19,791**	19,861	-0.4%
Property EBITDA	**$ 7,083**	$ 7,737	-8.5%
Property EBITDA as a percentage of sales	**26%**	**27%**	

(1) During the first quarter of 2008, we acquired an additional 11.36 percent and during the third quarter of 2008 another 2.27 percent of the total outstanding shares in this operation resulting in Thunderbird ownership of 63.63 percent. This purchase has resulted in the Group effectively having controlling interest in the operation; therefore, the Group now consolidates the operations at 100 percent within the consolidated financial statements and minority interest is calculated to reflect the portion of net assets attributable to the minority shareholders.

For the six month period ended 30 June 2010 results for the Group's Panama operations decreased over the same period in the previous year. Full year sales decreased by 3.1 percent while Property EBITDA decreased by 8.5 percent. During 2010, the Group added approximately 16 new slot positions, primarily due to the marketing strategies In El Panama and Soloy properties.

Net Gaming wins and sales

Sales decreased to $27.5 million for the six month period ended 30 June 2010 versus the $28.3 million reported for the same period in 2009, a decrease of $0.9 million or 3.1 percent. The decrease was caused by lower results in the Fiesta Casino in Hotel El Panama, accounting for $1.9 million of the decrease, $0.1 million in the Fiesta Casino at Hotel Nacional mainly due to lower table drops and lower table holds. This decrease was partially the Fiesta Casino at Hotel Washington with $0.8 million increase, Fiesta Casino Hotel Guayacanes with a $0.2 million increase, Fiesta Casino Hotel Decameron with a $0.1 million increase primarily due to the increase in slot positions, causing the increase in drop and therefore the increase in slot hold.

Expenses and promotional allowances

Property, marketing and administration expenses decreased to $19.8 million from $19.9 million, a $0.1 million decrease. As a percentage of sales the property, marketing and administrative expenses increased to 72.0 percent for the six month period ended 30 June 2010 compared to the 70.0 percent reported for the same period in 2009. Promotional allowances decreased to $0.6 million for the six month period ended 30 June 2010 as compared to $0.8 million for the same period in 2009. The decrease of $0.2 million was caused by a decrease in promotional activities as a save cost plan.

Property EBITDA

Property EBITDA decreased to $7.1 million for the six month period ended 30 June 2010, an 8.5 percent decrease or $0.7 million decrease over the $7.7 million for the same period in 2009. As a percentage of sales, Property EBITDA also decreased to 26 percent from the 27 percent in the prior year. The decrease in Property EBITDA is directly proportional to the decrease in sales, primarily in the Fiesta Casino at Hotel El Panama, accounting for $1.0 million of the decrease, Fiesta Casino at Hotel Soloy which decreased $0.3 million and Fiesta Casino at Hotel Nacional which decreased $0.1 million. This decrease was partially offset by the Fiesta Casino at Hotel Washington which increased $0.8 million. Fiesta Casino at Hotel Decameron and Fiesta Casino at Hotel Guayacanes had an even Property EBITDA as compared to the prior period.

Panamá properties included at 30 June 2010: Fiesta Casino – Hotel El Panamá, Panamá City; Fiesta Casino – Hotel El Soloy, Panamá City; Fiesta Casino – Hotel Nacional, David; Fiesta Casino – Hotel Washington, Colon; Fiesta Casino – Hotel Guayacanes, Chitré; and Fiesta Casino – Hotel & Resort Decamerón, Fallaron.

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.

As a result of an increase in the gaming tax, the expiration of the gaming license in 2018, and the government intervention, the Group decided to sell its interest in the Panama operation. On 15 March 2010, the Group entered into a definitive contract to sell its Panama operations and closed the sale on 19 August 2010. The sale price for the shares was approximately $38.0 million. For financial statement reporting purposes, the Group has been reporting the 63.63 percent stake as "discontinued operations" on its consolidated statement of comprehensive income and as "assets held for resale" on its consolidated statement of financial position. The Group will record a gain on sale of stock of approximately $14.5 million in the 3rd quarter of 2010. This transaction results in a significant improvement in the Group's balance sheet through the reduction in consolidated Group debt of approximately $46.8 million. The reduction of Group consolidated debt consists of $30.8 million used to pay down debt and an elimination from our consolidated financials of $16.0 million related to the Panama operation.

Even though the sale of the Panama operation has closed, the Group will continue to seek definitive agreements (i) to refinance secured bank debt in Peru for the purpose of extending the amortization period to improve the cash flows and to repay certain loans associated with the purchase of the Peru hotels.

In order to raise funds to complete the Philippines Poro expansion described above and to pay down debt levels at the Poro and Rizal affiliate levels, the Group is exploring several funding sources simultaneously, including:

(i) senior debt secured by casino and other Philippine assets;

(ii) a private/public offering of debt and/or equity in Poro and Rizal entities; and/or

(iii) the formation of a new Philippine corporation to hold the Group's Poro and Riza shares and/or the shares of other Poro and Rizal shareholders, for purposes of selling shares of this to be formed

These possible funding sources are being studied and there can be no assurance that any of them will be successful.

Due to improving revenues, the sale of the Pardo hotel, the 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 half of 2010, the Group continues to seek alternative longer term debt financing.

While we have been successful in securing approximately $13.7 million of new debt in the first half of 2010, we may be challenged in securing the funding necessary to complete the expansions of various casinos and other projects. Below is a listing of some of our recent financing and cost reduction efforts:

- On 24 February 2010, the Group closed on the sale of the Thunderbird Hotel Pardo for approximately $8.4 million net sales proceeds ($9.0 million before taxes and closing costs). Thunderbird Hotel

Pardo has 64 rooms and is located in the busy district of Miraflores, just minutes from Lima's financial district. The Group entered into a one year hotel management agreement with the new owner of the Thunderbird Hotel Pardo, in conjunction with the sale transaction. The entire $8.4 million of net sale proceeds has been used to pay down secured Peruvian sourced debt ($6.8 million of principal and $1.6 million of interest and fees) related to the Thunderbird Hotel Pardo. This sale resulted in a gain of $3.2 million for financial reporting purposes.

- In March of 2010, the company purchased the property which contains the corporate offices adjacent to our casino on Carretera Masaya. The current offices contain 1,150 square meters. The purchase price was $0.4 million of which our Nicaraguan affiliate financed $0.3 million through a loan facility from Banco America Central with a term of seven years and an interest rate of 10.5 percent.
- During April, May, June and July of 2009, the Group negotiated a deferment of principal debt payments with more than 25 private lenders who held over 50 separate loans that deferred payments of approximately $6.3 million on approximately $24.0 million of aggregate principal amount of loans which were due over the 12 month period following the deferment, and are now extended into 2010. We have resumed scheduled payments of these loans.
- In the first quarter of 2010, the Group also raised $1 million in parent level debt, interest only at 10 percent maturing in the first quarter of 2015. This agreement included detachable warrants exercisable into up to 200,000 shares of common stock. In April 2010, 100,000 of the warrants were exercised for a selling price of approximately $.08 million, with the remaining warrants exercisable through the first quarter of 2015. The Group continues to seek opportunities for the issuance of debt and/or equity at the parent company level to "qualified" investors in transaction(s) which may be exempt from registration according to applicable securities laws and regulations.
- In 2010, we received extensions on the maturity dates of $2 million of Peru related debt at least through September 2010. We have verbal agreements for the extension of the two $2 million dollars loans until January 2011 inclusive of the one due in September 2010 and are documenting those extensions.
- In June 2010, we closed with a local Philippines bank a secured loan facility of approximately $5.7 million with a five year term, secured by portions of the real estate at our existing Rizal location, together with manufacturer financing for 120 slot machines, which will enable us to complete the existing Rizal expansion in the fourth quarter of 2010, which will enhance our cash flows.
- Approximately $1.4 million of new capital leases have been entered into in 2010, primarily for new gaming machines in our Peru casinos ($1.3 million) and also for new gaming machines and other equipment at our Rizal, Philippines location ($0.1 million).
- Effective 1 May 2010, the Group was able to refinance with an original lender an approximate $12.8 million, 72-month term loan to new terms that include a 108-month payment term. The original loan was unsecured, so to obtain this extended maturity date, the Group granted the lender a security interest in the cash, assets and shares represented by the Group's four slot parlors in Peru owned by its subsidiaries, Sun Nippon Company, S.A. and Interstate Gaming Del Peru, S.A. These new terms improve the cash flow of the operation.
- During the six months ended 30 June 2010, Daman Hospitality, Private Limited (DHPL) closed on senior secured debt agreements in the amount of $25.8 million, of which $24.7 million has been funded (based on current exchange rates) with a consortium of Indian banks for the financing of Thunderbird Daman, a hotel, casino, and event center joint venture development in Daman, India.
- Through 2009 and into 2010, we have continued to reduce corporate overhead costs and now have an annual run rate for such costs of approximately $6 million or one-half of the 2009 overhead level.

During 2009 and 2010, the Group worked diligently with all of its secured and unsecured lenders to remain current with debt service payments. In many cases these loans are being paid in full from the "Panama sale proceeds". In other cases the Group has been or may be late with payments and/or has made "interest only" payments. In light of our high short term principal debt payments and the desire to fund our ongoing projects, we will continue to seek to renegotiate principal debt repayment terms with certain of our lenders to extend amortization periods which in turn will free up cash flow that will allow us to fund operations and continue these expansions. We expect that such negotiations will be mutually beneficial to both the Group and our lenders. We are in discussions with all such lenders but there can be no assurances these negotiations will be successful. Moreover, there can be no assurances that certain lenders under our various loan agreements will not formally declare defaults thereby triggering cure periods related to any late payments or any non-compliance with financial covenants that may occur or may have occurred.

Indebtedness and contractual obligations

Our total long-term indebtedness, interest and other known contractual obligations are summarized below as of 30 June 2010. The contractual obligations for short- and long-term debt reflect our historical debt level and do reflect the debt repayments that will actually be due under our capital structure as of the date of this Half-yearly Report.

	Six months ending 31 Dec 10	2011	2012	2013	2014	2015	Thereafter	Total
Long-term bank loans	$ 25,336	$ 35,717	$ 25,167	$ 21,565	$ 16,740	$ 39,666	$ 20,374	$ 184,565
Finance lease obligations	1,295	1,292	331	23	9	1	-	2,951
Trade payables	13,972	-	-	-	-	-	-	13,972
Due to related parties	5,387	-	-	-	-	-	-	5,387
Derivatives	-	-	746	340	5,179	-	-	6,265
Total	**$ 45,990**	**$ 37,009**	**$ 26,244**	**$ 21,928**	**$ 21,928**	**$ 39,667**	**$ 20,374**	**$ 213,140**

Reporting responsibilities and risks

Related party transactions

Related party transactions are disclosed in Note 14 in the interim consolidated financial statements.

Auditor's involvement

The content of this interim financial report has not been audited or reviewed by an external auditor.

Management's responsibility statement

The Board of Management are responsible for preparing the Half-yearly Report 2010 and the interim consolidated financial statements for the six month period ended 30 June 2010 in accordance with applicable law and regulations.

In conjunction with the EU Transparency Directive as implemented in the Dutch Financial Supervision Act, the Board of Management confirms to the best of its knowledge that:

- the interim consolidated financial statements for the six month period ended 30 June 2010 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group's consolidated companies; and

- the additional management information disclosed in the Half-yearly report 2010 gives a true and fair view of the Group as of 30 June 2010, the state of affairs during the period to which the report relates and, in so far as this is not contrary to the Group's interests, the Group’s expectations of developments in relation to turnover and profitability for the remaining months of the financial year.

27 August 2010

Panama City, Panama

Jack Mitchell, President, CEO and Director
Albert Atallah, Vice President, General Counsel and Director
Michael Fox, Chief Financial Officer
Tino Monaldo, Vice President - Corporate Development

Risks

While the Board of Management continually attempts to identify risks at all levels of the organization and undertake the development of corrective actions, the constant changes in the worldwide business environment in 2009 and 2010 have made it challenging to keep abreast of the rapidly evolving conditions. The Group’s management has reviewed the risk profile throughout the first half of 2010 and will continue to do so during the remainder of 2010. No new material risks have been identified that have not already been disclosed in this Half-yearly Report 2010 or the 2009 Annual Report.

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
As of 30 June 2010

	30 June 2010 (unaudited)	31 December 2009 (audited)
Assets		
Non-current assets		
Property, plant and equipment (Note 9)	$ 106,188	$ 108,973
Intangible assets	25,292	26,321
Investments in associates	370	107
Deferred tax asset (Note 8)	4,161	4,018
Trade and other receivables	4,286	7,326
Total non-current assets	140,297	146,745
Current assets		
Trade and other receivables	21,240	12,035
Inventories	1,337	964
Restricted cash	3,777	3,733
Cash and cash equivalents	9,611	7,165
Total current assets	35,965	23,897
Assets classified as held for sale (Note 7)	69,657	70,575
Total assets	**$ 245,919**	**$ 241,217**

The accompanying notes are an integral part of these interim consolidated financial statements.

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
As of 30 June 2010

	30 June 2010 (unaudited)	31 December 2009 (audited)
Equity and liabilities		
Capital and reserves		
Share capital (Note 12)	$ 99,437	$ 99,357
Reserves - share commitments	8,931	8,670
Retained earnings	(85,162)	(83,639)
Translation reserve	(626)	(1,048)
Equity attributable to equity holders of the parent	22,580	23,340
Non-controlling interest	6,821	7,361
Total equity	29,401	30,701
Non-current liabilities		
Borrowings (Note 10)	100,495	94,456
Obligations under leases and hire purchase contracts (Note 11)	751	825
Derivative financial instruments	602	313
Deferred tax liabilities (Note 8)	306	312
Provisions	2,939	3,026
Due to related parties (Note 14)	2,878	2,619
Other liabilities	2,028	1,765
Total non-current liabilities	109,999	103,316
Current liabilities		
Trade and other payables	13,972	12,171
Due to related parties (Note 14)	5,387	5,403
Borrowings (Note 10)	29,113	26,795
Obligations under leases and hire purchase contracts (Note 11)	1,655	1,283
Other financial liabilities	3,636	1,774
Current tax liabilities	2,042	2,062
Provisions	1,839	2,147
Total current liabilities	57,644	51,635
Liabilities associated with assets classified as held for sale (Note 7)	48,875	55,565
Total liabilities	216,518	210,516
Total equity and liabilities	**$ 245,919**	**$ 241,217**

The accompanying notes are an integral part of these interim consolidated financial statements.

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months and three months ended 30 June 2010

	Six months ended 30 June (unaudited) 2010	Six months ended 30 June (unaudited) 2009	Three months ended 30 June (unaudited) 2010	Three months ended 30 June (unaudited) 2009
Net gaming wins	$ 52,264	$ 50,417	$ 26,326	$ 25,524
Food, beverage and hospitality sales	12,828	10,146	6,674	5,338
Total revenue	65,092	60,563	33,000	30,862
Cost of goods sold	(23,121)	(21,534)	(11,827)	(10,890)
Gross profit	41,971	39,029	21,173	19,972
Other operating costs				
Operating, general and administrative	(25,854)	(28,639)	(12,936)	(14,654)
Project development	(834)	(241)	(294)	(61)
Depreciation and amortization (Note 9)	(7,221)	(7,727)	(2,952)	(4,113)
Other gains and losses (Note 5)	2,216	(1,589)	(54)	(877)
Operating profit	10,278	833	4,937	267
Financing				
Foreign exchange gain / (loss)	1,948	659	(1,384)	2,948
Financing costs (Note 6)	(9,361)	(9,624)	(4,784)	(4,491)
Financing income (Note 6)	889	771	342	357
Finance costs, net	(6,524)	(8,194)	(5,826)	(1,186)
Profit / (loss) before tax	3,754	(7,361)	(889)	(919)
Income taxes expense (Note 8)				
Current	(1,208)	(1,165)	(228)	(592)
Deferred	-	(191)	-	(191)
Taxation	(1,208)	(1,356)	(228)	(783)
Profit / (loss) for the period from continuing operations	$ 2,546	$ (8,717)	$ (1,117)	$ (1,702)
Profit / (loss) for the period from discontinued operations	(4,233)	217	(4,056)	59
Loss for the period	$ (1,687)	$ (8,500)	$ (5,173)	$ (1,643)
Other comprehensive income				
Currency translation reserve	$ 422	$ 301	$ (357)	$ 898
Other comprehensive income for the period	422	301	(357)	898
Total comprehensive income for the period	$ (1,265)	$ (8,199)	$ (5,530)	$ (745)
Loss for the period attributable to:				
Owners of the parent	(1,523)	(8,688)	(4,027)	(2,161)
Non-controlling interest	(164)	188	(1,146)	518
	$ (1,687)	$ (8,500)	$ (5,173)	$ (1,643)
Total comprehensive income attributable to:				
Owners of the parent	(1,101)	(8,387)	(4,384)	(1,263)
Non-controlling interest	(164)	188	(1,146)	518
	$ (1,265)	$ (8,199)	$ (5,530)	$ (745)
Basic and diluted loss per share (in $) (Note 13)	(0.06)	(0.43)	(0.22)	(0.06)

The accompanying notes are an integral part of these interim consolidated financial statements.

- continued -

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
As of 30 June 2010

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2009	$ 99,265	$ 7,450	$ (3,015)	$ (62,882)	$ 40,818	$ 8,295	$ 49,113
Recognition of share based payments	-	631	-	-	631	-	631
Acquisition of subsidiary shares	-	-	-	-	-	(478)	(478)
Advance dividends to minority interest	-	-	-	-	-	(245)	(245)
Change through year	-	-	-	-	-	-	-
Issue of ordinary shares under employee share option plan	53	-	-	-	53	-	53
	$ 99,318	$ 8,081	$ (3,015)	$ (62,882)	$ 41,502	$ 7,572	$ 49,074
Loss for the period				(8,688)	(8,688)	188	(8,500)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	301	-	301	-	301
Total comprehensive profit / (loss) for the period	**$ -**	**$ -**	**$ 301**	**$ (8,688)**	**$ (8,387)**	**$ 188**	**$ (8,199)**
Balance at 30 June 2009 (unaudited)	$ 99,318	$ 8,081	$ (2,714)	$ (71,570)	$ 33,115	$ 7,760	$ 40,875
Recognition of share based payments	-	589	-	-	589	-	589
Acquisition of subsidiary shares	-	-	-	-	-	(410)	(410)
Advance dividends to minority interest	-	-	-	-	-	(64)	(64)
Change through year	-	-	-	-	-	(92)	(92)
Issue of ordinary shares under employee share option plan	39	-	-	-	39	-	39
	$ 99,357	$ 8,670	$ (2,714)	$ (71,570)	$ 33,743	$ 7,194	$ 40,937
Loss for the period	-	-	-	(12,069)	(12,069)	168	(11,901)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	1,666	-	1,666	(1)	1,665
Total comprehensive profit / (loss) for the period	**$ -**	**$ -**	**$ 1,666**	**$ (12,069)**	**$ (10,403)**	**$ 167**	**$ (10,236)**
Balance at 31 December 2009 (audited)	**$ 99,357**	**$ 8,670**	**$ (1,048)**	**$ (83,639)**	**$ 23,340**	**$ 7,361**	**$ 30,701**

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2010	$ 99,357	$ 8,670	$ (1,048)	$ (83,639)	$ 23,340	$ 7,361	$ 30,701
Recognition of share based payments	-	261	-	-	261	-	261
Acquisition of subsidiary shares	-	-	-	-	-	-	-
Advance dividends to minority interest	-	-	-	-	-	(12)	(12)
Change through year	-	-	-	-	-	(364)	(364)
Issue of ordinary shares under employee share option plan	80	-	-	-	80	-	80
	$ 99,437	$ 8,931	$ (1,048)	$ (83,639)	$ 23,681	$ 6,985	$ 30,666
Loss for the period	-	-	-	(1,523)	(1,523)	(164)	(1,687)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	422	-	422	-	422
Total comprehensive profit / (loss) for the period	**$ -**	**$ -**	**$ 422**	**$ (1,523)**	**$ (1,101)**	**$ (164)**	**$ (1,265)**
Balance at 30 June 2010 (unaudited)	**$ 99,437**	**$ 8,931**	**$ (626)**	**$ (85,162)**	**$ 22,580**	**$ 6,821**	**$ 29,401**

The accompanying notes are an integral part of these interim consolidated financial statements.

- continued -

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the six months ended 30 June 2010

	Six months ended 30 June (unaudited) 2010	2009
Cash flow from operating activities		
Loss for the period	$ (1,687)	$ (8,500)
Items not involving cash:		
Depreciation and amortization	7,221	7,727
Loss on disposal	115	849
Impairment loss	-	823
Unrealized foreign exchange	(971)	(1,918)
Decrease in provision	(461)	(263)
Gain on derivative financial instruments	-	(25)
Share based compensation	262	631
Non-controlling interest	164	(188)
Finance income	(889)	(771)
Finance cost	9,361	9,624
Tax expenses	1,190	1,319
Net change in non-cash working capital items		
Decrease / (increase) in trade and other receivables	2,175	3,998
Decrease / (increase) in inventory	(373)	(57)
(Decrease) / increase in trade payables and accrued liabilities	(5,498)	1,366
Cash generated from operations	10,609	14,615
Total tax paid	(1,346)	(1,885)
Net cash generated by operating activities	**$ 9,263**	**$ 12,730**

The accompanying notes are an integral part of these interim consolidated financial statements.

- continued -

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the six months ended 30 June 2010

	Six months ended 30 June (unaudited) 2010	2009
Cash flow from investing activities		
Expenditure on property, plant and equipment	$ (5,759)	$ (10,887)
Other non current assets	-	80
Investment in other companies	(263)	(99)
Interest received	889	775
Net cash used from investing activities	**$ (5,133)**	**$ (10,131)**
Cash flow from financing activities		
Proceeds from issuance of common shares	80	53
Proceeds from issuance of new loans	13,746	5,370
Proceeds from issuance of new finance leases	1,011	1,974
Other financial liabilities	-	(27)
Repayment of loans and leases payable	(6,623)	(10,792)
Interest paid	(7,029)	(8,201)
Net cash flow / (used) from financing activities	**$ 1,185**	**$ (11,623)**
Change in cash and cash equivalent for the period from continuing operations	5,315	(9,024)
Net cash (used) for the period from discontinued operation	(3,080)	(248)
Net change in cash and cash equivalent during the period	2,235	(9,272)
Cash and cash equivalent, beginning of the period	10,898	21,783
Cash and cash equivalent, end of the period	13,133	12,511
Effect of foreign exchange adjustment	255	(374)
Adjusted cash and cash equivalent, end of the period	**$ 13,388**	**$ 12,137**

The accompanying notes are an integral part of these interim consolidated financial statements.

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements are for the six months ended 30 June 2010. They have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required 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 which are based on IFRS as issued by the IASB.

In addition, the notes to these interim consolidated financial statements are presented in a condensed format except as disclosed herein. The applied accounting principles are in line with those as described in the Group's consolidated financial statements for the year ended 31 December 2009. These interim consolidated financial statements have not been reviewed or audited.

2. MANAGEMENT STATEMENT ON "GOING CONCERN"

Management routinely plans future activities including forecasting future cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for at least the next 12 months. In arriving at this judgment, the Directors have reviewed the cash flow projections of the Group for the foreseeable future in light of the financing uncertainties in the current economic climate and have considered existing commitments together with the financial resources available to the Group. The Directors have considered the very supportive base of investors and debt lenders historically available to Thunderbird Resorts Inc.

The Directors have also considered (i) the current global economic environment together with the recovering markets for global debt and equity financing at this time; (ii) all significant trading exposures and do not consider the Group to be significantly exposed to its trading partners, either customers or suppliers at this time; and (iii) the other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk.

In October 2009 the Group terminated an equity offering for 75 million shares and due to this unsuccessful bid to raise new equity capital the Group elected to sell certain assets in Peru. As a result of that decision, in February 2010, the Group sold one of its six hotels in Peru and continues to seek to sell four additional hotels from this operation. In addition, due to a disputed intervention of the Group's Panama operation by the regulator of the Panama casino gaming industry, combined with an increase in the gaming tax and a gaming license that expires in 2018, the Group decided to sell its interest in that operation. As a result, on 15 March 2010 the Group entered into a definitive contract to sell its interest in the Panama operation. This transaction was closed on 19 August 2010 and resulted in the removal of consolidated debt related to the Panama operation and other Panama sourced debt totaling approximately $47 million. As a material portion of the net sale proceeds has been used to pay off or pay down a portion of the above-described debt it has materially and positively impacted our cash flows.

The detailed profit and loss and cash flow budgets prepared by management for the period up to 31 Deember 2014 have been subjected to various sensitivity analyses and show that the Group's forecast will have headroom within that period given that the sale of its Panama operation has been completed. The proceeds from this sale has allowed the Group to repay a significant portion of both parent and subsidiary level debt.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2009 except for the adoption of:

- Improvements to IFRSs (issued on 16 April 2009 and effective 1 January 2010 other than certain amendments effective 1 July 2009)
- The term "non-controlling interest" replaces "minority interest" in all of our financial reporting.

As of 1 January 2010 various improvements to IFRS became effective. The improvements have not resulted in a change to the presentation of the Group's interim consolidated financial statements in the current reporting period and we foresee a prospective impact only.

Except for changes in terminology, IFRS 3 "Business Combinations" (revised) has not resulted in a change to the Group's interim consolidated financial statements in the current reporting period.

The preparation of the condensed set of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed set of interim consolidated financial statements, the significant judgments, made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2009.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed interim consolidated financial statements. Management does not consider the impact of seasonality on operations to be significant.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

4. SEGMENTAL INFORMATION

Geographical Segments

	Panama		Guatemala		Costa Rica		Nicaragua	
	2010	2009	2010	2009	2010	2009	2010	2009
Continuing operations (2)								
Total revenue	-	-	1,468	2,006	10,829	10,061	5,669	6,481
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	-	-	(266)	(861)	4,052	3,941	1,071	1,706
Project development	-	-	-	-	(64)	(53)	(59)	(58)
Depreciation and amortization	-	-	(6)	(449)	(1,108)	(1,041)	(400)	(526)
Other gains and losses	-	-	-	(160)	-	-	-	-
Segments result	-	-	(272)	(1,470)	2,880	2,847	612	1,122
Foreign exchange gain / (loss)	-	-	278	(268)	1,089	(471)	(128)	(155)
Finance costs	-	-	(250)	(241)	(518)	(553)	(96)	(114)
Finance income	-	-	2	-	1	3	7	-
Management fees - intercompany charges	-	-	(465)	(417)	(1,160)	(1,694)	(289)	(314)
Profit / (loss) before taxation	-	-	(707)	(2,396)	2,292	132	106	539
Taxation	-	-	(21)	(86)	(664)	(187)	(32)	(162)
Profit / (loss) for the period continued operation	-	-	(728)	(2,482)	1,628	(55)	74	377
Profit / (loss) for the period discontinued operations	(4,233)	217	-	-	-	-	-	-
Profit / (loss) for the period	(4,233)	217	(728)	(2,482)	1,628	(55)	74	377
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(4,233)	217	(728)	(2,482)	1,628	(55)	74	377
Non-controlling interest	(1,423)	79	-	-	424	(62)	33	207
Total comprehensive income attributable to owners of the parent	(2,810)	138	(728)	(2,482)	1,204	7	41	170
Assets and liabilities (2)								
Segment intangible assets:								
Intangible assets with indefinite useful lives	11,685	11,685	-	-	2,508	2,508	1,387	1,387
Intangible assets with finite useful lives	-	-	6	-	376	458	46	47
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	-	-	-	-	19,528	19,034	6,239	6,215
Other segment assets (including cash)	(7,327)	(3,047)	(4,195)	(3,635)	914	1,035	85	372
Total segment assets - continuing operations	4,358	8,638	(4,189)	(3,635)	23,326	23,035	7,757	8,021
Assets classified as held for sale	36,457	38,990	-	-	-	-	-	-
Total assets	40,815	47,628	(4,189)	(3,635)	23,326	23,035	7,757	8,021
Total segment liabilities - continuing operations	-	(1)	13,745	13,222	15,520	16,541	3,883	4,161
Liabilities associated with assets held for sale	28,134	26,840	-	-	-	-	-	-
Total liabilities	28,134	26,839	13,745	13,222	15,520	16,541	3,883	4,161
Net assets	12,681	20,789	(17,934)	(16,857)	7,806	6,494	3,874	3,860
Non-controlling interest	222	1,658	-	-	2,772	2,318	1,419	1,386
Other segment items - continuing operations (2)								
Capital expenditure	-	-	-	115	401	661	575	250
Depreciation and amortization	-	-	6	449	1,108	1,041	400	526
Impairment losses	-	-	-	160	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

4. SEGMENTAL INFORMATION (cont'd)

Geographical Segments (cont'd):

	Philippines		Peru		Poland	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Continuing operations (2)						
Total revenue	25,035	22,487	20,849	17,662	1,105	1,700
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	8,160	7,084	4,271	2,177	(321)	(7)
Project development	(6)	(39)	-	(30)	-	-
Depreciation and amortization	(2,714)	(2,462)	(2,673)	(2,945)	(16)	(80)
Other gains and losses	-	-	2,475	-	-	(663)
Segments result	5,440	4,583	4,073	(798)	(337)	(750)
Foreign exchange gain / (loss)	(8)	(548)	1,128	2,469	3	22
Finance costs	(1,384)	(1,333)	(3,511)	(3,683)	-	-
Finance income	4	3	246	294	260	52
Management fees - intercompany charges	(2,030)	(2,341)	-	-	(27)	(2)
Profit / (loss) before taxation	2,022	364	1,936	(1,718)	(101)	(678)
Taxation	(29)	(23)	-	36	-	-
Profit / (loss) for the period continued operation	1,993	341	1,936	(1,682)	(101)	(678)
Profit / (loss) for the period discontinued operations	-	-	-	-	-	-
Profit / (loss) for the period	1,993	341	1,936	(1,682)	(101)	(678)
Currency translation reserve	-	-	-	-	-	-
Total comprehensive income for the period	1,993	341	1,936	(1,682)	(101)	(678)
Non-controlling interest	872	(62)	-	-	(70)	26
Total comprehensive income attributable to owners of the parent	1,121	403	1,936	(1,682)	(31)	(704)
Assets and liabilities (2)						
Segment intangible assets:						
Intangible assets with indefinite useful lives	3,901	4,294	4,277	4,277	-	-
Intangible assets with finite useful lives	-	-	303	844	30	48
Financial assets - investments	-	-	-	-	-	-
Segment assets:						
Property, plant and equipment	32,569	34,828	33,510	37,039	-	-
Other segment assets (including cash)	18,457	16,886	29,266	31,105	699	705
Total segment assets - continuing operations	54,927	56,008	67,356	73,265	729	753
Assets classified as held for sale	-	-	33,200	31,585	-	-
Total assets	54,927	56,008	100,556	104,850	729	753
Total segment liabilities - continuing operations	37,400	40,039	51,268	49,618	1,071	1,052
Liabilities associated with assets held for sale	-	-	20,741	28,725	-	-
Total liabilities	37,400	40,039	72,009	78,343	1,071	1,052
Net assets	17,527	15,969	28,547	26,507	(342)	(299)
Non-controlling interest	1,835	1,356	-	-	573	643
Other segment items - continuing operations (2)						
Capital expenditure	413	4,718	1,609	2,879	1	135
Depreciation and amortization	2,714	2,462	2,673	2,945	16	80
Impairment losses	-	-	-	-	-	663
Share based compensation	-	-	-	-	-	-

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

4. SEGMENTAL INFORMATION (cont'd)

Geographical Segments (cont'd):

	Total operations		Corporate and non-allocated [1]		Total	
	2010	2009	2010	2009	2010	2009
Continuing operations [2]						
Total revenue	64,955	60,397	137	166	65,092	60,563
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	16,967	14,040	(2,898)	(5,016)	14,069	9,024
Project development	(129)	(180)	(705)	(61)	(834)	(241)
Depreciation and amortization	(6,917)	(7,503)	(304)	(224)	(7,221)	(7,727)
Other gains and losses	2,475	(823)	(259)	(766)	2,216	(1,589)
Segments result	12,396	5,534	(4,166)	(6,067)	8,230	(533)
Foreign exchange gain / (loss)	2,362	1,049	(413)	(390)	1,949	659
Finance costs	(5,759)	(5,924)	(3,602)	(3,700)	(9,361)	(9,624)
Finance income	520	352	370	419	889	771
Management fees - intercompany charges	(3,971)	(4,768)	6,019	6,134	2,049	1,366
Profit / (loss) before taxation	5,548	(3,757)	(1,792)	(3,604)	3,754	(7,361)
Taxation	(746)	(422)	(462)	(934)	(1,208)	(1,356)
Profit / (loss) for the period continued operation	4,802	(4,179)	(2,254)	(4,538)	2,546	(8,717)
Profit / (loss) for the period discontinued operations	(4,233)	217	-	-	(4,233)	217
Profit / (loss) for the period	569	(3,962)	(2,254)	(4,538)	(1,687)	(8,500)
Currency translation reserve	-	-	422	301	422	301
Total comprehensive income for the period	569	(3,962)	(1,832)	(4,237)	(1,265)	(8,199)
Non-controlling interest	(164)	188	-	-	(164)	188
Total comprehensive income attributable to owners of the parent	733	(4,150)	(1,832)	(4,237)	(1,101)	(8,387)
Assets and liabilities [2]						
Segment intangible assets:						
Intangible assets with indefinite useful lives	23,758	24,151	750	750	24,508	24,901
Intangible assets with finite useful lives	761	1,397	23	23	784	1,420
Financial assets - investments	-	-	370	107	370	107
Segment assets:						
Property, plant and equipment	91,846	97,116	14,342	11,857	106,188	108,973
Other segment assets (including cash)	37,899	43,421	6,513	(8,180)	44,412	35,241
Total segment assets - continuing operations	154,264	166,085	21,998	4,557	176,262	170,642
Assets classified as held for sale	69,657	70,575	-	-	69,657	70,575
Total assets	223,921	236,660	21,998	4,557	245,919	241,217
Total segment liabilities - continuing operations	122,887	124,631	44,757	30,320	167,644	154,951
Liabilities associated with assets held for sale	48,875	55,565	-	-	48,875	55,565
Total liabilities	171,762	180,196	44,757	30,320	216,519	210,516
Net assets	52,159	56,463	(22,759)	(25,763)	29,400	30,700
Non-controlling interest	6,821	7,361	-	-	6,821	7,361
Other segment items - continuing operations [2]						
Capital expenditure	2,999	8,758	2,760	2,799	5,759	11,557
Depreciation and amortization	6,917	7,503	304	224	7,221	7,727
Impairment losses	-	823	-	-	-	823
Share based compensation	-	-	262	631	262	631

(1) Includes India development and non-operating entities

(2) The segmental information is presented as comparative six month period except for assets and liabilities which are presented as of 30 June 2010 and 31 December 2009

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

4. SEGMENTAL INFORMATION (cont'd)

Business Segments

	Gaming		Hotel		Corporate and non-allocated (1)		Total operations	
	2010	2009	2010	2009	2010	2009	2010	2009
Continuing operations (2)								
Total revenue	54,061	52,891	10,894	7,506	137	166	65,092	60,563
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	15,417	9,765	1,550	4,275	(2,898)	(5,016)	14,069	9,024
Project development	(129)	379	-	(559)	(705)	(61)	(834)	(241)
Depreciation and amortization	(5,320)	(5,950)	(1,597)	(1,553)	(304)	(224)	(7,221)	(7,727)
Other gains and losses	-	(823)	2,475	-	(259)	(766)	2,216	(1,589)
Segments result	9,968	3,371	2,428	2,163	(4,166)	(6,067)	8,230	(533)
Foreign exchange gain / (loss)	1,496	(1,004)	866	2,053	(413)	(390)	1,949	659
Finance costs	(1,877)	(2,945)	(3,882)	(2,979)	(3,602)	(3,700)	(9,361)	(9,624)
Finance income	459	243	61	109	370	419	889	771
Management fees - intercompany charges	(3,960)	(3,626)	(11)	(1,142)	6,019	6,134	2,049	1,366
Profit / (loss) before taxation	6,086	(3,961)	(538)	204	(1,792)	(3,604)	3,754	(7,361)
Taxation	(746)	(422)	-	-	(462)	(934)	(1,208)	(1,356)
Profit / (loss) for the period continued operation	5,340	(4,383)	(538)	204	(2,254)	(4,538)	2,546	(8,717)
Profit / (loss) for the period discontinued operations	(4,233)	217	-	-	-	-	(4,233)	217
Profit / (loss) for the period	1,107	(4,166)	(538)	204	(2,254)	(4,538)	(1,687)	(8,500)
Currency translation reserve	-	-	-	-	422	301	422	301
Total comprehensive income for the period	1,107	(4,166)	(538)	204	(1,832)	(4,237)	(1,265)	(8,199)
Non-controlling interest	(164)	188	-	-	-	-	(164)	188
Total comprehensive income attributable to owners of the parent	1,271	(4,354)	(538)	204	(1,832)	(4,237)	(1,101)	(8,387)
Assets and liabilities (2)								
Segment intangible assets:								
Intangible assets with indefinite useful lives	23,744	24,137	14	14	750	750	24,508	24,901
Intangible assets with finite useful lives	591	678	170	719	23	23	784	1,420
Financial assets - investments	-	-	-	-	370	107	370	107
Segment assets:								
Property, plant and equipment	51,906	53,267	39,940	43,849	14,342	11,857	106,188	108,973
Other segment assets (including cash)	24,527	29,648	13,372	13,773	6,513	(8,180)	44,412	35,241
Total segment assets - continuing operations	100,768	107,730	53,496	58,355	21,998	4,557	176,262	170,642
Assets classified as held for sale	36,457	38,990	33,200	31,585	-	-	69,657	70,575
Total assets	137,225	146,720	86,696	89,940	21,998	4,557	245,919	241,217
Total segment liabilities - continuing operations	71,945	90,270	50,942	34,361	44,757	30,320	167,644	154,951
Liabilities associated with assets held for sale	28,134	26,840	20,741	28,725	-	-	48,875	55,565
Total liabilities	100,078	117,110	71,683	63,086	44,757	30,320	216,519	210,516
Net assets	37,147	29,609	15,013	26,854	(22,759)	(25,763)	29,400	30,700
Non-controlling interest	6,821	7,361	-	-	-	-	6,821	7,361
Other segment items - continuing operations (2)								
Capital expenditure	2,973	6,828	26	1,930	2,760	2,799	5,759	11,557
Depreciation and amortization	5,320	5,970	1,597	1,533	304	224	7,221	7,727
Impairment losses	-	823	-	-	-	-	-	823
Share based compensation	-	-	-	-	262	631	262	631

(1) Includes India development and non-operating entities

(2) The segmental information is presented as comparative six month period except for assets and liabilities which are presented as of 30 June 2010 and 31 December 2009

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

5. OTHER GAINS AND LOSSES

	Six months ended 30 June (unaudited)		Three months ended 30 June (unaudited)	
	2010	2009	2010	2009
Other gains and (losses)				
Share based compensation	$ (262)	$ (631)	$ (131)	$ (315)
Euronext Cost		(160)	-	(71)
Other write off of assets	(29)	-	(12)	(33)
Gain from asset held for sale	2,507	-	1	-
Impairment of assets:				
Poland	-	(663)	-	(333)
Guatemala	-	(160)	-	(160)
Fair value adjustment for financial derivative contracts	-	25	88	35
Total	**$ 2,216**	**$ (1,589)**	**$ (54)**	**$ (877)**

a. Share based compensation
The Group's Board of Directors declared a stock grant to management for past performance and to provide incentive to fulfill the growth strategy associated with the Group's 2007 capital infusion.

b. Euronext listing costs
The Group first became listed on the Euronext Amsterdam exchange on 27 October 2008. During the first six months of 2009 additional expenses were incurred to meet the Euronext compliance requirements.

c. Other write off of assets
Certain trades receivable in Peru and corporate were determined to be uncollectable and a provision of $29,000 has been recorded.

d. Gain from asset held for sale
In the fourth quarter of 2009, management decided to sell four of our six hotels in Peru to pay off some debts and to improve the Group's statement of financial position. As of 31 March 2010, one of the four hotels held for sale was sold and the Group recognized a gain from asset held for sale of $2,506,000.

e. Poland write-off
The Group reviewed its location at the Casino Centrum in which the operation has not been performing up to expectation. Therefore, management assessed a $663,000 impairment loss against the carrying value of the assets associated with the Casino Centrum location as of 30 June 2009.

f. Guatemala write-off
The Gran Plaza location was closed on 15 July 2009 due to underperformance of the facility. Prior to closing, the assets were written down by $144,000 to fair value at 30 June 2009. On 14 February 2009 the Coatepeque property was closed due to poor performance and management's decision to focus on the larger markets, which resulted in a $16,000 write-off.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

5. OTHER GAINS AND LOSSES (cont'd)

g. Fair value adjustments for financial derivative contracts

The adjustment for the fair value of financial derivative contracts is derived from the revaluation of 781,667 outstanding warrants granted at 31 December 2002, of which 666,666 were exercised on 4 June 2007, with a further 58,470 being issued under the same agreement leaving 173,471 outstanding as of 30 June 2009. During 2010 the final warrants outstanding were exercised and cancelled leaving no outstanding warrants as of 30 June 2010.

6. FINANCING COSTS AND REVENUES

Finance cost includes all interest-related income and expenses, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the statement of comprehensive income for the reporting periods presented:

	Six months ended 30 June 2010			Six months ended 30 June 2009		
Finance cost	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 190	$ 559	$ 749	$ 1,007	$ 143	$ 1,150
Other loans	6,882	376	7,258	6,357	903	7,260
Related party loans	96	84	180	158	22	180
Finance charges payable under finance leases and hire purchase contracts	1,430	13	1,443	1,363	194	1,557
Amortization of borrowing costs	763	206	969	739	105	844
Total finance costs (on a historical cost basis)	**$ 9,361**	**$ 1,238**	**$ 10,599**	**$ 9,624**	**$ 1,367**	**$ 10,991**
Finance revenue						
Bank interest receivable	889	40	929	771	67	838
Total finance revenue (on a historical cost basis)	**$ 889**	**$ 40**	**$ 929**	**$ 771**	**$ 67**	**$ 838**

	Three months ended 30 June 2010			Three months ended 30 June 2009		
Finance cost	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 97	$ 265	$ 362	$ 304	$ 265	$ 569
Other loans	3,517	178	3,695	3,176	417	3,593
Related party loans	49	40	89	24	65	89
Finance charges payable under finance leases and hire purchase contracts	731	6	737	674	97	771
Amortization of borrowing costs	390	168	558	313	105	418
Total finance costs (on a historical cost basis)	**$ 4,784**	**$ 657**	**$ 5,441**	**$ 4,491**	**$ 949**	**$ 5,440**
Finance revenue						
Bank interest receivable	342	20	362	357	39	396
Total finance revenue (on a historical cost basis)	**$ 342**	**$ 20**	**$ 362**	**$ 357**	**$ 39**	**$ 396**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

7. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

In the fourth quarter of 2009 management decided to sell the Group's operations in Panama as well as four of our six hotel locations in Peru (the non-casino hotels). The decision was taken in line with the Group's strategy to reduce debt and to improve the Group's financial position. The Panama operations held for sale constitute one of our reporting segments and accordingly are reported as a discontinued operation in these interim consolidated financial statements and as assets held for sale in our statement of financial position. The Group was successful in selling one of the four Peru hotels in the first quarter of 2010. In the second quarter of 2010 Management decided to sell a fifth hotel that was not previously classified as held for sale in our reporting. Accordingly, four of the remaining five hotels in Peru are shown as assets held for sale on the statement of financial position and in this Note 7. However, the operating results of those hotels are still reported as continuing operations in our statement of comprehensive income (as they do not represent our entire reporting segment in Peru). This note should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2009.

Revenues and expenses, gain and losses relating to Panama operations have been eliminated from the Group's statement of comprehensive income and are shown in a single line item on the face of the statement of comprehensive income (see "loss for the period from discontinued operations").

	Six months ended 30 June (unaudited)	
	2010	**2009**
Net gaming wins	$ 25,597	$ 26,533
Food, beverage and hospitality sales	1,909	1,855
Total revenue	27,506	28,388
Cost of goods sold	(10,126)	(9,795)
Gross profit	17,380	18,593
Other operating costs		
Operating, general and administrative	(12,280)	(13,281)
Depreciation and amortization	(3,999)	(3,831)
Other gains and losses	(250)	-
Operating profit	851	1,481
Financing		
Financing costs	(1,238)	(1,367)
Financing income	40	67
Finance costs, net	(1,198)	(1,300)
Loss before tax	(347)	181
Income taxes expense		
Current	(3,885)	36
Deferred	-	-
Taxation	(3,885)	36
Loss for the period from discontinued operations	$ (4,232)	$ 217

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

7. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (cont'd)

Most of the assets and all of the liabilities for these operations are to be disposed of in the contemplated transactions. The carrying amount of assets and liabilities of the Panama segment and the 4 Peruvian hotels that are held for sale may be summarized as follows:

	30 June 2010 (unaudited)	31 December 2009 (audited)
Non-current assets		
Property, plant and equipment	$ 52,903	$ 57,841
Intangible assets	1,996	1,539
Deferred tax asset	-	52
Trade and other receivables	5,127	2,102
Current assets		
Trade and other receivables	2,742	2,611
Inventories	2,033	2,578
Restricted cash	2,058	2,548
Cash and bank balances	2,798	1,304
Asset classified as held for sale	$ 69,657	$ 70,575
Non-current liabilities		
Borrowings	$ 5,821	$ 7,794
Obligations under leases and hire purchase contracts	66	63
Other financial liabilities	6	7
Deferred tax liabilities	2,058	2,058
Provisions	1,533	1,481
Other non current liabilities	63	39
Current liabilities		
Trade and other payables	5,523	5,461
Borrowings	10,549	10,951
Obligations under leases and hire purchase contracts	18,676	26,444
Other financial liabilities	7	813
Current tax liabilities	3,838	10
Provisions	735	444
Liabilities classified as held for sale	$ 48,875	$ 55,565

The carrying values of trade and other payables are considered to be a reasonable approximation of fair value as all amounts are short term.

Cash flows generated by Panama and Peru operations for the reporting period can be summarized as follows:

	30 June 2010 (unaudited)
Operating activities	2,706
Investing activities	(195)
Financing activies	(5,591)
Cash flows from discontinued operations	$ (3,080)

(Expressed in United States dollars)
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8. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in the statement of comprehensive income

	Six months ended 30 June 2010			Six months ended 30 June 2009		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Current Income Tax						
Foreign tax	$ 1,208	$ 3,885	$ 5,093	$ 1,165	$ (36)	$ 1,129
Total current income tax	1,208	3,885	5,093	1,165	(36)	1,129
Deferred Tax						
Origination and reversal of temporary differences	-	-	-	191	-	191
Total deferred tax	-	-	-	191	-	191
Tax charged in the statement of comprehensive income	**$ 1,208**	**$ 3,885**	**$ 5,093**	**$ 1,356**	**$ (36)**	**$ 1,320**
Taxes allocated to:						
Loss for the period	1,208	3,885	5,093	1,356	(36)	1,320
Other comprehensive income	-	-	-	-	-	-
Totals	**$ 1,208**	**$ 3,885**	**$ 5,093**	**$ 1,356**	**$ (36)**	**$ 1,320**

	Three months ended 30 June 2010			Three months ended 30 June 2009		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Current Income Tax						
Foreign tax	$ 228	$ 3,885	$ 4,113	$ 592	$ 25	$ 617
Total current income tax	228	3,885	4,113	592	25	617
Deferred Tax						
Origination and reversal of temporary differences	-	-	-	191	-	191
Total deferred tax	-	-	-	191	-	191
Tax charged in the statement of comprehensive income	**$ 228**	**$ 3,885**	**$ 4,113**	**$ 783**	**$ 25**	**$ 808**
Taxes allocated to:						
Loss for the period	228	3,885	4,113	783	25	808
Other comprehensive income	-	-	-	-	-	-
Totals	**$ 228**	**$ 3,885**	**$ 4,113**	**$ 783**	**$ 25**	**$ 808**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

8. INCOME TAXES AND DEFERRED TAX LIABILITY (cont'd)

b) Reconciliation of the total tax charge

The tax expense in the statement of comprehensive income for the year is higher than the standard rate of corporate tax in the British Virgin Island of 0%. The differences are reconciled below.

	30 June 2010			31 December 2009		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Accounting loss before income tax	$ 3,754	$ (348)	$ 3,406	$ (17,315)	$ (555)	$ (17,870)
Higher taxes on overseas earnings	1,208	3,885	5,093	1,500	1,031	2,531
Total tax expense reported in the statement of income	$ 1,208	$ 3,885	$ 5,093	$ 1,500	$ 1,031	$ 2,531
Deferred income tax assets:						
Non-capital loss carryforwards	$ 12,450	$ -	12,450	$ 12,101	$ 53	12,154
Total deferred tax assets	12,450	-	12,450	12,101	53	12,154
Valuation allowance	(8,289)		(8,289)	(8,083)		(8,083)
Deferred income tax assets, net of allowance	$ 4,161	$ -	$ 4,161	$ 4,018	$ 53	$ 4,071
Deferred income tax liabilities:						
Property and equipment - net book value in excess of unamortized capital cost	-	1,606	1,606	-	1,606	1,606
Other assets - net book value in excess of unamortized tax	1	452	453	1	452	453
Withholding tax on repatriation of retained earnings from foreign subsidiaries	210		210	210	-	210
Other	95		95	101	-	101
Total deferred tax liabilities	**$ 306**	**$ 2,058**	**$ 2,364**	**$ 312**	**$ 2,058**	**$ 2,370**

At 30 June 2010, the Group has United States income tax net operating losses of $25,150,000 (31 December 2009 - $24,543,000). These operating losses expire at various dates between 2010 and 2024. The potential income tax benefits related to United States loss carry forwards have not been reflected in the accounts as the Group does not anticipate future United States net income. The Group has recorded a deferred tax asset for its Peruvian operation in the amount of $4,161,000 (31 December 2009 - $4,018,000), attributable to losses. The Peruvian losses will be offset against future net income.

Included in the current income tax expense of discontinued operations is a provision for $3,500,000 of tax in Panama to settle an examination by local tax authorities. The Group believes the assessment is without merit but has decided not to contest it due to other business and regulatory concerns.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

9. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of January 1, 2010	$ 56,306	$ 8,869	$ 36,483	$ 23,022	$ 21,446	$ 146,126
Foreign Exchange adjustments	755	311	636	257	321	2,280
Additions - continued operations	411	5	171	272	4,900	5,759
Additions - discontinued operations	-	-	-	-	307	307
Disposals - continued operations	-	-	(20)	(149)	-	(169)
Disposals - discontinued operations	-	-	-	(92)	-	(92)
Transfers	665	(775)	3,706	246	(3,842)	-
Reclassified as asset held for sale	(3,576)	-	(96)	(527)	(111)	(4,310)
As of June 30, 2010	54,561	8,410	40,880	23,029	23,021	149,901
Depreciation						
As of January 1, 2010	5,010	1,360	19,179	11,108	495	37,152
Foreign Exchange adjustments	51	53	266	43	-	413
Additions - continued operations	996	430	3,621	1,506	-	6,553
Additions - discontinued operations	26	694	2,273	1,006	-	3,999
Disposals - continued operations	-	-	(7)	(47)	-	(54)
Disposals - discontinued operations	-	-	-	(92)	-	(92)
Impairment Guatemala	-	-	-	(4)	-	(4)
Impairment Poland	-	-	120	1	(119)	2
Reclassified as asset held for sale	(192)	(694)	(2,273)	(1,097)	-	(4,256)
As of June 30, 2010	5,891	1,843	23,179	12,424	376	43,713
Net book value as of 1 January 2010	**51,296**	**7,509**	**17,304**	**11,914**	**20,951**	**108,974**
Net book value as of 30 June 2010	**$ 48,670**	**$ 6,567**	**$ 17,701**	**$ 10,605**	**$ 22,645**	**$ 106,188**

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of 1 January 2009	$ 73,846	$ 27,965	$ 59,608	$ 38,457	$ 28,941	$ 228,817
Foreign Exchange adjustments	4,550	(232)	1,199	735	570	6,822
Additions - continued operations	261	36	2,671	1,475	9,565	14,008
Additions - discontinued operations	538	26	-	107	3,724	4,395
Disposals - continued operations	(6)	(1,624)	(280)	(1,701)	(112)	(3,723)
Disposals - discontinued operations	(290)	-	(199)	(346)	-	(835)
Transfers	7,676	3,537	5,522	3,700	(21,221)	(786)
Reclassified as asset held for sale	(30,269)	(20,839)	(32,038)	(19,405)	(21)	(102,572)
As of 31 December 2009	56,306	8,869	36,483	23,022	21,446	146,126
Depreciation						
As of 1 January 2009	3,927	8,212	24,491	17,690	-	54,320
Foreign Exchange adjustments	360	(32)	503	385	-	1,216
Additions - continued operations	2,321	1,016	7,605	3,894	-	14,836
Additions - discontinued operations	1,189	1,296	4,764	2,310	-	9,559
Disposals - continued operations	-	(107)	(638)	(198)	376	(567)
Disposals - discontinued operations	-	-	(82)	(290)	-	(372)
Impairment	-	(1,486)	-	(113)	-	(1,599)
Impairment Guatemala	-	442	2,017	732	-	3,191
Impairment Poland	-	202	886	219	119	1,426
Transfers	(65)	-	-	(61)	-	(126)
Reclassified as asset held for sale	(2,722)	(8,183)	(20,367)	(13,460)	1	(44,731)
As of 31 December 2009	5,010	1,360	19,179	11,108	496	37,153
Net book value as of 1 January 2009	**69,919**	**19,753**	**35,117**	**20,767**	**28,941**	**174,497**
Net book value as of 31 December 2009	**$ 51,296**	**$ 7,509**	**$ 17,304**	**$ 11,914**	**$ 20,950**	**$ 108,973**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Assets pledged as security

Assets with the following amounts have been pledged to secure borrowings of the Group (Note 11).

	30 June 2010	31 December 2009
Property	$ 18,407	$ 15,747
Gaming equipment	22,299	10,446
Total	**$ 40,706**	**$ 26,193**

The carrying value of assets held under finance leases and hire purchase contracts at 30 June 2010 was $3,954,000. As of 31 December 2009, the carrying value of assets held under finance leases and hire purchase contracts was $4,089,000.

We started construction on a resort project in the eastern suburbs of San Jose in 2006. This 22-acre "Tres Rios" facility was intended to be a 108-room resort hotel with a convention center, spa and a Fiesta-brand casino. As of 30 June 2010, we have invested approximately $13.6 million (of which our portion is $6.8 million) for the acquisition of land, infrastructure development (including roads, ramps and a bridge) and the eight commercial lots comprising the Tres Rios property. This development, along with the new Costa Rica gaming decree, which limits new casinos to one slot machine per room and one table game per ten rooms at the associated hotel, has caused us to change plans with respect to this project. We have therefore minimized the amount we will invest in the hotel and will attempt to maximize third party investment. In addition, we will need to comply with the new gaming decree which causes the Tres Rios casino to have less than the number of slot machines and tables originally planned. Accordingly, we are considering other financing structures, including additional financial investors in the hotel. One such option being considered involves the construction of a 108 room hotel, with convention center and casino. While these options are being pursued however, the "on-site" construction at Tres Rios has been indefinitely suspended since the fourth quarter of 2008. There is no certainty that we will be successful in pursuing other options. Due to these changed circumstances, we cannot say when, or if, the Tres Rios hotel and the casino will be operational.

We have also acquired land in the southwestern suburb of San Jose where we plan to build the Escazu project. As of 30 June 2010, we have invested approximately $4.0 million (of which our portion is $2.0 million). The land is subject to a lien securing a loan with Banco Nacional de Costa Rica. We are seeking further debt financing required for the project. However, as a result of the new executive decree mentioned above, we are seeking to develop a structure whereby approximately two-thirds of the land owned by Grupo Thunderbird de Costa Rica, S.A. at Escazu, will be transferred to a third-party who will financially commit to construct a 100 to 200 room hotel or condo-hotel within a given time frame. Land for the casino would be retained by our affiliate for the associated casino. Due to these changed circumstances, we cannot estimate when, or if, the Escazu hotel and casino will be operational.

We commenced our expansion project in Rizal, Philippines, on the eastern side of Manila, in the third quarter of 2008. The expansion will include an event center, additional food and beverage areas, and gaming areas offering 120 new slot positions and 49 new table positions in addition to the current 453 slot machines and 207 table positions. The total investment is projected to be $13.2 million of which approximately $3.4 million has been spent as of 30 June 2010. Until additional funds are raised, there is no certainty that the expansion will be completed within the revised times.

9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

We commenced the expansion of the existing casino at Poro Point, Philippines in the third quarter of 2008 to create an additional 1,000 square meters of gaming space that will offer 65 new slot machines and 49 new table positions in addition to the current 285 slot machines and 172 table positions, along with expanded food and beverage operations. The estimated cost of this expansion is $7.4 million, of which $1.3 million has been spent as of 30 June 2010. Until an additional portion of private debt offering and the construction loan are fully funded, there is no certainty that the expansion will be completed within this revised timeline.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

10. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal repayments								
	Six months ending 31 Dec 10	2011	2012	2013	2014	2015	Thereafter	Issuance Costs	Total
Interest Rate[1]:									
>15%	$ -	$ -	$ 1,934	$ 1,800	$ 3,752	$ -	$ -	$ 303	$ 7,183
13% to 14%	12,654	16,018	8,699	6,617	4,936	4,515	9,222	618	62,043
11% to 12%	4,407	4,401	2,301	699	133	-	-	189	11,752
<10%	2,336	4,445	3,746	5,271	3,802	21,533	8,507	1,010	48,630
Total Principal Repayments	**$ 19,397**	**$ 24,864**	**$ 16,680**	**$ 14,387**	**$ 12,623**	**$ 26,048**	**$ 17,729**	**$ 2,120**	**$ 129,608**

[1] Floating rate loans are calculated as of the effective rate on 30 June 2010

	Six months ending 31 Dec 10	2011	2012	2013	2014	2015	Thereafter	Issuance Costs	Total
Country:									
Corporate	$ 6,406	$ 11,135	$ 4,760	$ 6,005	$ 5,052	$ 4,386	$ 10,311	$ 983	$ 47,072
Costa Rica	1,845	3,274	2,130	910	443	471	1,985	105	10,953
Guatemala	3,398	284	145	-	-	-	-	(49)	3,876
Nicaragua	145	301	309	928	44	49	89	20	1,845
Philippines	2,088	7,048	5,556	2,330	1,283	185	503	355	18,638
Peru	5,434	1,831	269	1,200	-	18,590	-	428	26,896
Poland	81	475	544	537	113	-	-	15	1,735
India	-	516	2,967	2,477	5,688	2,367	4,841	263	18,593
Total Principal Repayments	**$ 19,397**	**$ 24,864**	**$ 16,680**	**$ 14,387**	**$ 12,623**	**$ 26,048**	**$ 17,729**	**$ 2,120**	**$ 129,608**

	Borrowings summary	
	30 June 2010	31 December 2009
Total borrowings	$ 129,608	$ 121,251
Less current portion of borrowings	(29,113)	(26,795)
Borrowing non-current	**$ 100,495**	**$ 94,456**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

10. BORROWINGS (cont'd)

The following table provides additional detail of corporate repayments of principal including balances that are reimbursable by subsidiaries to the Group's parent entity (Corporate):

	Schedule of Corporate principal repayments - reimbursable by subsidiaries								
	Six months ending 31 Dec 10	2011	2012	2013	2014	2015	Thereafter	Issuance Costs	Total
Country:									
Corporate	$ 4,566	$ 3,717	$ 2,331	$ 2,936	$ 3,576	$ 4,386	$ 10,311	$ 891	$ 30,932
Costa Rica	305	351	96	-	-	-	-	1	751
Guatemala	66	76	21	-	-	-	-	-	163
Philippines	513	592	161	-	-	-	-	17	1,249
Peru	956	6,399	2,151	3,069	1,476	-	-	74	13,977
Total principal repayments	**$ 6,406**	**$ 11,135**	**$ 4,760**	**$ 6,005**	**$ 5,052**	**$ 4,386**	**$ 10,311**	**$ 983**	**$ 47,072**

During the six months ended 30 June 2010, the Group has obtained borrowings detailed as follows:

	Additions	Balance 30 June 2010	Collateral	Interest Rate	Maturity Date
The Company:					
Loans with non-financial entities	$ 1,000	$ 1,000	Parent guarantee	10%	Dec-2014
Costa Rica:					
Loans with non-financial entities	75	75	Gaming Machines	12%	Apr-2011
Nicaragua:					
Loans with financial entities	300	300	Mortgage on building	11%	Mar-2016
India:					
Loans with financial entities	12,371	12,371	First charge mortgage on PPE	Bank prime lending rate + .75%, + 1.25% and + 1%	Sep-2019 and Sep-2018

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

10. BORROWINGS (cont'd)

Additions Summary		**Additions**		**Balance 30 June 2010**
Loans with financial entities	$	12,671	$	12,671
Loans with non-financial entities		1,075		1,075
Total Additions	**$**	**13,746**	**$**	**13,746**

Notes:

a) During the six months ended 30 June 2010, Daman Hospitality, Private Limited (DHPL) closed on senior secured debt agreements in the amount of $25.8 million, of which $24.7 million has been funded (based on current exchange rates) with a consortium of Indian banks for the financing of Thunderbird Daman, a hotel, casino, and event center joint venture development in Daman, India. The debt is secured by first charge mortgages on property plant and equipment, and has current variable annual interest rates of 13%. Principal and interest payments are to be made quarterly over 7 years, with a one year moratorium on principal.

b) During the six months ended 30 June 2010, the Group's Nicaraguan operation obtained bank financing of $0.3 million to purchase the property which contains the corporate offices adjacent to the Group's Casino on Carretera Massaya. The debt instrument bears an annual interest rate of Prime, plus 7.5% (currently 10.75%), with principal and interest payments due monthly over 84 periods. The debt instrument is secured by a first charge mortgage on the property.

c) During the six months ended 30 June 2010 Thunderbird Resorts, Inc. secured financing of $1 million, bearing 10% interest per annum, with quarterly interest payments for 20 consecutive quarters commencing on 31 March 2010. All principal and unpaid interest shall be due and payable 6 January 2015.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

11. OBLIGATIONS UNDER OPERATING LEASES, FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Obligations under finance leases and hire purchase contracts

The Group uses leases and hire purchase contracts to finance their vehicles and some video lottery equipment. As at 30 June 2010, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due 30 June 2010		Future commitments due 31 December 2009	
Finance lease commitments	Commitment	Present value	Commitment	Present value
Not longer than 1 year	$ 2,007	$ 1,655	$ 1,560	$ 1,283
After one year but not more than five years	942	751	981	825
Sub total	2,949	2,406	2,541	2,108
Less deferred transaction costs	-	-	-	-
Present value of minimum lease payments	$ 2,949	**$ 2,406**	$ 2,541	**$ 2,108**
Obligations under leases and hire purchase contracts current		(1,655)		(1,283)
Obligations under leases and hire purchase contracts non-current		**$ 751**		**$ 825**

Assets held under finance leases and hire purchase contracts as of 30 June 2010 and for the year ended 31 December 2009:

	30 June 2010		31 December 2009	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 1,042	$ 537	$ 1,016	$ 596
Gaming machines	4,779	3,236	3,863	2,693
Other	222	181	906	800
Total	**$ 6,043**	**$ 3,954**	**$ 5,785**	**$ 4,089**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

11. OBLIGATIONS UNDER OPERATING LEASES, FINANCE LEASES AND HIRE PURCHASE CONTRACTS (cont'd)

Obligations under operating leases

As at 30 June 2010, minimum operating lease payments of the Group for continuing operations were as follows:

		Future commitments due
Not longer than 1 year	$	3,384
After one year but not more than five years		16,078
After five years		28,917
Total	**$**	**48,379**

12. SHARE CAPITAL AND RESERVES

A majority of the Group's shareholders voted in favor of continuing the Group's charter from the Yukon, Canada to the British Virgin Islands (BVI). The Group formally continued its corporate charter into the BVI effective 6 October 2006 and filed "discontinuation documents" with the Yukon Registrar. Holders of common shares are entitled to one vote for each share held. There are no restrictions that limit the Group's ability to pay dividends on its common stock. The Group has not issued preferred shares. The Group's common stock has no par value.

	Number of shares		Amount
Authorized			
500,000,000 common shares without par value			
500,000,000 preferred shares without par value			
Issued			
Balance as at 31 December 2008	19,653,081		99,265
Exercise of options	83,331		92
Shares cancelled	(6,666)		-
Balance as at 31 December 2009	19,729,746	$	99,357
Exercise of Warrants	100,000		80
Balance as at June 30, 2010	**19,829,746**	**$**	**99,437**

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

12. SHARE CAPITAL AND RESERVES (cont'd)

Warrants

	30 June 2010			31 December 2009		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	173,471	$	0.10	173,471	$	0.10
Exercise of Warrants	100,000		0.10	-		-
Cancelled	(73,471)		0.10	-		-
Outstanding, end of period	**-**	**$**	**0.10**	**173,471**	**$**	**0.10**

The warrant set out above is classified under non-current liabilities as a derivative financial instrument in accordance with IAS 32 and 39. The fair value of the derivative financial instrument as of 30 June 2010 was $nil (31 December 2009 - $106,000).

Options

	Number of shares		Weighted average exercise price
Balance as at 31 December 2008	834,143	$	3.24
Exercised	(83,331)		1.10
Cancelled	(86,162)		1.49
Balance as at 31 December 2009	664,650	$	3.74
Exercised	-		-
Cancelled	-		-
Balance as at 30 June 2010	**664,650**	**$**	**3.74**
Number of options currently exercisable	490,246	$	3.58

Please refer to Note 21 in the Group's consolidated financial statements for the year ended 31 December 2009 for additional discussion of the Group's stock option plans.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

13. LOSS PER SHARE

The following weighted average numbers of shares were used for computation of loss per share:

	Six months ended 30 June	
	2010	2009
Weighted average shares used in computation of basic earnings per share (000's)	19,728	19,686
Effect of diluted securities:		
Stock options and warrants	0	386
Weighted average shares used in computation of diluted earnings per share	19,728	20,072
Total comprehensive income attributable to the owners of the parent	$ (1,101)	$ (8,387)
Basic and diluted loss per share (in $)	**(0.06)**	**(0.43)**

Basic and diluted earnings per share are calculated by dividing the net loss for the period by the weighted average share used in computation of basic earning per share.

14. RELATED PARTY TRANSACTIONS

Included in trade and other receivables is $4,326,000 (31 December 2009 – $3,493,000) due from Thunderbird de Costa Rica S.A., and $471,000 (31 December 2009 - $222,000) due from Daman Hospitality Private Limited. These amounts represent the balances due in excess of the Group's proportionate share of the net assets included on consolidation. These balances are primarily comprised of management fees accrued but not yet paid by the entity. The income and expenses related to these management fees are fully eliminated upon consolidation.

Transactions with partners in operating entities

The Group and its partners receive dividends as well as management fees from the subsidiary operations. The management fees and dividends paid are eliminated upon consolidation. Amounts due to the Group's partners relate primarily to accrued but not yet paid management fees. Included in loans payable are loans from partners in the Group's operating entities. The loans outstanding, as also described in Note 10, are as follows:

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with partners in operating entities (cont'd)

	30 June 2010		31 December 2009	
	Amount Due	Interest Paid	Amount Due	Interest Paid
Country				
Panama	$ 1,260	$ 92	$ 1,536	$ 244
Philippines	799	39	943	100
Total	**$ 2,059**	**$ 131**	**$ 2,479**	**$ 344**

Included in trade and other receivables is $41,000 (31 December 2009 – $41,000) due from a shareholder in the Nicaraguan operation for their portion of the loan attributed to the purchase of the majority interest in Nicaragua in October 2004. Also, included in trade and other receivables is $369,000 (31 December 2009 – $763,000) due from the Group partner in Costa Rica for the capitalization of the Group King Lion entity that holds the Tres Rios property and amounts due for the purchase of non-controlling interest in the Thunderbird Gran Entretenimiento entity, $1,706,000 (31 December 2009 - $1,539,000) due from the Group Philippines Poro Point partner for advances to be offset against future dividends.

Included in liabilities are amounts due to the Group's partner in Costa Rica for $3,613,000 (31 December 2009 - $3,354,000) for its portion of management fees, which have been fully eliminated in the consolidated statement of comprehensive income. $3,698,000 (31 December 2009 - $3,698,000) is due to the Group's Panamanian partners for their portion of royalty fees and management fees paid by the Panama entity, and $920,000 (31 December 2009 - $936,000) due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity and $34,000 (31 December 2009 - $34,000) in regard to AGA Korean debt in Eastbay Resorts Inc.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with officers and directors

The receivable amounts are unsecured, non-interest bearing and due on demand.

A Director received compensation under a consulting agreement in the amount of $39,000 for the six months ended 30 June 2010 (31 December 2009 - $ 78,000). In addition, Directors have loaned various amounts to the Group. The outstanding loans are as follows:

		30 June 2010		31 December 2009	
	Country	**Amount due**	**Interest paid**	**Amount due**	**Interest paid**
Director	Corporate	$ 82	$ 3	$ 84	$ 5
Daughters of CEO	Philippines	82	6	92	13
Mother of Director	Philippines	10	1	29	3
Director	Philippines	9	1	26	3
Director	Philippines	3	-	9	2
Director	India	100	1	100	2
	Total	**$ 286**	**$ 12**	**$ 340**	**$ 28**

The Group has a receivable from The Fantasy Group, S.A. which is an unsecured promissory note dated 4 June 2003. The obligor under the note is The Fantasy Group, S.A., the president and principal of which were coordinating the Group's pre-2006 efforts to establish operations in Chile. The balance due as of 30 June 2010 is $24,000 (31 December 2009 - $24,000).

The CFO owns indirectly 10% of Angular Investments S.A., which owns 50% of the Costa Rican holding company which owns 100% of the Costa Rican operating entity, 41.5% of Thunderbird Gran Entretenimiento, S.A., the owner of the flagship property in Costa Rica, 50% of the Tres Rios Casino Entity, 35.5% of the Tres Rios Property owner and 35.5% of the Tres Rios Hotel Company.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with officers and directors (cont'd)

The Group employs immediate family members of the President of the Group. They are as follows:

		30 June 2010	30 June 2009
Relation	**Position**	**Salary[(1)]**	**Salary[(1)]**
Brother-in-law	Regional Counsel	$ 49	$ 49
Brother-in-law	General Manager	70	70
Brother-in-law	General Manager	26	34
Daughter	Assistant Analyst	21	28
Brother	Project Manager	53	68
Nephew	Director of global hotel initiatives	-	8
Total		$ 219	$ 257

[(1)] Salary includes bonuses, other compensation and benefits

15. COMMITMENTS AND CONTINGENCIES

Note 25 in the Group's consolidated financial statements for the year ended 31 December 2009 provides a discussion of all of the Group's commitments and contingencies. There are no material changes in this disclosure.

16. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS

Credit risk analysis:

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit rating and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the Group's financial assets are secured by collateral or other credit enhancements.

(Expressed in United States dollars)
(Tabular amounts expressed in thousands of dollars except per share amounts)

16. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis:

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

As at 30 June 2010, the Group's liabilities have contractual maturities which are summarized below:

	Six months ending 31 Dec 10	2011	2012	2013	2014	2015	Thereafter	Total
Long-term bank loans	$ 25,336	$ 35,717	$ 25,167	$ 21,565	$ 16,740	$ 39,666	$ 20,374	$ 184,565
Finance lease obligations	1,295	1,292	331	23	9	1	-	2,951
Trade payables	13,972	-	-	-	-	-	-	13,972
Due to related parties	5,387	-	-	-	-	-	-	5,387
Derivatives	-	-	746	340	5,179	-	-	6,265
Total	**$ 45,990**	**$ 37,009**	**$ 26,244**	**$ 21,928**	**$ 21,928**	**$ 39,667**	**$ 20,374**	**$ 213,140**

17. SUBSEQUENT EVENTS

Peru

Thunderbird Hoteles Las Americas ("THLA"), owns and operates five hotels in Lima, Peru (the "THLA Hotels"). As previously reported in the fourth quarter of 2009, in order to reduce the Group's investment and related debt in "non-gaming" assets, the Group began to actively engage in selling four of the THLA hotels, and on 24 February 2010, the Group closed on the sale of the Thunderbird Hotel Pardo. In the second quarter 2010 management decided to also sell the Thunderbird Hotel Carrera. THLA has entered into a contract to sell the Hotel Carerra and in July 2010 has received a down payment. A closing is expected in the near term pending lender approval. The hotel will continue to operate under the name "Thunderbird Hotels Carrera." The Hotel Carrera has 99 rooms and is located in the district of Lince close to the historic center of Lima. There is a casino located in this hotel that is not owned by the Group. The Group will enter into a seven year casino management agreement with the new owner. The total sale proceeds will be $5.25 million less applicable taxes and transaction expenses. The net proceeds will be used to pay down secured Peruvian sourced debt related to the Thunderbird Hotel Carerra. The Group continues to pursue the sale of the Thunderbird Hotel Principal, Thunderbird Hotel Bellavista, and Thunderbird Resorts El Pueblo hotel properties as previously announced.

17. SUBSEQUENT EVENTS (cont'd)

Panama

On 19 August, the Group completed the sale of its 63.63% stake in its six Panama casinos to the Panama based subsidiary of CODERE, S.A. a leading gaming company engaged in the management of gaming machines, bingo halls, casinos, racetracks and betting locations in Latin America, Spain, and Italy.

The sale price for the shares was approximately $38.0 million for our 63.63% stake. The Group has been reporting the result from these operations as "discontinued operations" on its consolidated statement of comprehensive income and as "assets held for sale" on its consolidated statement of financial position. The Group will record a gain on sale of stock of approximately $14.5 million in the 3rd quarter of 2010 and expect to report an additional gain of $4.2 million contingent on future performance. Certain withholding taxes due from the sale and the costs of the transaction will be paid out of the sale proceeds. This transaction results in a significant improvement in the Group's balance sheet through the reduction in consolidated Group debt of approximately $46.8 million ($30.8 million used to pay down debt and elimination from our consolidated financials of $16.0 million of Panama operational level debt) along with a significant improvement in the overall cash flows of the Group.

Financial calendar

Friday 30 April 2010
Publication of 2009 Annual Report

Tuesday 18 May 2010
Publication of Interim management statement first quarter 2010

Friday 12 November 2010
Publication of Interim management statement third quarter 2010

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Michael G. Fox, CFO and Corp. Secretary
Albert W. Atallah, General Counsel and VP Compliance
Raul Sueiro, Vice President Asian European Operations
Angel Sueiro, Vice President, Design and Construction
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CAPITALIZATION
Common shares issued: 19,829,746
(as of 12 August 2010)

SHARES LISTED
NYSE Euronext Amsterdam
Common Stock Symbol: TBIRD
Frankfurt Stock Exchange
Common Stock Symbol: 4TR

WEBSITE
www.thunderbirdresorts.com

Cautionary Note concerning“forward-looking statements”

Various statements contained in this Half-yearly Report, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward looking statements. We use words such as “believe,” “intend,” “expect,” “anticipate,” “forecast,” “plan,” “may,” “will,” “could,” “should” and similar expressions to identify forward looking statements. The forward looking statements in this Annual Report speak only as of the date of this Half-yearly Report and are expressly qualified in their entirety by these cautionary statements. Factors or events that could cause our actual results to differ may emerge from time to time and it is not possible to predict all of them. We disclaim any obligation to update these statements, and we caution our shareholders not to rely on them unduly. Our shareholders are cautioned that any such forward looking statements are not guarantees of future performance.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global, political, economic, business, competitive, market and regulatory conditions as well as, but not limited to, the following:

- risks associated with the development, construction and expansion of projects;
- risks associated with governmental regulation of our businesses;
- competition within our industries;
- risks associated with our local partnerships;
- political and other risks associated with international operations, such as war or civil unrest, expropriation and nationalization, and changes in political, economic or legal conditions;
- our ability to retain or replace our key members of management;
- legal claims;
- difficulties in integrating future acquisitions;
- risks relating to acts of God (such as natural disasters), terrorist activity and war, some of which may be uninsured or underinsured;
- fraud by our employees or third parties;
- general economic and business risks, as well as specific business risks, such as the relative popularity of the gaming industry in general, and table and slot games in particular, changes in travel patterns, and changes in operating costs, including energy, labor costs (including minimum wage increases and unionization), workers’ compensation and health-care related costs and insurance;
- the risk that we may not be able to obtain future capital on acceptable terms, if at all; and
- other risks identified in this Half-yearly Report.

These risks and others are more fully described under the heading “Risk Factors”in our Annual Report of 2009.

Important information

This is Thunderbird Resorts Inc.’s Half-yearly Report for the period ended 30 June 2010. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this Half-yearly Report 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 Half-yearly Report and, if given or made, such information or representations must not be relied upon as having been authorized by us. This Half-yearly Report does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this Half-yearly Report 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 Half-yearly Report. 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 Half-yearly Report is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information included in this Half-yearly report reflects our position at the date of this Half-yearly Report and under no circumstances should the issue and distribution of this Half-yearly Report 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”) and interim consolidated financial statements IAS 34.