Thunderbird
RESORTS

Half-Year Report 2012

(Thunderbird Resorts Inc. is a British Virgin Islands company limited by shares with its registered office in Tortola, British Virgin Islands)

Cautionary Note with regard to "forward-looking statements"

This 2012 Half-year Report contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, national, and local jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential revenue, future plans, and objectives of Thunderbird Resorts Inc. are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Group's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in the Group's documents filed from time-to-time with the NYSE Euronext Amsterdam exchange ("NYSE Euronext Amsterdam") and other regulatory authorities.

Thunderbird Resorts Inc. is sometimes referred to herein as "Company" or "Group". All currencies are in US dollars unless stated otherwise.

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Chapter 1:
Letter from the CEO

To the Shareholders of Thunderbird Resorts Inc.:

Thunderbird Resorts ("Thunderbird" or the "Group") has over 3,000 dedicated employees serving over a million wonderful customers every year. Senior management and country managers have been with Thunderbird for an average of over 10 years. We wake up every day to pursue the goals of improving customer satisfaction and enhancing returns to our shareholders.

The story of Thunderbird since 2009 has been to stabilize and to prepare for a time when we can scale our business on a more predictable path than in the past. We believe that we are turning that corner in 2012, as can be seen below.

PROGRESS

Profit for the period fell to $2 million through half-year 2012 as compared to a profit of $2.1 million through half-year 2011. Excluding other gains and losses, primarily comprised of asset sales in both periods, there would have been a loss of $655 thousand through half-year 2012 as compared to a loss of $2.9 million through half-year 2011. The progress in profits was the result of effective cost management and aggressive debt reduction, the latter which materially pushed down finance costs:

- Expenses (cost of goods sold, operating, general and administrative costs, and project development) were reduced by $3.1 million through half-year 2012 as compared to half-year 2011. We expect further progress on expenses in the periods ahead.

- Net financing costs[1] were reduced to $3.7 million through half-year 2012 as compared to $5.8 million through half-year 2011. A significant portion of the improvement was finance income related to discounts granted by various lenders on a negotiated basis. Additionally, in the second half of 2012, we expect interest expense to continue to decrease because of reduced debt as compared to 2011.

- Gross debt[2] was reduced to $65.2 million as of half-year 2012 from $77.9 million as of December 2011, $120.9 million as of December 2010 and $168.6 million as of December 2009. This is a gross debt reduction of $102 million since the outset of the financial crisis. Management believes year-end 2012 gross debt to adjusted EBITDA[3] should be less than 3.5X (based on annualizing half-year adjusted EBITDA), as compared to 4.0X for 2011.

- Cash generation has remained constant at $5.6 million through both half-year 2012 and half-year 2011. "Cash generation" indicates cash available to stake holders (principal pay down to lenders, income tax authorities and shareholders), and is defined as adjusted EBITDA less finance costs less project development expense.

CHALLENGES

As described above, Thunderbird has been successful at building a more efficient organization and at improving its balance sheet. Regardless, we have challenges to overcome that Management is actively working on to resolve, such as.

- Revenues have decreased $3.3 million or 5% to $57.9 million through half-year 2012 from $61.2 million through half-year 2011. Approximately $2.4 million of the reduced revenue relates to certain hotel assets sold in Peru that did not operate during the full 6 months of 2012. The loss of same store revenues (on a consolidated basis) was therefore approximately $0.9 million, which was largely due to short-term factors in Costa Rica and the Philippines.

- Risk in our business model has been a challenge historically. Rather than scaling in a reasonably predictable manner, the Group has achieved spurts of growth fueled mostly by high-amortizing leverage and intermittently has faced market risks that forced write downs or stunted growth in ways not easily sustainable under such leverage.

- Share liquidity has become a challenge, with trading volume falling materially over the last 24 months. Management believes that market conditions, flat revenue and perceived risk in our portfolio have impacted liquidity in the Group’s shares, resulting in a loss of market capitalization during a period when bottom line and balance sheet fundamentals have materially improved.

Below please find a summary 2012 half-year consolidated P&L:

	Consolidated Six months ended June 30			
	2012	**2011**	**Variance**	**% Change**
Net gaming wins	$ 47,063	$ 49,356	$ (2,293)	-4.6%
Food, beverage and hospitality sales	10,793	11,831	(1,038)	-8.8%
Total revenue	57,856	61,187	(3,331)	-5.4%
Cost of goods sold	(22,515)	(23,163)	648	-2.8%
Gross profit	35,341	38,024	(2,683)	-7.1%
Other operating costs				
Operating, general and administrative	(25,340)	(27,831)	2,491	-9.0%
Project development	(230)	(218)	(12)	5.5%
Depreciation and amortization	(7,157)	(7,442)	285	-3.8%
Other gains and (losses)	2,605	4,947	(2,342)	-47.3%
Operating profit	5,219	7,480	(2,261)	-30.2%
Financing				
Foreign exchange gain	907	818	89	10.9%
Financing costs	(6,012)	(6,020)	8	-0.1%
Financing income	2,577	192	2,385	1242.2%
Other interest	(277)	-	(277)	100.0%
Finance costs, net	(2,805)	(5,010)	2,205	-44.0%
Profit before tax	2,414	2,470	(56)	-2.3%
Income taxes expense				
Income taxes expense	(464)	(323)	(141)	43.7%
Profit for the period from continuing operations	**$ 1,950**	**$ 2,147**	**$ (197)**	**-9.2%**
(Loss) for the period from discontinued	-	(74)	74	-100.0%
Profit for the period	**$ 1,950**	**$ 2,073**	**$ (123)**	**-5.9%**

As described below, the Group is evaluating strategies to optimize our business so as to convert the items above from Challenges to Progress.

BUSINESS OPTIMIZATION

The great opportunity of our business model is its potential for high cash flows. Our ability to "predictably scale" cash flow is our sweet spot to resolving our challenges described above. We define a predictably scalable business model as one that *achieves sustained growth under reasonable levels of risk.*

Our strategy historically has been to build a geographically diversified platform with three formats: a) small gaming venues with few amenities in dense urban areas; b) mid-sized gaming venues with more amenities in suburban communities; and c) larger integrated resorts located on real estate that we own and anchored by larger casinos with numerous resort-style amenities. Our core products are gaming, hospitality, restaurants and bars. The Group is evaluating the following and other questions to determine how best to leverage our platform and products to deliver predictably scalable results for our shareholders.

- Which of our markets are more predictably scalable?
- Which of our formats and products is more predictably scalable in those markets?
- Which markets, formats and products offer the best prospects for long-term value accretion?
- What business model innovations could add value to our customers?
- How do we invest in ways that control leverage and enhance shareholder value?

As Management advances its analysis and plans, we will advise shareholders of material changes to strategy. At the same time, Management continues to work every day to fine-tune the Group's businesses with the intent to further improve our financial results.

Sincerely,

Peter LeSar
Interim Chief Executive Officer and President
Thunderbird Resorts Inc.
August 27, 2012

[1] "Net financing costs" is defined as the aggregate of financing costs, financing income, and other interest.

[2] "Gross debt" has previously been called "Debt from continuing and discontinued operations". Gross debt is defined as the aggregate of borrowings, obligations under leases and hire purchase contracts and derivative financial instruments, associated with the Group's continuing, discontinued and held for sale segments.

[3] "EBITDA" is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA consolidated from all operations less "corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.

Chapter 2:
June 30, 2012
Updates by Country

Philippines Update

Description of Properties as of Half-year 2012

In the Philippines, the Group operates two integrated resorts anchored by casinos. Below is a table that outlines key data points of each property.

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Thunderbird Resorts - Rizal	Rizal	2005	Hotel & Casino	338	200	41
Thunderbird Resorts - Poro Point	La Union	2006	Hotel & Casino	267	186	36
Total				**605**	**386**	**77**

Our Thunderbird Resorts - Rizal property is located on a hill overlooking metro Manila and the country's largest lake. The property is located on the eastern side of Manila, while all other significant casino developments are on the western side of Manila. This boutique hotel has 41 suites, 3 restaurants, an event center, and sits on a private 18-hole golf course accessible to hotel guests. The event center opened in February 2011 along with a casino expansion offering 100 new slot positions and 28 new table positions in addition to the current 338 slot machines and 200 table positions. We are waiting for regulatory approval in order to open the new gaming positions.

Our Thunderbird Resorts - Poro Point property is located in Poro Point, a peninsula that extends into the South China Sea and was previously the site of a U.S. air force base. Poro Point is located in the city of San Fernando in the province of La Union. In 2005, the Group obtained a 25-year lease on this 130-acre tract of land on which we have opened a luxury 36-room hotel, a 9-hole golf course and a casino with 267 slot machines and 186 table positions. We commenced an expansion of the existing casino in the third quarter of 2008 to create an additional 1,000 square meters with 65 new slot machines and 49 new 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 funded and the remainder is anticipated to be funded on the closing of the $52 million Solar Entertainment equity funding. In Q1 2012, the land lease for Poro Point was extended for an additional 25 years until 2055. Because the lease has been extended, the Group has been successful in selling long-term lease hold rights for single family home lots.

Material Developments and Contracts

Philippines Gaming Licenses Renewed: The Philippine Amusement and Gaming Corporation ("PAGCOR") has recently granted each of the Company's two Philippine's affiliates a 15-year authority to operate ("ATO"). All legal proceedings between PAGCOR and the Company have been or are being dismissed. The two new ATO's:

(i) Are valid through June 2027;
(ii) Pay a gaming tax of 30%; and
(iii) Have an investment requirement of $30 million in each property.

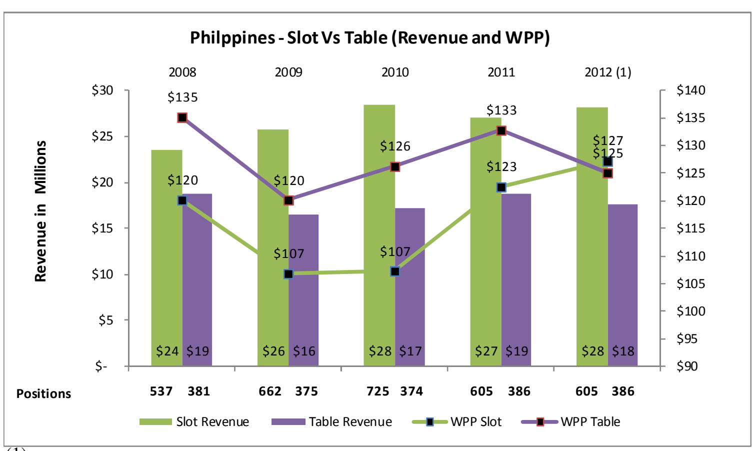
The Group will now focus on obtaining approval from PAGCOR for the $52 million equity funding from Solar Entertainment Corporation that was announced in August 2011, which includes significant allocations for debt pay down, funding of our investment commitments and projects in our development pipeline.

Financial Performance of Half-year 2012

The Philippines has been our largest contributor in 2012 to both Group revenue and consolidated property EBITDA. Below, please see our analysis of material variances from our 2011 Thunderbird Philippines segment results.

- Profit before tax increased by 112.2% to $2.3 million through half-year 2012 as compared to $1.1 million through half-year 2011.

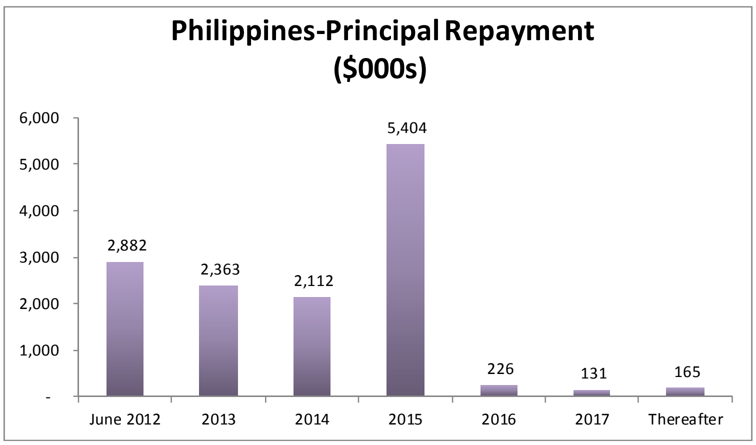
- Revenue for half-year 2012 increased by 0.1% as compared to June 2011, revenues remained relatively flat largely due to a legal dispute with the Philippines gaming regulator that limited the Group's ability to change marketing programs or to make material improvements to our gaming floors. The Group believes that the operations should return to growth in the second half of 2012 as restrictions have now been lifted with the granting of the two ATO's described above. A key reason for this belief is that win per gaming position ("WPP") continued to increase during the dispute, as can been seen below, which indicates strong demand for additional supply of gaming positions.

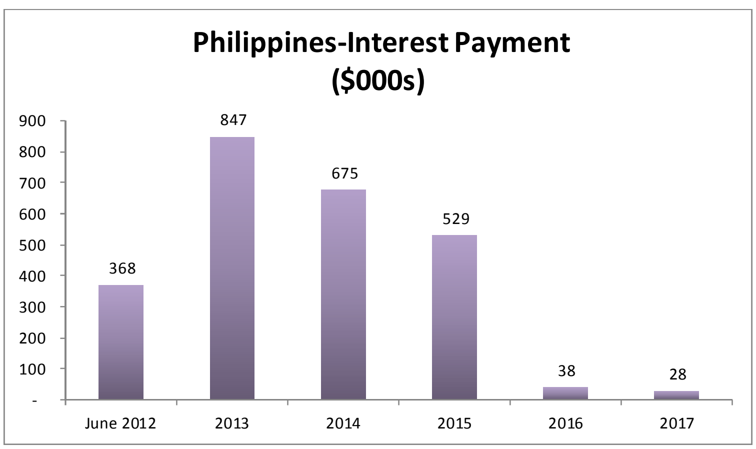


(1) 2012 revenues and WWP have been annualized for comparative purposes.

- Costs of goods sold were increased by 1.8% and operating, general and administrative expenses were reduced by 2.3%. Management's goal was to better control expenses in 2012 and so far has been successful in doing so. This has resulted in a marginal increase in Operating Profit despite the drop in revenue.

- Financing costs were driven down 27.5% as the Group continued to pay down debt. Below are graphs showing our expected principal and interest payments based on loan contracts effective as of June 30, 2012. It should be noted that upon closing of the $52 million equity transaction with Solar Entertainment, there is an allocation of $6 million to further reduce debt related to our Philippines operations (not accounted for below).





Management believes that the underlying fundamentals of these operations are strong, that expense controls have been strengthened and that there should be optimism for stronger bottom line performance in the periods ahead.

Below is a summary P&L for June 2012 as compared to June 2011, which can be compared against the notes provided on the previous page.

	Philippines Six months ended June 30 2012	Philippines Six months ended June 30 2011	Variance	% Change
Net gaming wins	$ 22,863	$ 23,186	$ (323)	-1.4%
Food, beverage and hospitality sales	2,973	2,631	342	13.0%
Total revenue	25,836	25,817	19	0.1%
Cost of goods sold	(11,666)	(11,458)	(208)	1.8%
Gross profit	14,170	14,359	(189)	-1.3%
Other operating costs				
Operating, general and administrative	(9,406)	(9,628)	222	-2.3%
Project development	(2)	(3)	1	-33.3%
Depreciation and amortization	(2,697)	(2,711)	14	-0.5%
Other gains and (losses)	(2)	-	(2)	100.0%
Operating profit	2,063	2,017	46	2.3%
Financing				
Foreign exchange gain	540	187	353	188.8%
Financing costs	(810)	(1,117)	307	-27.5%
Financing income	531	8	523	6537.5%
Finance costs, net	261	(922)	1,183	-128.3%
Profit before tax	2,324	1,095	1,229	112.2%

Peru Update

Description of Properties as of Half-year 2012

In Peru, the Group owns and operates one integrated resort anchored by a casino, has three other hotels under management contracts that share corporate overhead, and owns and operates four standalone gaming venues. Below is a table of key data points for each property.

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Fiesta Hotel & Casino	Lima	2007	Hotel & Casino	427	232	66
Thunderbird Resorts - El Pueblo (Management Contract)	Lima	2007	Resort	-	-	235
Thunderbird Hotel Pardo (Management Contract)	Lima	2007	Hotel	-	-	64
Thunderbird Hotel Carrera (Management Contract)	Lima	2007	Hotel	-	-	99
Luxor	Lima	2008	Slot Parlor	253	-	-
Mystic Slot	Cusco	2008	Slot Parlor	100	-	-
El Dorado	Iquitos	2008	Slot Parlor	97	-	-
Luxor	Tacna	2008	Casino	147	72	-
Peru Total				**1,024**	**304**	**464**

Our Fiesta Hotel & Casino property is located in the heart of Lima's prime Miraflores district. The hotel has 66 suites, 3,750 square meters of office space and 308 parking spaces. The casino is approximately 5,740 square meters with approximately 427 slot machines and 232 table positions.

Material Developments and Contracts

Sale of Asset: During Q2 2012, the Group sold its non-strategic El Pueblo Resort & Convention Center in Lima, Peru ("El Pueblo") for approximately $13.6 million. This hotel generated approximately $602 thousand in EBITDA in 2011 or just 3% of the Group's consolidated adjusted EBITDA. Approximately $9.5 million of the proceeds from the sale were used to pay down Peru senior debt principal balances. The remaining proceeds from the sale of El Pueblo were used to pay other debt, taxes and transaction costs. Our Peru subsidiary signed a three year management agreement with the purchaser of the El Pueblo to operate the same for a fee. The contract can be terminated by either party with 90-days notice.

Restructuring of Loans: On December 29, 2011, the Group announced that it began the restructuring of its Peru-related debt of approximately $47.5 million. Since then, as described below, the Group has reduced Peru-related debt to just $34.3 million and restructured the remaining debt to positively impact on cash flow by at least $3 million in 2013 as compared to 2011.

- Senior Debt: The Group refinanced approximately $9.5 million of its Peru senior debt by entering into a $14 million dollar secured loan with a prominent Peruvian bank. This new senior loan amortizes over 10 years, matures in 7 years at an interest rate of 8.5%, with interest only payable during the first 3 months. The Group has used a portion of this senior debt to repay its higher-cost, faster-amortizing debt, as well as paying off debt scheduled to balloon in Q1 2013.

- Parlor Debt: The Group partially paid down and restructured approximately $12 million of slot parlor debt. For the partial debt pay down, the Group paid $718 thousand of principal and interest in cash. All remaining Parlor Debt principal balance was amended such that: (i) the interest rate was lowered from 12.1% to 11%; (ii) payments were reduced from approximately $270,000 to $160,000 per month, with the balance of the secured loan maturing in January 2017; and (iii) 175,000 common shares of Thunderbird were issued to a Peru related lender to be sold, with the proceeds to be used as part of debt reserves for the remaining debt balance.

- Sweep Debt: The Group restructured $18.1 million in Sweep Debt and $4.7 million of related accrued interest (approximately $22.8 million in total), as described in detail in press releases dated February 19, 2012, March 13, 2012, and June 19, 2012. Further disclosures were made in the Group's 2011 Annual Report and in the Q1 2012 Interim Management Statement. In January 2012, as a part of the Peru-related debt restructuring, the Group entered into a sales contract to sell a non-strategic office building located in Panama in order to pay down approximately $900 thousand in Peru-related and other debt to two "sweep" lenders with another approximately $930 thousand becoming convertible promissory notes at the parent level on terms similar to the other convertible note as described in prior press releases. In April 2012, an additional sweep note with $322 thousand of principal and accrued interest was restructured into a $286 thousand convertible promissory note.

By completing the restructuring, the Group has now successfully reduced Peru-related debt from approximately $47.5 million in November 2011 to approximately $34.3 million, on much more favorable interest and amortization terms.

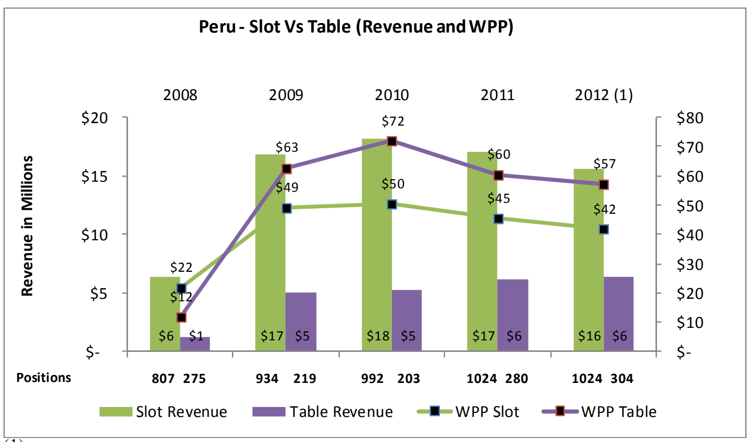
The Group believes that these restructurings described above should enhance cash flow by approximately $2 million annually starting in the second half of 2012. Further below are graphs showing our expected principal and interest payments based on loan contracts effective as of June 30, 2012.

Financial Performance in Half-year 2012

Peru was our second largest contributor in 2012 to both Group revenue and consolidated property EBITDA. Below, please see our analysis of material variances from our half-year 2011 Thunderbird Peru segment results.

- Profit before tax decreased by 52.6% to $2.6 million through half-year 2012 as compared to $5.4 million through half-year 2011. The difference is primarily attributed to; a) the $1.7 million reduction in gross profit, resulting from forgone revenues on certain non-strategic hotels sold during 2011; b) the $2.4 million reduction in other gains as compared to half-year 2011 when the Group sold more assets than through half-year 2012; and c) the one-time decrease of $900 thousand in net finance costs/income resulting from discounts obtained from lenders and refinancing commissions and transaction costs related to the debt restructurings.

- Revenue for half-year 2012 in Peru decreased by 11.8% over half-year 2011 as the Group liquidated non-strategic assets in order to reduce debt. Same store revenue, on the other hand, grew by approximately 1% led in particular by our Fiesta Hotel & Casino integrated resort. Gaming revenues per position softened this year, but Management believes that efforts to upgrade our gaming floors in late 2012 (with approximately 97 conversion kits and 75 new slot machines) will promote growth in 2013.

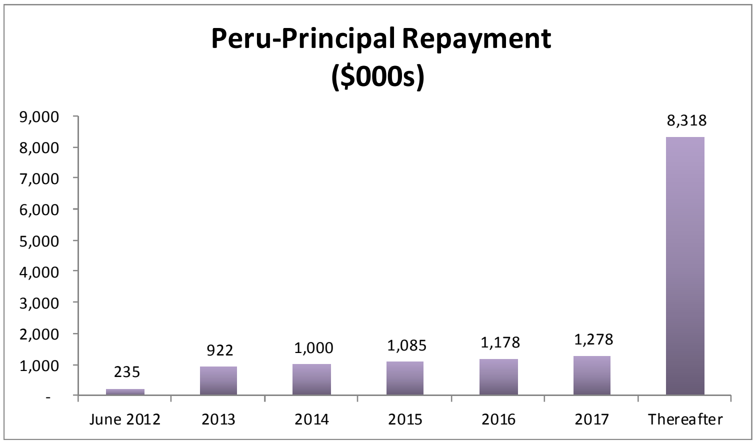


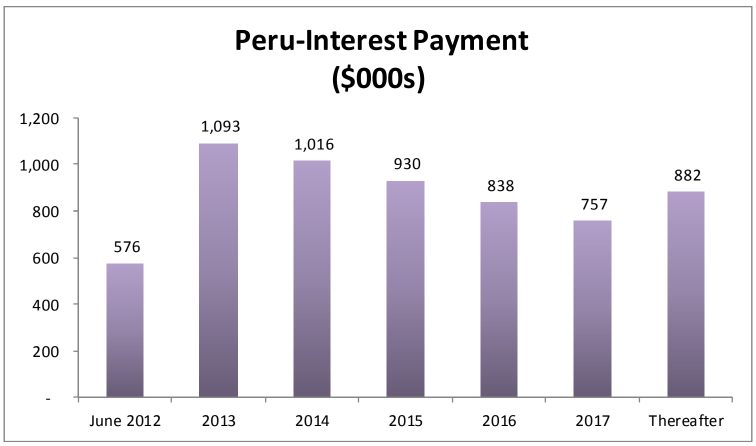
(1) 2012 Revenues and WWP have been annualized for comparative purposes.

- Cost of goods sold fell by 7.8% and operating, general and administrative expenses were flat. Management continues to be focused on cost controls and believes that it should be able to further reduce expenses in the coming periods.

- Financing costs temporarily increased by 62.3% as the Group paid refinance fees and transaction costs in relation to the restructurings, but which have resulted in post half-year 2012 reduced debt and improved cash flow.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2012.





The Group believes that its aggressive reduction of Peru debt in the last 24 months will enable Management to focus on growth in the periods ahead.

Subsequent Events

Material Contracts: In July 2012, the group entered into an agreement with Table Trac to provide our five Peruvian gaming locations with its Casino Trac Casino Management System (v3.8.2a). This system was recently approved by the Peruvian government and meets the standards and requirements of the Government's Supreme Decree for a Unified Control System in Real Time (SUCTR). Apart from achieving regulatory compliance, the Table Trac system has customer loyalty and other features that should increase revenue and create operational efficiencies.

New Machine Purchases: During July 2012, the Group's Peruvian operations executed contracts to acquire approximately 75 new slot machines for approximately $1.6 million. The financings are secured by the slot machines, pay interest of 5.25% and amortize over 34 monthly installments. Additionally, our Peru operations purchased in cash, approximately 97 conversion kits for $281 thousand to upgrade existing slot machines.

Below is a summary P&L for June 2012 as compared to June 2011, which can be compared against the notes provided on the previous page.

	Peru Six months ended June 30			
	2012	2011	Variance	% Change
Net gaming wins	$ 10,978	$ 11,801	$ (823)	-7.0%
Food, beverage and hospitality sales	6,128	7,598	(1,470)	-19.3%
Total revenue	17,106	19,399	(2,293)	-11.8%
Cost of goods sold	(6,861)	(7,438)	577	-7.8%
Gross profit	10,245	11,961	(1,716)	-14.3%
Other operating costs				
Operating, general and administrative	(7,420)	(7,365)	(55)	0.7%
Project development	-	(6)	6	-100.0%
Depreciation and amortization	(2,956)	(3,079)	123	-4.0%
Other gains and (losses)	3,008	5,359	(2,351)	-43.9%
Operating profit	2,877	6,870	(3,993)	-58.1%
Financing				
Foreign exchange gain	224	147	77	52.4%
Financing costs	(2,686)	(1,655)	(1,031)	62.3%
Financing income	2,154	55	2,099	3816.4%
Finance costs, net	(308)	(1,453)	1,145	-78.8%
Profit before tax	2,569	5,417	(2,848)	-52.6%

Costa Rica Update

Description of Properties as of Half-year 2012

In Costa Rica, the Group has a 50-50 joint venture with a local shareholder for all operations except for that of our largest casino in the country, which the Group consolidates 100%. In total, we operate nine standalone gaming facilities and one small hotel.

Below is a table with key data points of each property:

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Fiesta Casino – Holiday Inn Express	San José	2005	Casino	384	58	-
Fiesta Casino – Hotel El Presidente	San José	2003	Casino	235	-	-
Fiesta Casino – Hotel America Heredia	Heredia	2005	Casino	235	27	-
Fiesta Casino- Ramada Plaza Herradura	San José	2007	Casino	204	47	-
Lucky's – Perez Zeledon	San José	2007	Slot Parlor	122	-	-
Lucky's – San Carlos	San Carlos	2006	Slot Parlor	42	-	-
Lucky's – Guapiles	Guapiles	2006	Slot Parlor	80	-	-
Lucky's – Tournon	Tournon	2006	Slot Parlor	55	-	-
Hotel Diamante Real	San José	2008	Hotel	-	-	21
Costa Rica Total				**1,357**	**132**	**21**

Our largest and most complete operation in Costa Rica is the Fiesta Casino adjacent to the international airport and a Holiday Inn Express. The Group does have two properties that it has been developing for several years as integrated resorts anchored by casinos, both of which are located in prime locations in San Jose, the country's capital. The first and most advanced is the Thunderbird Resorts - Tres Rios, in which the Costa Rica operations have already invested approximately $16.4 million (the Group's share being $8.2 million) to acquire the land and to build initial infrastructure including a highway off-ramp, internal roads, utilities and 8 commercial lots for sale or lease to third parties. The Group is actively pursuing long-term real estate debt of approximately $14 million to complete the construction in progress, which when completed will release significant additional income potential and value for the Costa Rican operations. Design and construction drawings and bid requests are ongoing. This 11-hectare property, if and when opened, is designed to include a 103-room hotel with a convention center for 250 attendees and a casino with approximately 198 gaming positions.

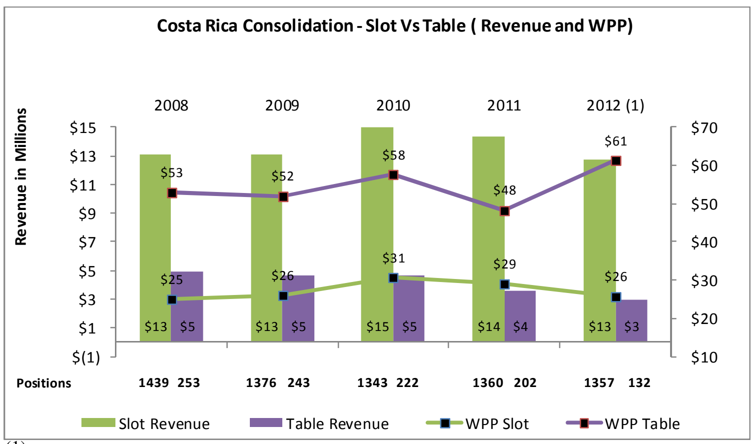
The second property that our Costa Rican operations owns is a 1.3-hectare property located in the Escazu area of San Jose, which is also an ideal location to develop an integrated resort anchored by a casino. Our Costa Rica operations have already invested approximately $4.2 million (the Group's share being $2.1 million), but it is unlikely that the Group will further develop this property during 2012.

Financial Performance in 2012

Costa Rica has been our third largest contributor in 2012 to both Group revenue and consolidated property EBITDA. Below, please see our analysis of material variances from our half-year 2011 Costa Rica segment results.

- Profit before tax increased by 1413.4% to $1.1 million through half-year 2012 as compared to a loss of $0.1 million through half-year 2011. The improvement was largely due to our cost management program in Costa Rica.

- Revenue for half-year 2012 decreased by 12.2% year-over-year due to a smoking ban that went into effect in Costa Rica in early April 2012 that has materially impacted revenues in Q2 of this year. Management believes that the effects of the ban are not permanent. Our win per position on tables actually increased during the period, though this was because we reduced the number of table positions as part of our cost management program.

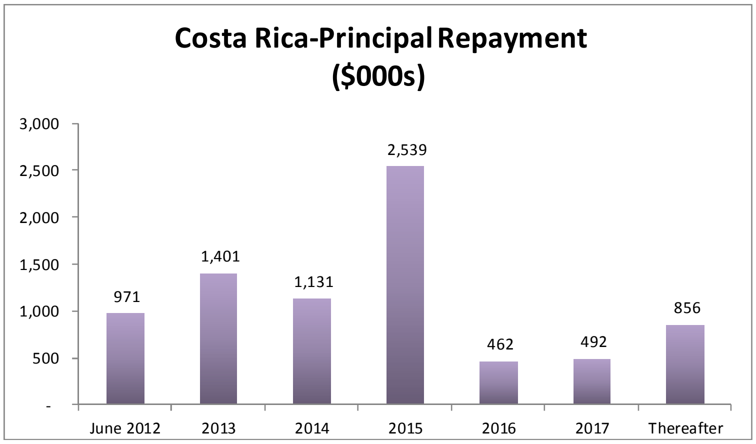


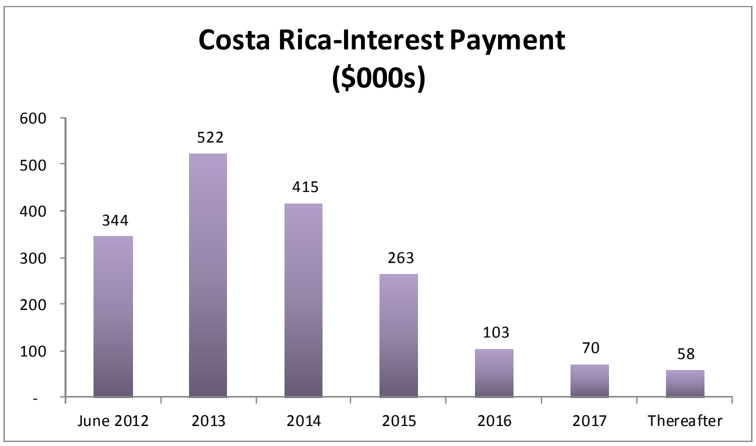
(1) 2012 Revenues and WWP have been annualized for comparative purposes.

- Cost of goods sold decreased by 21% and operating, general and administrative expenses were cut back dramatically by 22.6% as Management reacted aggressively to its loss of revenue from the smoking ban. Management continues to be focused on cost controls and believes that it should be able to control expenses in 2012.

- Financing costs have marginally increased by 4.5%; however, the Group continued to pay down debt.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2012.





The Group believes that its aggressive reduction of expenses in Costa Rica will be rewarded if operations are able to recover and reverse revenue loss. Management has recently upgraded its gaming floor but as of the date of this publication, this upgrade has only flattened the negative impact of the smoking ban.

Below is a summary P&L for half-year 2012 as compared to half-year 2011, which can be compared against the notes provided on the previous page.

	Costa Rica Six months ended June 30 2012	Costa Rica Six months ended June 30 2011	Variance	% Change
Net gaming wins	$ 7,836	$ 8,981	$ (1,145)	-12.7%
Food, beverage and hospitality sales	861	919	(58)	-6.3%
Total revenue	8,697	9,900	(1,203)	-12.2%
Cost of goods sold	(1,762)	(2,231)	469	-21.0%
Gross profit	6,935	7,669	(734)	-9.6%
Other operating costs				
Operating, general and administrative	(4,769)	(6,164)	1,395	-22.6%
Project development	(79)	(140)	61	-43.6%
Depreciation and amortization	(1,133)	(1,187)	54	-4.5%
Other gains and (losses)	4	(12)	16	-133.3%
Operating profit	958	166	792	477.1%
Financing				
Foreign exchange gain	324	131	193	147.3%
Financing costs	(396)	(379)	(17)	4.5%
Financing income	191	-	191	100.0%
Finance costs, net	119	(248)	367	-148.0%
Profit / (loss) before tax	1,077	(82)	1,159	-1413.4%

Nicaragua Update

Description of Properties as of Half-year 2012

In Nicaragua, the Group operates four standalone casinos. Below is a table that outlines key data points of each property.

Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Highway to Masaya	Managua	2000	Casino	153	91	-
Pharaoh's Casino – Camino Real	Managua	2005	Casino	114	28	-
Pharaoh's Casino – Holiday Inn	Managua	2006	Casino	83	21	-
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	100	21	-
Nicaragua Total				**450**	**161**	**0**

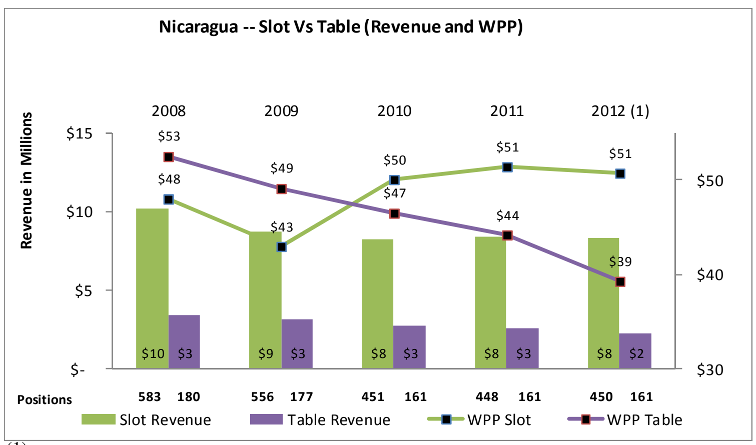
Our largest and most complete operation in Nicaragua is the Pharaoh's Casino on the highway to Masaya, which is the main thoroughfare in the heart of Managua. The property is located across from an Intercontinental Hotel and close to a high-end shopping mall.

Financial Performance for Half-year 2012

Nicaragua was our smallest contributor as on June 2012 to both Group revenue and consolidated property EBITDA. Below, please see our analysis of material variances from our half-year 2011 Thunderbird Nicaragua Segment Result.

- Profit before tax increased marginally by just $3 thousand as compared to half-year 2011. The marginal difference was largely to expense growth slightly outpacing revenue growth.

- Revenue for half-year 2012 increased by 2.4% year-over-year while win per gaming position was relatively flat.

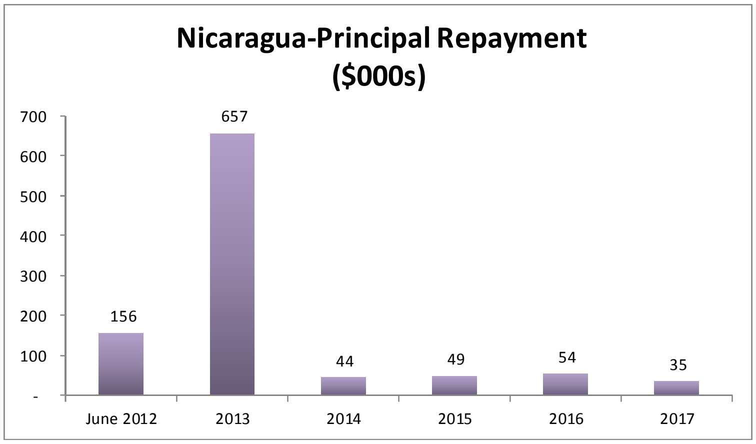


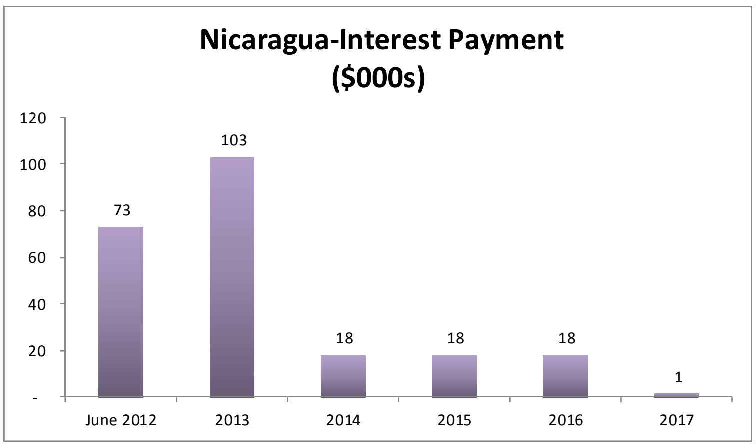
(1) 2012 Revenues and WWP have been annualized for comparative purposes.

- Costs of goods sold increased by 9.6% and operating, general and administrative expenses were flat. The Group is working to reverse this increase.

- Financing costs fell by 17.3% as the Group continued to pay down debt. It should be noted that Nicaragua, assuming no new project debt, is expected to have only a nominal amount of debt by 2014.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2012.





Subsequent Events

In July 2012, the Group opened a new casino located at Chinandega, an approximately two-hour drive from Managua, adding approximately 90 slot machines, 21 table positions and another sports bar to our Nicaragua operations. The Chinandega casino is located in a new shopping mall. The total cost of the project was approximately $1.9 million. The Group took out a short-term loan of approximately $300 thousand during the first half of 2012 to complete the construction and opening of the Chinandega facility. We anticipate our Nicaragua affiliate will acquire the real estate and improvements on which the Chinandega operation is located for approximately $1.1 million (utilizing a local bank loan for approximately $1.4 million), which will provide proceeds to also pay off the short-term loan mentioned above. The Group believes that in the 12 months post opening of the Chinandega casino, Nicaragua will experience faster growth in both revenue and bottom line results.

Below is a summary P&L for half-year 2012 as compared to half-year 2011, which can be compared against the notes provided on the previous page.

	Nicaragua Six months ended June 30			
	2012	2011	Variance	% Change
Net gaming wins	$ 5,387	$ 5,388	$ (1)	0.0%
Food, beverage and hospitality sales	725	580	145	25.0%
Total revenue	6,112	5,968	144	2.4%
Cost of goods sold	(2,225)	(2,031)	(194)	9.6%
Gross profit	3,887	3,937	(50)	-1.3%
Other operating costs				
Operating, general and administrative	(3,186)	(3,214)	28	-0.9%
Project development	(104)	(58)	(46)	79.3%
Depreciation and amortization	(253)	(310)	57	-18.4%
Other gains and (losses)	(2)	(2)	-	0.0%
Operating profit	342	353	(11)	-3.1%
Financing				
Foreign exchange loss	(102)	(105)	3	-2.9%
Financing costs	(67)	(81)	14	-17.3%
Financing income	3	6	(3)	-50.0%
Finance costs, net	(166)	(180)	14	-7.8%
Profit before tax	176	173	3	1.7%

Other Group Updates

On June 28, 2012, the Group announced the results of its AGM held June 22, 2012, in Manila, Philippines:

a. Election of Directors: Salomon Guggenheim, Douglas Vicari, Reto Stadelmann, Roberto de Ocampo, and Albert W. Atallah were elected as Directors for one-year terms. Mr. Stadelmann is new to the board of directors and brings substantial experience from the finance sector as former Co-Head of Global Foreign Exchange & Money Market for UBS AG from 2003 to 2009 and Co-Head of Global Macro for UBS AG from 2009 to 2010. Mr. Stadelmann currently manages his own capital investment company.

b. Election of Officers: The persons listed below were elected and authorized by the Board to the following positions for the ensuing year:

   i. Peter LeSar, Interim Chief Executive Officer and President
   ii. Albert Atallah, General Counsel and Corporate Secretary
   iii. Peter LeSar, Chief Financial Officer
   iv. Tino Monaldo, Vice President - Corporate Development
   v. Angel Sueiro, Vice President - Design and Construction

c. Election of Chairman: Mr. Guggenheim, a member of the Board since June 2002, was named Chairman of the Board of Directors and will work closely with Mr. LeSar during this transition period.

d. Approval of Auditors: At the Annual Meeting, the Company's audited financial statements for its fiscal year ended December 31, 2011 were received. Shareholders also approved Grant Thornton UK, LLP as auditors for the ensuing year and resolved to ratify and approve all previous acts and deeds by the Directors since the last meeting of shareholders. No other business was conducted at the Shareholder meeting.

e. Management Changes: In a press release dated June 28, 2012, the Group announced that Jack Mitchell was no longer an officer or Director of the Group. Mr. Mitchell is now pursuing other business interests. Mr. Mitchell had certain publicly disclosed rights under his Employment Contract. The Group and Mr. Mitchell have now reached a negotiated resolution related to those terms, which include Mr. Mitchell receiving up to $1.8 million spread over a period of not greater than approximately 6 years. Mr. Mitchell will be subject to a non-compete restriction for 3 years in the Group's current markets. The resolution reached is more favorable to the Group than provided for in the Employment Contract.

Thunderbird issued tradable common shares in July and August 2012 for various purposes as well as returning to treasury certain shares which were cancelled:

- 67,714 shares were issued to pay off $90 thousand of Sweep Debt to two lenders.
- 26,228 shares were issued to the Group's independent directors for the prior quarter's directors fees
- 23,332 shares were returned to treasury as result of 3 former employees whose shares had not yet vested.
- 146,666 shares returned to treasury as a result of certain shares of Jack Mitchell, former CEO, which had not yet vested.

- 197,222 shares were issued to two entities which had provided investment advisory fees relating to the restructuring of the Peru related debt.

As of June 28 2012 166,666 options held by Jack Mitchell were no longer effective.

July 2012 Revenue Report: The Group reports the following revenues for July 2012. For a more detailed analysis of July 2012 revenue, please go to the Company's web page at: www.thunderbirdresorts.com and click on "July 2012 Revenue Report - Analysis" located under "News and Press Releases".

Thunderbird Resorts Inc. – Group-wide sales results by country (unaudited, *in millions*)	**July 2012**	**July 2011**	**Year-over-year increase/(decrease)**
Costa Rica[1]	1.29	1.66	-22.29%
Nicaragua	1.07	1.15	-6.96%
Peru[2]	2.36	2.61	-9.58%
Philippines	4.37	4.71	-7.22%
Total Consolidated Revenues	**9.09**	**10.13**	**-10.27%**

[1] A smoking ban in Costa Rica went into effect in early April 2012 that we believe will impact on revenue over the near term. The Group has experienced smoking bans in other markets, and tends to experience a short-term impact on revenue as the market adjusts to the new restriction.

[2] 2012 revenues consist of revenue from the Fiesta Hotel only plus management fees for the Thunderbird Hotel – Pardo, Thunderbird Hotel – Carrera and Thunderbird Hotel - El Pueblo; 2011 revenues consist of revenue from the Fiesta Hotel only plus management fees for the Thunderbird Hotel – Pardo, Thunderbird Hotel – Carrera, Thunderbird Hotel - Bella Vista, and Thunderbird Hotel - Principal.

Chapter 3:
Other Key Items

Employees

As of June 30, 2012, we had 3,044 employees, including 1,311 in the Philippines, 402 in Nicaragua, 859 in Peru, 434 in Costa Rica and 38 elsewhere.

Incorporation and Trading Market

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.

The Group is registered in the British Virgin Islands with common shares traded under the symbol TBIRD on the NYSE Euronext Amsterdam, the regulated market of NYSE Euronext Amsterdam N.V. (“NYSE Euronext”). The Group has adopted the U.S. dollar (“USD”) as its reporting currency. As required by EU regulation, the Group’s interim consolidated financial statements have been prepared in accordance with international financial reporting standards (“IFRS”) and IAS 34.

Our existing common shares are traded on the NYSE Euronext Amsterdam under the symbol TBIRD and on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the symbol 4TR. Our Group external auditor for 2012 is Grant Thornton UK LLP.

The Company is a British Virgin Islands corporation that is domiciled in the British Virgin Islands. The registered office is at Icaza, González-Ruiz & Alemán (BVI) Trust Limited, Vanterpool Plaza, Second Floor, Road Town, Tortola, BVI and our principal executive offices are located at Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514, Panama City, Panama. Our telephone number is (507) 223-1234. Our website is www.thunderbirdresorts.com.

Outlook

We are currently evaluating additional expansion opportunities in our existing markets. 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.

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.

For a list of material financings, please refer to notes 8 and 9 to the interim consolidated financial statements.

Achieving cost efficient financing under current market conditions is still difficult, particularly given the markets in which the Group operates. Accessing the public markets to raise equity is a costly and uncertain process, and could be highly dilutive. While the Group is in a materially better position, we continue to focus on improvements to our cash position.

Management’s statement on “going concern”

Please refer to note 2 to the interim consolidated financial statements.

Access to Capital

The Group’s long-term capital resources may include equity and debt offerings (public and/or private) and/or other financing transactions, in addition to cash generated from our operations. Accordingly, we may access the capital markets (equity and debt) from time-to-time to partially refinance our capital structure and to fund other needs including ongoing working capital needs. Our ability to satisfy future capital needs in the long term may depend on our ability to raise additional capital (debt and/or equity at the parent or subsidiary level). No assurance can be made that we will be able to raise the necessary funds on satisfactory terms. After evaluating the Group performance, its markets, general market conditions, and the matters noted above, the Directors have a reasonable expectation that the Group has or will secure adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the interim consolidated financial statements.

Indebtedness and Contractual Obligations

Our total long-term indebtedness, interest and other known contractual obligations are summarized below as of June 30, 2012. The contractual obligations for short-term and long-term debt reflect our historical debt levels and reflect the debt repayments that will actually be due under our capital structure as of the date of this Half-year Report.

	Six months ending 31 Dec 2012	2013	2014	2015	2016	2017	Thereafter	Total
Long-term bank loans	$ 7,490	$ 12,933	$ 10,632	$ 20,190	$ 3,874	$ 10,144	$ 10,428	$ 75,691
Finance lease obligations	1,446	145	82	61	22	-	-	1,756
Convertible debt notes	283	823	863	863	6,445	3,812	-	13,089
Trade payables	13,086	-	-	-	-	-	-	13,086
Due to related parties	1,472	-	-	-	-	-	-	1,472
Investment commitments	-	-	20,000	-	20,000	-	20,000	60,000
Total	**$ 23,777**	**$ 13,901**	**$ 31,577**	**$ 21,114**	**$ 30,341**	**$ 13,956**	**$ 30,428**	**$ 165,094**

Subsidiary debt arrangements and debt: Our joint ventures and operating subsidiaries typically finance their projects with indebtedness, either borrowed from us or from third party lenders. As of June 30, 2012, our joint venture owed us an aggregate of $133 thousand.

Quantitative and qualitative disclosures about market risk: Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is exchange rate risk associated with the currencies of the jurisdictions in which we operate. Foreign currency translation gains and losses were material to our results of operations for the six months ended June 30, 2012 and may continue to be material in future periods. We do not currently hedge our exposure to foreign currency, however, since we operate in countries that are subject to local currency fluctuations against the dollar, we are exposed to market risks from changes in foreign currency exchange rates, and we may engage in hedging transactions in the future. We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. We do not have any material floating-rate indebtedness. We may be subject to government policies that suppress foreign investment and economic development. In addition, governments may be provoked by organized religious groups or other organized groups to oppose casinos.

Off balance sheet arrangements and commitments: We have no off-balance sheet arrangements except for operating lease commitments described under “Indebtedness and contractual obligations.”

Inflation: We believe that the principal risk to us from inflation is the effect that increased prices may have on labor costs and on the costs associated with the development and construction of new projects. We believe that we are not exposed to extraordinary inflation risk.

Risks and Regulatory Environment: 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 have made it challenging to keep abreast of the rapidly evolving conditions. The Group's management has reviewed the risk profile and regulatory environment throughout the first half of 2012 and will continue to do so during the remainder of 2012. No new material risks have been identified that have not already been disclosed in this Half-year Report 2012 or the 2011 Annual Report, Chapter 5, "Regulatory" and Chapter 10, Risk Factors. See also note 25 "Contingencies" in the 2011 Annual Report.

Chapter 4:
Interim Consolidated Financial Statements

Financial Statements

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
As of June 30, 2012

	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Assets		
Non-current assets		
Property, plant and equipment (Note 7)	$ 90,893	$ 102,515
Intangible assets	13,035	13,184
Deferred tax asset	2,494	2,466
Trade and other receivables	5,425	5,442
Total non-current assets	111,847	123,607
Current assets		
Trade and other receivables	21,738	21,146
Inventories	1,654	1,564
Restricted cash	3,688	4,044
Cash and cash equivalents	7,677	3,994
Total current assets	34,757	30,748
Total assets	**$ 146,604**	**$ 154,355**

- continued -

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
As of June 30, 2012

	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Equity and liabilities		
Capital and reserves		
Share capital (Note 10)	$ 106,301	$ 105,850
Reserves - share commitments	9,116	9,116
Retained earnings	(79,754)	(80,635)
Translation reserve	3,294	1,996
Equity attributable to equity holders of the parent	38,957	36,327
Non-controlling interest	9,290	8,221
Total equity	48,247	44,548
Non-current liabilities		
Borrowings (Note 8)	56,565	58,350
Obligations under leases and hire purchase contracts (Note 9)	178	8,152
Derivative financial instruments	417	848
Other financial liabilities	294	213
Deferred tax liabilities	375	374
Provisions	4,656	3,331
Due to related parties (Note 12)	2,578	2,666
Other liabilities	4,143	3,329
Total non-current liabilities	69,206	77,263
Current liabilities		
Trade and other payables	13,086	13,007
Due to related parties (Note 12)	1,472	1,158
Borrowings (Note 8)	6,650	7,237
Obligations under leases and hire purchase contracts (Note 9)	1,416	3,323
Other financial liabilities	2,246	2,991
Current tax liabilities	2,873	2,984
Provisions	1,408	1,844
Total current liabilities	29,151	32,544
Total liabilities	98,357	109,807
Total equity and liabilities	**$ 146,604**	**$ 154,355**

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months and three months ended June 30, 2012

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2012	**2011**	**2012**	**2011**
Net gaming wins	$ 47,063	$ 49,356	$ 23,323	$ 24,741
Food, beverage and hospitality sales	10,793	11,831	5,224	5,258
Total revenue	57,856	61,187	28,547	29,999
Cost of goods sold	(22,515)	(23,163)	(11,395)	(11,464)
Gross profit	35,341	38,024	17,152	18,535
Other operating costs				
Operating, general and administrative	(25,340)	(27,831)	(12,813)	(15,053)
Project development	(230)	(218)	(143)	(105)
Depreciation and amortization (Note 7)	(7,157)	(7,442)	(3,580)	(3,861)
Other gains and (losses) (Note 5)	2,605	4,947	2,467	4,954
Operating profit	5,219	7,480	3,083	4,470
Financing				
Foreign exchange gain	907	818	(107)	616
Financing costs (Note 6)	(6,012)	(6,020)	(3,661)	(3,191)
Financing income (Note 6)	2,577	192	2,284	90
Other interest (Note 6)	(277)	-	(277)	-
Finance costs, net	(2,805)	(5,010)	(1,761)	(2,485)
Profit before tax	2,414	2,470	1,322	1,985
Income taxes expense	(464)	(323)	(187)	(88)
Profit for the year from continuing operations	**$ 1,950**	**$ 2,147**	**$ 1,135**	**$ 1,897**
(Loss) for the year from discontinued operations	-	(74)	-	16
Profit for the period	**$ 1,950**	**$ 2,073**	**$ 1,135**	**$ 1,913**
Other comprehensive income				
Exchange differences arising on the translation of foreign operations	$ 1,298	$ 1,000	$ 1,065	$ 1,291
Other comprehensive income for the period	1,298	1,000	1,065	1,291
Total comprehensive income for the period	**$ 3,248**	**$ 3,073**	**$ 2,200**	**$ 3,204**
Profit for the year attributable to:				
Owners of the parent	881	1,648	830	1,637
Non-controlling interest	1,069	425	305	276
	$ 1,950	$ 2,073	$ 1,135	$ 1,913
Total comprehensive income attributable to:				
Owners of the parent	2,179	2,648	1,895	2,928
Non-controlling interest	1,069	425	305	276
	$ 3,248	$ 3,073	$ 2,200	$ 3,204
Basic earnings per share (in $) : (Note 11)	0.04	0.08	0.04	0.22
Diluted earnings per share: (Note 11)	0.04	0.08	0.04	0.22

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in thousands of United States dollars)
As of June 30, 2012

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
Balance at January 1, 2011	$ 101,005	$ 9,100	$ 645	$ (67,835)	$ 42,915	$ 7,968	$ 50,883
Recognition of share based payments	175	(4)	-	-	171	-	171
Reclasification of currency translation on disposal	-	-	766	-	766	-	766
	$ 101,180	$ 9,096	$ 1,411	$ (67,835)	$ 43,852	$ 7,968	$ 51,820
Profit for the period	-	-	-	1,648	1,648	425	2,073
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	1,000	-	1,000	-	1,000
Total comprehensive income for the period	-	-	1,000	1,648	2,648	425	3,073
Balance at June 30, 2011 (unaudited)	$ 101,180	$ 9,096	$ 2,411	$ (66,187)	$ 46,500	$ 8,393	$ 54,893
Buy-back of subsidiary shares	-	-	-	61	61	(129)	(68)
Recognition of share based payments	4,670	20	-	-	4,690	-	4,690
	$ 105,850	$ 9,116	$ 2,411	$ (66,126)	$ 51,251	$ 8,264	$ 59,515
Loss for the period	-	-	-	(14,509)	(14,509)	(43)	(14,552)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(415)	-	(415)	-	(415)
Total comprehensive income for the period	-	-	(415)	(14,509)	(14,924)	(43)	(14,967)
Balance at December 31, 2011 (audited)	$ 105,850	$ 9,116	$ 1,996	$ (80,635)	$ 36,327	$ 8,221	$ 44,548

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
Balance at January 1, 2012	$ 105,850	$ 9,116	$ 1,996	$ (80,635)	$ 36,327	$ 8,221	$ 44,548
Recognition of share based payments	451	-	-	-	451	-	451
	$ 106,301	$ 9,116	$ 1,996	$ (80,635)	$ 36,778	$ 8,221	$ 44,999
Profit for the period	-	-	-	881	881	1,069	1,950
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	1,298	-	1,298	-	1,298
Total comprehensive income for the period	-	-	1,298	881	2,179	1,069	3,248
Balance at June 30, 2012 (unaudited)	$ 106,301	$ 9,116	$ 3,294	$ (79,754)	$ 38,957	$ 9,290	$ 48,247

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2012

	Six months ended June 30 (unaudited)	
	2012	2011
Cash flow from operating activities		
Profit / (loss) for the period	$ 1,950	$ 2,073
Items not involving cash:		
Depreciation and amortization	7,157	7,442
Loss on disposal of property, plant and equipment	173	(271)
Unrealized foreign exchange	(1,305)	(818)
Increase / (decrease) in provision	889	(408)
Bad debt expense	12	-
Gain on sale of Peru hotels	(3,011)	(5,057)
Loss on disposal of controlling interest in subsidiary	-	512
Gain on derivative financial instruments	(616)	(128)
Share based compensation	-	(3)
Non-controlling interest	(1,069)	(425)
Finance income	(2,577)	(192)
Finance cost	6,012	6,020
Other interests	277	-
Tax expenses	464	323
Net change in non-cash working capital items		
(Increase) in trade, prepaid and other receivables	(607)	(2,321)
(Increase) / decrease in inventory	(90)	364
Increase in trade payables and accrued liabilities	1,119	1,786
Cash generated from operations	8,778	8,897
Total tax paid	(575)	(961)
Net cash generated by operating activities	**$ 8,203**	**$ 7,936**

- continued -

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

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the six months ended June 30, 2012

	Six months ended June 30 (unaudited)	
	2012	**2011**
Cash flow from investing activities		
Expenditure on property, plant and equipment	$ (4,013)	$ (6,148)
Proceeds on sale of Peru Hotels	13,600	18,000
Investment in associate	-	(460)
Proceeds from the sale of interest in joint venture	-	807
Cash deconsolidated upon disposal of controlling interest	-	(499)
Interest received	64	192
Net cash used from investing activities	**$ 9,651**	**$ 11,892**
Cash flow from financing activities		
Proceeds from issuance of common shares	-	174
Proceeds from issuance of new loans	14,036	4,207
Proceeds from issuance of new finance leases	299	828
Repayment of loans and leases payable	(27,153)	(21,721)
Interest paid	(2,763)	(4,793)
Net cash used from financing activities	**$ (15,581)**	**$ (21,305)**
Change in cash and cash equivalents from continuing operations	2,273	(1,477)
Net cash used from discontinued operations	-	(2,900)
Net change in cash and cash equivalents durings the period	2,273	(4,377)
Cash and cash equivalents, beginning of period	8,038	10,015
Cash and cash equivalents, end of the period	10,311	5,638
Effect of foreign exchange adjustment	1,054	2,955
Adjusted cash and cash equivalents, end of the period	**$ 11,365**	**$ 8,593**

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

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated Financial Statements "Interim Financial Statements" are for the six months ended June 30, 2012 and 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. These Interim Financial Statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2011 which are based on IFRS as issued by the IASB.

In addition, the notes to these Interim 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 December 31, 2011. These Interim 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 up to December 31, 2013 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 expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding anticipated to reduce over time. The model incorporates future cash flows from existing projects under construction following their projected opening dates, but assumes no new construction projects during the forecast period. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to delayed project opening dates and revenues not achieving anticipated levels.

The Directors have considered the: (i) base of investors and debt lenders historically available to the Group; (ii) global capital markets; (iii) limited trading exposures to our local suppliers and retail customers; (iv) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (v) sources of Group income, including management fees charged to and income distributed from its various operations; (vi) cash generation, debt amortization levels and key debt service coverage ratios; and (vii) fundamental trends of the Group's businesses. Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the next 18 months.

In consideration of management's options over further funding:

Indebtedness: The Group has reduced its amount of indebtedness significantly in the last 12 months. In order to further reduce risks associated with indebtedness, the Group believes it will be able to, should it have to, renegotiate certain principal debt repayment terms with certain lenders in order to extend amortization periods and further improve cash flow.

Access to Capital: The Group's long-term capital resources may include equity and debt offerings (public and/or private) and/or other financing transactions, in addition to cash generated from our operations. Accordingly, we may access the capital markets (equity and debt) from time-to-time to partially refinance our capital structure and to fund other needs including ongoing working capital needs. Our ability to satisfy future capital needs in the long term may depend on our ability to raise additional capital (debt and/or equity at the parent or subsidiary level). No assurance can be made that we will be able to raise the necessary funds on satisfactory terms.

After evaluating the Group performance, its markets, general market conditions, and the matters noted above, the Directors have a reasonable expectation that the Group has or will secure adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended December 31, 2011. As noted in the 2011 Annual Report, certain standards and pronouncements became effective from January 1, 2012, none of which have a significant impact on the Groups results.

The preparation of the condensed set of Interim 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 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 December 31, 2011.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these Interim Financial Statements. Management does not consider the impact of seasonality on operations to be significant.

4. SEGMENTAL INFORMATION

In identifying its operating segments, management generally follows the Group's geographic country lines, which represent the primary operating segments of the Group.

The activities undertaken by each operating segment include the operation of casinos and related food, beverage and hospitality activities. Some of our operating segments also operate hotels, notably Peru, Costa Rica and the Philippines.

Each of these operating segments is managed separately by country managers as each country has a different regulatory environment and customs, as well as, different marketing approaches which is consistent with the internal reporting provided to the chief operating decision maker. All inter-segment transfers are carried out at arm's length prices when they occur.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements, except that expenses relating to share-based payments are not included in arriving at the operating profit of the operating segments. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. In the financial periods under review, this primarily applies to the Group's headquarters in Panama.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

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

The segmental information is presented as comparative six month period except for assets and liabilities which are presented as of June 30, 2012 and December 31, 2011.

Operational Segments

	Costa Rica		Nicaragua		Philippines		Peru	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Continuing operations								
Total revenue	8,697	9,900	6,112	5,968	25,836	25,817	17,106	19,399
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	2,331	2,628	948	991	6,412	6,594	2,988	4,161
Project development	(79)	(140)	(104)	(58)	(2)	(3)	-	(6)
Depreciation and amortization	(1,133)	(1,187)	(253)	(310)	(2,697)	(2,711)	(2,956)	(3,079)
Other gains and (losses)	4	(12)	(2)	(2)	(2)	-	3,008	5,359
Segments result	1,123	1,289	589	621	3,711	3,880	3,040	6,435
Foreign exchange gain / (loss)	324	131	(102)	(105)	540	187	224	147
Finance costs	(396)	(379)	(67)	(81)	(810)	(1,117)	(2,686)	(1,655)
Finance income	191	-	3	6	531	8	2,154	55
Other interest	-	-	-	-	-	-	-	-
Management fees - intercompany charges	(165)	(1,123)	(247)	(268)	(1,648)	(1,863)	(163)	435
Profit / (loss) before taxation	1,077	(82)	176	173	2,324	1,095	2,569	5,417
Taxation	(342)	(97)	(68)	(51)	(14)	(28)	-	-
Profit / (loss) for the period-continuing operations	735	(179)	108	122	2,310	1,067	2,569	5,417
Profit / (loss) for the period-discontinued operations	-	-	-	-	-	-	-	-
Profit / (loss) for the period	735	(179)	108	122	2,310	1,067	2,569	5,417
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	735	(179)	108	122	2,310	1,067	2,569	5,417
Non-controlling interest	204	(56)	48	53	817	428	-	-
Total comprehensive income attributable to owners of the parent	531	(123)	60	69	1,493	639	2,569	5,417
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	2,508	2,508	1,387	1,387	3,901	3,901	4,277	4,277
Intangible assets with finite useful lives	134	173	43	49	-	-	753	806
Segment assets:								
Property, plant and equipment	20,451	20,239	5,628	5,114	37,579	37,316	27,030	38,917
Other segment assets (including cash)	7,392	8,073	(317)	(50)	22,937	19,437	34,255	30,687
Total segment assets	30,485	30,993	6,741	6,500	64,417	60,654	66,315	74,687
Total segment liabilities	12,001	13,596	3,046	2,861	40,060	39,567	27,881	38,285
Net assets / (liabilities)	18,484	17,397	3,695	3,639	24,357	21,087	38,434	36,402
Non-controlling interest	5,331	5,127	1,251	1,203	2,372	1,555	-	-
Other segment items								
Capital expenditure	716	2,656	897	312	1,501	5,048	748	2,195
Depreciation and amortization	1,133	2,373	253	575	2,697	5,521	2,956	6,335
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

- continued -

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

	Total Operations		Corporate and non-allocated[1]		Total	
	2012	2011	2012	2011	2012	2011
Continuing operations						
Total revenue	57,751	61,084	105	103	57,856	61,187
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	12,679	14,374	(3,109)	(2,724)	9,570	11,650
Project development	(185)	(207)	(45)	(11)	(230)	(218)
Depreciation and amortization	(7,039)	(7,287)	(118)	(155)	(7,157)	(7,442)
Other gains and (losses)	3,008	5,345	(403)	(398)	2,605	4,947
Segments result	8,463	12,225	(3,675)	(3,288)	4,788	8,937
Foreign exchange gain / (loss)	986	360	(79)	458	907	818
Finance costs	(3,959)	(3,232)	(2,053)	(2,788)	(6,012)	(6,020)
Finance income	2,879	69	(302)	123	2,577	192
Other interest	-	-	(277)	-	(277)	-
Management fees - intercompany charges	(2,223)	(2,819)	2,654	1,362	431	(1,457)
Profit / (loss) before taxation	6,146	6,603	(3,732)	(4,133)	2,414	2,470
Taxation	(424)	(176)	(40)	(147)	(464)	(323)
Profit / (loss) for the period-continuing operations	5,722	6,427	(3,772)	(4,280)	1,950	2,147
Profit / (loss) for the period-discontinued operations	-	-	-	(74)	-	(74)
Profit / (loss) for the period	5,722	6,427	(3,772)	(4,354)	1,950	2,073
Currency translation reserve	-	-	1,298	1,000	1,298	1,000
Total comprehensive income for the period	5,722	6,427	(2,474)	(3,354)	3,248	3,073
Non-controlling interest	1,069	425	-	-	1,069	425
Total comprehensive income attributable to owners of the parent	4,653	6,002	(2,474)	(3,354)	2,179	2,648
Assets and liabilities						
Segment intangible assets:						
Intangible assets with indefinite useful lives	12,073	12,073	-	-	12,073	12,073
Intangible assets with finite useful lives	930	1,028	32	83	962	1,111
Segment assets:						
Property, plant and equipment	90,688	101,586	205	929	90,893	102,515
Other segment assets (including cash)	64,267	58,147	(21,591)	(19,491)	42,676	38,656
Total segment assets	167,958	172,834	(21,354)	(18,479)	146,604	154,355
Total segment liabilities	82,988	94,309	15,369	15,498	98,357	109,807
Net assets / (liabilities)	84,970	78,525	(36,723)	(33,977)	48,247	44,548
Non-controlling interest	8,954	7,885	336	336	9,290	8,221
Other segment items						
Capital expenditure	3,862	10,211	37	2,202	3,899	12,413
Depreciation and amortization	7,039	14,804	118	295	7,157	15,099
Impairment losses	-	-	-	5,172	-	5,172
Share based compensation	-	-	-	(1)	-	(1)

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

Other Supplementary information

	Gaming		Hotel		Corporate and non-allocated [1]		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Continuing operations								
Total revenue	49,545	51,209	8,206	9,875	105	103	57,856	61,187
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	11,791	13,217	888	1,157	(3,109)	(2,724)	9,570	11,650
Project development	(185)	(204)	-	(3)	(45)	(11)	(230)	(218)
Depreciation and amortization	(5,451)	(5,469)	(1,588)	(1,818)	(118)	(155)	(7,157)	(7,442)
Other gains and (losses)	(3)	287	3,011	5,058	(403)	(398)	2,605	4,947
Segments result	6,152	7,831	2,311	4,394	(3,675)	(3,288)	4,788	8,937
Foreign exchange gain / (loss)	839	492	147	(132)	(79)	458	907	818
Finance costs	(1,266)	(1,737)	(2,693)	(1,495)	(2,053)	(2,788)	(6,012)	(6,020)
Finance income	726	18	2,153	51	(302)	123	2,577	192
Other interest	-	-	-	-	(277)	-	(277)	-
Management fees - intercompany charges	(2,289)	(2,819)	66	-	2,654	1,362	431	(1,457)
Profit / (loss) before taxation	4,163	3,785	1,983	2,818	(3,732)	(4,133)	2,414	2,470
Taxation	(422)	(173)	(2)	(3)	(40)	(147)	(464)	(323)
Profit / (loss) for the period-continuing operations	3,741	3,612	1,981	2,815	(3,772)	(4,280)	1,950	2,147
Profit / (loss) for the period-discontinued operations	-	-	-	-	-	(74)	-	(74)
Profit / (loss) for the period	3,741	3,612	1,981	2,815	(3,772)	(4,354)	1,950	2,073
Currency translation reserve	-	-	-	-	1,298	1,000	1,298	1,000
Total comprehensive income for the period	3,741	3,612	1,981	2,815	(2,474)	(3,354)	3,248	3,073
Non-controlling interest	1,069	425	-	-	-	-	1,069	425
Total comprehensive income attributable to owners of the parent	2,672	3,187	1,981	2,815	(2,474)	(3,354)	2,179	2,648
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	12,059	12,059	14	14	-	-	12,073	12,073
Intangible assets with finite useful lives	293	343	637	685	32	83	962	1,111
Segment assets:								
Property, plant and equipment	58,619	53,047	32,069	48,539	205	929	90,893	102,515
Other segment assets (including cash)	38,094	29,389	26,173	28,758	(21,591)	(19,491)	42,676	38,656
Total segment assets	109,065	94,838	58,893	77,996	(21,354)	(18,479)	146,604	154,355
Total segment liabilities	60,511	57,337	22,477	36,972	15,369	15,498	98,357	109,807
Net assets / (liabilities)	48,554	37,500	36,416	41,025	(36,723)	(33,977)	48,247	44,548
Non-controlling interest	8,954	7,885	-	-	336	336	9,290	8,221
Other segment items								
Capital expenditure	3,778	10,211	84	-	37	2,202	3,899	12,413
Depreciation and amortization	5,451	11,974	1,588	2,830	118	295	7,157	15,099
Impairment losses	-	-	-	-	-	5,172	-	5,172
Share based compensation	-	-	-	-	-	(1)	-	(1)

(1) Includes non-operating entities

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

5. OTHER GAINS AND LOSSES

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2012	2011	2012	2011
Other gains and (losses)				
Share based compensation	$ -	$ 3	$ -	$ 3
Other write off of assets	173	271	206	278
Gain from assets held for sale	3,011	5,057	3,003	5,057
Loss on disposal of investment	-	(512)	-	(512)
Gain on Guatemala sale	116	-	77	-
Provision on severance settlement	(1,235)	-	(1,235)	-
Fair value adjustment for financial derivative contracts	616	128	511	128
Fair value adjustment for shares pledged for borrowings	(91)	-	(91)	-
Other	15	-	(4)	-
Total	**$ 2,605**	**$ 4,947**	**$ 2,467**	**$ 4,954**

a. Share based compensation

In October 2010 the Board authorized the Company to issue an additional 452,500 shares to Company senior management and certain employees pursuant to the Company's long term stock incentive plan. In addition, during Q4 2010 the Company issued 183,765 shares in lieu of cash to certain executives for their voluntary deferral of 20% of wages for the period 1 August 2009 to 30 September 2010.

The 2011 net gain relates to gains in reserve balances of $22,000 for options canceled due to employee forfeitures partially offset by reserve valuation adjustments of $19,000.

Share based compensation as of June 30, 2012 is $Nil.

b. Other write off of assets

Certain trade receivables in Nicaragua, Costa Rica, and Peru were determined to be uncollectable and a provision of $12,000 (2011 - $16,000) has been recorded. In addition, losses were recognized on dispositions, abandonments or obsolescence of property, plant and equipment totaling $14,000 (2011 - $16,000) which offset with gains on sale of property, plant, and equipment of $199,000 (2011 - $302,000).

c. Gain from asset held for sale

In the first quarter of 2012, management decided to sell the non-strategic Thunderbird Hotel-El Pueblo in Peru to pay off some debts and to improve the Group's statement of financial position. As of April 30, 2012, Thunderbird Hotel-El Pueblo was sold and the Group recognized a gain from asset held for sale of $3,011,000.

d. Loss of disposal of investment

On May 12, 2011, the Group sold 27% of its shares in Daman Hospitality Limited "DHPL", for $808,000, resulting in a consolidated loss on disposal of $512,000.

e. Gain on Sale of Guatemalan Operation

On December 31, 2010 the group entered into an agreement to transfer its Guatemala operations to Inversiones Fenix, S.A. for consideration of $3,018,000, comprised of a $2,100,000 promissory note and related interest payment. At the date of disposal the fair value of the consideration received was $Nil.

During the six months ended June 30, 2012 the Group received interest payments totaling $116,000 which have been recorded within other gains and losses.

f. Provision on severance settlement

On June 28, 2012, the Group announced that Jack Mitchell was no longer an officer or Director of the Group. Mr. Mitchell had certain publicly disclosed rights under his Employment Contract (2011 Annual Report, chapter 7, p. 77-78). As of June 30, 2012, the Group and Mr. Mitchell were negotiating a resolution relating to differing interpretations of the terms and conditions of the Employment Contract, which include Mr. Mitchell receiving, under certain circumstances, up to $1.8 million spread over a period of not greater than approximately 6 years. A provision has been made for the net present value of the future cash payments of $1,235,000 in the event a resolution is reached. Subsequent to June 30, 2012, the Group and Mr. Mitchell reached a negotiated resolution consistent with the terms set forth above. Moreover, Mr. Mitchell will be subject to a non-compete restriction for 3 years in the Group's current markets.

g. Fair value adjustments for financial derivative contracts

During the fourth quarter of 2011 and the first half of 2012 the group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 8). During the the six months ended June 30, 2012, upon initial recognition an embedded derivative of $185,000 (2011 - $848,000) was separately measured and recorded within derivative financial instruments. Its fair value was $417,000 as of June 30, 2012, resulting in a fair value gain of $616,000 for the period.

h. Fair value adjustments for shares pledged for borrowings

During the first quarter of 2012 the Group restuctured certain Peru debt, refered to as "Parlor debt"(Chapter 3, p. 15). As part of the negotiations the Group issued 175,000 of Thunderbird Resorts shares as additional secutiry on the loan. Upon initial recognition $355,000 was separately measured and recorded within other non-current trade and other receivables. Its fair value was $264,000 as of June 30, 2012, resulting in a fair value loss of $91,000 for the period.

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

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 June 30, 2012	Six months ended June 30, 2011		
Finance cost	**Continuing operations**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 286	$ 842	-	$ 842
Other loans	3,177	4,269	106	4,375
Finance charges payable under finance leases and hire purchase contracts	362	672	-	672
Amortization of borrowing costs	2,187	131	-	131
Total finance costs (on a historical cost basis)	**$ 6,012**	**$ 5,914**	**$ 106**	**$ 6,020**
Finance revenue				
Bank interest receivable	67	192	-	192
Gain on loan refinancing	2,510	-	-	-
Total finance revenue (on a historical cost basis)	**$ 2,577**	**$ 192**	**$ -**	**$ 192**
Other Interest				
Other interest	277	-	-	-
Total Other Interest	**$ 277**	**$ -**	**$ -**	**$ -**

	Three months ended June 30, 2012	Three months ended June 30, 2011		
Finance cost	**Continuing operations**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 133	$ 335	-	$ 335
Other loans	1,530	2,390	52	2,442
Finance charges payable under finance leases and hire purchase contracts	79	346	-	346
Amortization of borrowing costs	1,919	68	-	68
Total finance costs (on a historical cost basis)	**$ 3,661**	**$ 3,139**	**$ 52**	**$ 3,191**
Finance revenue				
Bank interest receivable	145	90	-	90
Gain on loan refinancing	2,139	-	-	-
Total finance revenue (on a historical cost basis)	**$ 2,284**	**$ 90**	**$ -**	**$ 90**
Other Interest				
Other interest	277	-	-	-
Total Other Interest	**$ 277**	**$ -**	**$ -**	**$ -**

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

At June 30, 2012, the Group has United States income tax net operating losses of $26,235,000 (December 31, 2011 - $27,713,000). These operating losses expire at various dates between 2011 and 2033. 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 primarily for its Peruvian operation in the amount of $2,494,000 (December 31, 2011 - $2,466,000), attributable to losses and book reserves. The Peruvian losses will be offset against future net income.

7. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of January 1, 2012	$ 74,039	$ 9,612	$ 45,620	$ 28,926	$ 11,799	$ 169,996
Foreign Exchange adjustments	1,613	247	1,046	552	276	3,734
Additions	1	26	179	360	3,447	4,013
Disposals	(854)	(42)	(166)	(261)	(2)	(1,325)
Transfers	260	3	873	526	(1,662)	-
Assets held for sale	(11,698)	-	-	(1,527)	-	(13,225)
As of June 30, 2012	63,361	9,846	47,552	28,576	13,858	163,193
Depreciation						
As of January 1, 2012	11,922	2,577	33,461	19,143	378	67,481
Foreign Exchange adjustments	273	93	784	343	-	1,493
Charge for the year	1,524	353	3,518	1,753	-	7,148
Disposals	(192)	(42)	(146)	(243)	-	(623)
Assets held for sale	(2,008)	-	-	(1,191)	-	(3,199)
As of June 30, 2012	11,519	2,981	37,617	19,805	378	72,300
Net book value as of January 1, 2012	**62,117**	**7,035**	**12,159**	**9,783**	**11,421**	**102,515**
Net book value as of June 30, 2012	**$ 51,842**	**$ 6,865**	**$ 9,935**	**$ 8,771**	**$ 13,480**	**$ 90,893**

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

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of January 1, 2011	$ 67,572	$ 8,879	$ 43,540	$ 25,238	$ 42,980	$ 188,209
Foreign Exchange adjustments	1,048	(69)	641	148	(979)	789
Additions - continued operations	28	10	795	559	7,944	9,336
Additions - discontinued operations	-	-	-	-	2,057	2,057
Disposals - continued operations	(70)	(27)	(1,210)	(234)	(59)	(1,600)
Disposals - discontinued operations	(2,831)	(47)	-	(389)	(26,461)	(29,728)
Transfers	8,292	866	1,854	2,670	(13,683)	(1)
Assets held for sale	-	-	-	934	-	934
As of December 31, 2011	74,039	9,612	45,620	28,926	11,799	169,996
Depreciation						
As of January 1, 2011	8,553	1,859	27,244	15,319	378	53,353
Foreign Exchange adjustments	201	(44)	411	29	-	597
Charge for the year - continued operations	3,179	827	6,956	3,334	-	14,296
Charge for the year - discontinued operations	-	6	-	36	-	42
Disposals - continued operations	-	(6)	(1,138)	(124)	-	(1,268)
Disposals - discontinued operations	-	(63)	-	(130)	-	(193)
Impairment Poland	-	(2)	(12)	(2)	-	(16)
Transfers	(11)	-	-	11	-	-
Transfers from assets held for sale	-	-	-	670	-	670
As of December 31, 2011	11,922	2,577	33,461	19,143	378	67,481
Net book value as of January 1, 2011	**59,019**	**7,020**	**16,296**	**9,919**	**42,602**	**134,856**
Net book value as of December 31, 2011	**$ 62,117**	**$ 7,035**	**$ 12,159**	**$ 9,783**	**$ 11,421**	**$ 102,515**

Assets pledged as security

Assets with the following amounts have been pledged to secure borrowings of the Group:

	June 30, 2012	December 31, 2011
Property	$ 39,462	$ 21,057
Gaming equipment	2,098	2,855
Equipment	-	158
Total	**$ 41,560**	**$ 24,070**

The carrying value of assets held under finance leases and hire purchase contracts at June 30, 2012 was $1,688,000 (December 31, 2011 - $25,054,000).

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

8. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal repayments								
	Six months ending Dec 31, 2012	2013	2014	2015	2016	2017	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:									
>15%	$ 144	$ 1,286	$ 168	$ 136	$ -	$ -	$ -	$ (80)	$ 1,654
13% to 14%	512	776	544	2,739	102	-	18	(42)	4,649
11% to 12%[2]	890	1,816	2,885	10,762	990	7,461	-	(1,813)	22,991
<10%	2,430	4,106	3,171	3,578	6,544	5,492	9,463	(863)	33,921
Total principal repayments	**$ 3,976**	**$ 7,984**	**$ 6,768**	**$ 17,215**	**$ 7,636**	**$ 12,953**	**$ 9,481**	**$ (2,798)**	**$ 63,215**

1. Floating rate loans are calculated as of the effective rate on June 30, 2012.

2. Includes $7,898,000 of convertible loan notes with an embedded derivative of $417,000 (December 31, 2011 - $848,000 AR Note 28). For detailed loan terms please see (d) below.

	Six months ending Dec 31, 2012	2013	2014	2015	2016	2017	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:									
Corporate [3]	$ 1,048	$ 2,759	$ 2,551	$ 8,194	$ 5,736	$ 11,017	$ 141	$ (1,687)	$ 29,759
Costa Rica	971	1,401	1,131	2,539	462	492	857	(297)	7,556
Nicaragua	156	657	44	49	54	35	-	(7)	988
Philippines	1,582	2,245	2,042	5,348	206	131	165	(577)	11,142
Peru	219	922	1,000	1,085	1,178	1,278	8,318	(230)	13,770
Total principal repayments	**$ 3,976**	**$ 7,984**	**$ 6,768**	**$ 17,215**	**$ 7,636**	**$ 12,953**	**$ 9,481**	**$ (2,798)**	**$ 63,215**

3. The Group's parent entity (Corporate) assumed outstanding debt balances of our Guatemala and Poland entities. The balances outstanding at June 30, 2012 for Guatemala and Poland were $862,000 and $1,150,000, respectively.

	Borrowing summary	
	June 30, 2012	December 31, 2011
Total borrowing	$ 63,215	$ 65,587
Less current portion of borrowings	(6,650)	(7,237)
Borrowing non-current	**$ 56,565**	**$ 58,350**

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

	Schedule of Corporate principal repayments - reimbursable by subsidiaries								
	Six months ending Dec 31, 2012	2013	2014	2015	2016	2017	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:									
Corporate	$ 128	$ 1,546	$ 1,413	$ 7,307	$ 145	$ 158	$ 141	$ (1,114)	$ 9,724
Costa Rica	43	33	-	-	-	-	-	-	76
Philippines	516	467	343	-	-	-	-	-	1,326
Peru	361	713	795	887	5,591	10,859	-	(573)	18,633
Total principal repayments	**$ 1,048**	**$ 2,759**	**$ 2,551**	**$ 8,194**	**$ 5,736**	**$ 11,017**	**$ 141**	**$ (1,687)**	**$ 29,759**

During the six months ended June 30, 2012, the Group has obtained new borrowings detailed as follows:

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

	Additions	Balance June 30, 2012	Collateral	Interest rate	Maturity date
Peru					
Loans with financial entities	14,000	14,000	Mortgage on PPE	8.5%	Jun-2019
Philippines					
Loans with financial entities	36	36		12%, 14%, 16%, 24%	May-12, Jun-12, Oct-12, May-13, Jun-13
Total	**$ 14,036**	**$ 14,036**			

The following table provides additional detail of additions, refinancing, repayments, and disposals taking place during the six months ended June 30, 2012:

Additions Summary	Balance Dec 31, 2011	Additions	Refinancing	Refinancing Extinguishment	Repayments	Disposal	Unamortized premiums discounts & issuance costs	Balance June 30, 2012
Loans with financial entities	$ 10,554	$ 14,022	$ -	$ -	$ (1,077)	$ -	$ (358)	$ 23,141
Loans with non-financial entities	51,305	14	281	(1,050)	(16,419)	-	(1,955)	32,176
Convertible loan notes with non-financial entities	6,815	-	1,753	(185)	-	-	(485)	7,898
Total	**$ 68,674**	**$ 14,036**	**$ 2,034**	**$ (1,235)**	**$ (17,496)**	**$ -**	**$ (2,798)**	**$ 63,215**

Notes:

Additions

a. During the six months ended June 30, 2012, Thunderbird Hoteles Las Americas obtained financing from a Peru based bank to repay certain “Senior” and “Sweep” loans. The “Senior” loan is for $5.8 million and is secured with property, plant, and equipment. The loan bears interest at 8.5%, amortizes over 10 years, and matures in 7 years. Principal and interest payments are due monthly in 83 equal installments and a balloon payment in month 84.

b. During the six months ended June 30, 2012, Fiesta Casino Benavides obtained financing from a Peru based bank to repay certain “Senior” and “Sweep” loans. The “Senior” loan is for $8.2 million and is secured with property, plant, and equipment. The loan bears interest at 8.5%, amortizes over 10 years, and matures in 7 years. Principal and interest payments are due monthly in 83 equal installments and a balloon payment in month 84.

c. During the six months ended June 30, 2012 the Group assumed existing debt balances in the absorption of a new Philippines subsidiary Thunderbird Hotels Asia of $36 thousand. The loans are unsecured and have an annual interest rate of 12%. Principal and interest payments are due monthly in 12 equal installments.

Refinancing additions with original loan extinguishment

d. During the six months ended June 30, 2012, the group executed a refinancing of approximately $2.9 million of principal and accrued interest with 4 lenders into new convertible loan notes in the approximate amount of $1.7 million (collectively the "Convertible Notes") to include a discount of the accrued interest. The conversion terms include: mandatory and automatic conversion into the Group's common stock in tranches at designated price levels. See 2011 Annual Report Chapter 4, Section entitled ―Summary of Convertible Notes, for more details on the price, timing and terms for the conversion of the debt into common shares. Since 2011 a total of $8.4 million of the convertible notes have been recorded as borrowings and the remaining $1 million have been recorded as derivative liabilities.

Other

e. During the six months ended June 30, 2012, the Group extinguished approximately 8 loans with private lenders, which loan terms included 8.5% to 14% interest rates. Approximately $12.8 million of principal and $1.1 million of accrued interest was extinguished. $11.6 million of principal and $163 thousand of accrued interest were paid in cash with the remaining principal and interest settled through discounts of $2.1 million from lenders.

f. Effective December 31, 2011, the Group executed various amendments to promissory notes with approximately 35 private lenders representing approximately $10.3 million in principal balance. The Group will generally defer payments to the lenders for approximately five months in 2012, with the deferred interest due as a balloon payment upon the existing maturity dates. For a substantial portion of these notes, the maturity dates were extended. During the six months ended June 30, 2012 approximately $281 thousand of accrued interest on loans with 4 lenders has been rolled in to principal.

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

9. 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 June 30, 2012, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

Finance lease commitments	Future commitments due June 30, 2012		Future commitments due December 31, 2011	
	Commitment	Present value	Commitment	Present value
Not longer than one year	$ 1,577	$ 1,416	$ 4,944	$ 3,377
After one year but not more than five years	179	178	10,843	7,350
After five years	-	-	1,175	925
Sub total	1,756	1,594	16,962	11,652
Less deferred transaction costs	-	-	-	(177)
Present value of minimum lease payments	**$ 1,756**	**$ 1,594**	**$ 16,962**	**$ 11,475**
Obligations under leases and hire purchase contracts current		(1,416)		(3,323)
Obligations under leases and hire purchase contracts non-current		**$ 178**		**$ 8,152**

Assets held under finance leases and hire purchase contracts as of June 30, 2012 and for the year ended December 31, 2011:

	June 30, 2012		December 31, 2011	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 753	$ 245	$ 789	$ 309
Gaming machines	2,275	1,419	3,165	2,400
Property	-	-	28,375	22,286
Other	114	24	178	59
Total	**$ 3,142**	**$ 1,688**	**$ 32,507**	**$ 25,054**

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

Obligations under operating leases

As at June 30, 2012, minimum operating lease payments of the Group for continuing operations were as follows:

	Future commitments due
Not longer than one year	$ 3,582
After one year but not more than five years	12,181
After five years	18,604
Total	**$ 34,367**

10. 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 October 6, 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	Share capital ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2010	**20,682,815**	**$ 101,005**
Exercise of options/warrants	505,048	1,042
Share based payments	1,361,214	3,820
Shares returned to treasury	(7,500)	(17)
Balance as at December 31, 2011	**22,541,577**	**$ 105,850**
Share based payments	378,496	451
Balance as at June 30, 2012	**22,920,073**	**106,301**

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

Options

	Number of shares		Weighted average exercise price
Balance as at December 31, 2010	594,320	$	3.84
Exercised	(6,666)		2.10
Cancelled	(14,999)		4.98
Balance as at December 31, 2011	572,655	$	3.83
Exercised	-		-
Cancelled	(28,443)		3.37
Balance as at June 30, 2012	544,212	$	3.90
Number of options currently exercisable	511,954	$	3.69

Please refer to Note 20 in the Group's consolidated financial statements for the year ended December 31, 2011 for additional discussion of the Group's stock option plans.

11. EARNINGS PER SHARE

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

	Six months ended June 30			
		2012		2011
Shares used in computation of basic earnings per share (000's)		22,920		20,040
Share options (000's)		544		-
Shares used in computation of diluted earnings per share (000's)		23,464		20,040
Profit for the period attributable to the parent	$	881	$	1,648
Basic earnings per share		**0.04**		**0.08**
Diluted earnings per share		**0.04**		**0.08**

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

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

12. RELATED PARTY TRANSACTIONS

Included in trade and other receivables is $6,090,000 (December 31, 2011 – $5,686,072) due from Thunderbird de Costa Rica S.A. 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 8, are as follows:

	June 30, 2012		December 31, 2011	
	Amount due	Interest paid	Amount due	Interest paid
Country				
Philippines	274	16	414	50
Total	**$ 274**	**$ 16**	**$ 414**	**$ 50**

Included in trade and other receivables is $41,000 (December 31, 2011 – $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 $432,000 (December 31, 2011 – $432,000) due from the Group partner in Costa Rica for the capitalization of the Group's King Lion entity that hold the Tres Rios property and amounts due for the purchase of non-controlling interest in the Thunderbird Gran Entretenimiento entity, $2,991,000 (December 31, 2011 - $2,606,000) 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 $2,135,000 (December 31, 2011 - $2,363,000) for its portion of management fees, which have been fully eliminated in the consolidated statement of comprehensive income; $1,096,000 (December 31, 2011 - $1,096,000) due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity; $472,000 (December 31, 2011 - $331,000) due to associate; Eastbay Property Development in relation to rental fees due from the group's subsidiary Eastbay Resorts, Inc. and; $34,000 (December 31, 2011 - $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)

Transactions with officers and directors

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

A Director serves as an advisor to the Group. In such capacity, he received aggregate advisor fees of $39,000 in the six months ended June 30, 2012 and $78,000 in 2011. In addition, he is a director and not a beneficial owner in a company called India Ltd. The group paid India Ltd. broker commissions for the successful securitization of financing of $nil in the six months ended June 30, 2012, $20,000 in 2011 and $265,000 in 2010, of which a director received a 10% administrative fee of total broker commissions paid by the Group to India Ltd. in 2011 and 2010.

In addition, Directors have loaned various amounts to the Group. The outstanding loans are as follows:

		June 30, 2012		December 31, 2011	
	Country	**Amount due**	**Interest paid**	**Amount due**	**Interest paid**
Director	Corporate	$ 4,801	$ 34	$ -	$ -
	Total	$ 4,801	**$ 34**	**$ -**	**$ -**

The Group has a receivable from The Fantasy Group, S.A. which is an unsecured promissory note dated June 4, 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 June 30, 2012 is $24,000 (December 31, 2011 - $24,000).

The CFO Latin America 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, 43.4% 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.

The Group paid the Vice President of Corporate Development's company, Tino Monaldo Chtd., total consulting fees and out of pocket expenses, including travel expenses, of $26,000 in 2012 and $52,000 in 2011.

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During 2012 the Group paid, Mitzim Properties, a former CEO and President's (please see press release dated June 28, 2012) related company $92,000 (2011 - $184,000) according to a lease agreement for San Diego offices.

The Group employed immediate family members of the former CEO and President of the Group (See press release dated June 28, 2012). They are as follows:

Relation (1)	Position	June 30, 2012 Salary (2)	June 30, 2011 Salary (2)
Brother-in-law	Regional Counsel	$ 8	$ 12
Brother-in-law	General Manager	76	76
Daughter	Analyst	51	44
Brother-in-law	Project Manager	50	52
Son-in-law	Consultant	-	6
Total		$ 185	$ 190

(1) All employment and consultant arrangements ceased June 28, 2012

(2) Salary includes bonuses and other compensation

13. COMMITMENTS

Note 24 in the Group's consolidated financial statements for the year ended December 31, 2011 provides a discussion of all of the Group's commitments. There are no material changes in this disclosure other than the following update.

License and PAGCOR investment commitment agreements

PAGCOR issued new Authority to Operate ("ATO") for each of Poro and Rizal casinos on or about June 21, 2012. The Group's casino in Poro Point, Thunderbird Philippines Hotels and Resorts, Inc. (the "Poro Point Operating Entity") is licensed now to operate under this ATO until 2027. Its investment requirement will be to invest $30,000,000 into the hotel and casino facilities and related amenities over a 6 year period, $10,000,000 every two years. Likewise the Group's casino, in Rizal, Philippines, Eastbay Resorts, Inc. (the "Rizal Operating Entity"), is licensed to operate through 2027 and its investment requirement will be to invest $30,000,000 into the hotel and casino facilities and related amenities over a 6 year period, $10,000,000 every two years.

14. CONTINGENCIES

Note 25 in the Group's consolidated financial statements for the year ended December 31, 2011 provides a discussion of all of the Group's commitments. There are no material changes in this disclosure other than the following update.

a. PAGCOR litigation

All legal proceedings between PAGCOR and the Company relating to any prior issues relating to the licenses have been or are being dismissed.

b. Philippines Tax Controversy

Under the PAGCOR charter, PAGCOR is granted an exemption from tax, income or otherwise, as well as exemption from any form of charges, fees, or levies, except a 5 percent franchise tax on the gross revenue or earnings derived by PAGCOR from its casino operations. On May 25, 2005, R.A. 9337, amending certain sections of the National Internal Revenue Code ("NIRC") of 1997, was signed into law and became effective on November 1, 2005. Under Section 27(c) of the NIRC, PAGCOR is no longer included in the list of government-owned-and-controlled entities exempt from corporate income tax. On March 15, 2011, the Philippine Supreme Court ruled that R.A. 9337, which excluded PAGCOR from the list of government-owned-and-controlled corporations exempted from corporate income tax, is valid and constitutional, thus, making PAGCOR subject to corporate income tax but is exempt from Value-Added Tax (VAT). According to news reports, as of December 2011, PAGCOR initiated tax calculations of its back taxes from 2004 to 2010, submitted the same and made voluntary income tax payments to the Bureau of Internal Revenue (BIR), which the latter accepted as partial payment of back taxes subject to validation resulting from an on-going tax audit of the BIR of the appropriate amount of tax due from PAGCOR dated from the affectivity of R.A. 9337.

On February 29, 2012, under Revenue Memorandum Circular (RMC) 8-2012, the BIR circularized the SUPREME COURT decision, mentioned in the previous paragraph, enjoining its revenue officers and employees to provide wide publicity of such SUPREME COURT decision. The SUPREME COURT ruling, the subsequent voluntary payment made by PAGCOR, and the circularization of the SUPREME COURT rule by the BIR gave rise to an uncertainty on whether these changes in the taxation governing casino operations will be extended to PAGCOR licensees, such as the Company. With respect to the Company's taxability, the Company's management believes that any direct tax assessment of the BIR, if any, and any resulting tax obligation that may arise from these events will not probably lead to any significant cash outflows from the Company considering relevant provisions of the SUPREME COURT decision, prior agreements with PAGCOR and protection under the law from possible double taxation.

Accordingly, the financial statements do not include any adjustments to reflect the possible effects on the recoverability and classification of assets or the amount of liabilities that may result from the outcome of this uncertainty.

i.) Tax assessment for Thunderbird Pilipinas Hotels and Resorts, Inc. “TPHRI” (Poro Point Operating Entity)

For tax year 2006, the Court of Tax Appeals rendered its decision in TPHRI vs. CIR ordering TPHRI to pay a total amount of PHP 17,929,817, broken down into PHP 12,488,947 as Deficiency Income Tax and PHP 5,440,870 as Deficiency Expanded Withholding Tax. The total stated amount above covers the basic tax together with surcharge and deficiency interest. The Court of Tax Appeals also imposed delinquency interest at the rate of 20% starting April 10, 2009 up to the payment date. For purposes of estimation, if the amount due were to be paid by October 10, 2012, the delinquency interest is 70% (20% p.a. for 3.5 years), for the total amount due of PHP 30,480,689. TPHRI has filed its Motion for Reconsideration on August 10, 2012, and intends to appeal this decision The largest component (over half) of the liability is related to the retroactive applicability of the income tax to years before the Supreme Court ruling above, which retroactive application TPHRI asserts is, as part of it appeal, contrary to Philippine law as part of its appeal amongst other things. TPHRI is also being audited for tax years 2007 and 2008.

ii.) Eastbay Resorts Inc. (Operating Entity) has no ongoing tax audits or pending assessments.

c. Costa Rica Tax Controversy

The income tax in Costa Rica is collected by the General Income Tax Office. In Q1-2012, the Group’s subsidiary operation in Costa Rica received a proposed income tax assessment of $0.6 million for the tax year ended December 31, 2009 and a proposed tax assessment of $0.8 million for the tax year ended December 31, 2010. Additional gaming taxes of $0.2 million were assessed for each tax year ended December 31, 2009 and 2011. The assessments for both tax years were related to certain expenses which were deemed to be non-allowable deductions by the General Income Tax Office and for the imputation of interest income on intercompany advance balances.

The Group believes these tax assessments are incorrect and inconsistent with the tax laws of Costa Rica and therefore our Costa Rica subsidiary has filed appeals as our Costa Rican tax counsel believes that our Costa Rica subsidiary applied tax positions correctly. The Group intends to vigorously defend its position at all administrative and judicial levels. The Group is not responsible for payment until the decision is final and non-appealable, being the last stage at the judicial level. However, interest on the assessments is accruing during the time of administrative and judicial appeal and up to when a final decision is achieved.

d. Daman Hospitality loan guarantees

The Group entered the India market in 2008 by initiating the "Thunderbird Resorts-Daman" project in Daman, India, which is located just north of Maharashtra State whose capital is Mumbai (formerly Bombay). Daman Hospitality Private Ltd ("DHPL") is the entity that owns the "Thunderbird-Daman" project". DHPL is owned 51% by Delta Corp ("Delta"), who is now the control partner, and the Group and the original local partner (KP group) share the remaining 49% share position.

In February 2012, the Group announced that the Thunderbird–Daman project had been partially completed through a build out of approximately 100 hotel rooms (of a total of 176 rooms); three bars and restaurants; pool and outdoor plaza areas; and approximately 50% of indoor meeting areas. Since that time, based on information provided by DHPL, the majority owner, Delta, the number of hotel rooms projected to be built was raised from 176 hotel rooms to 186 of which approximately 183 hotel rooms have been completed.

From commencement through the change of control via the sale of DHPL shares to Delta, the project was funded by the following sources (all amounts are approximate and have been subject to exchange rate fluctuations since funding):

- $18 million in first round cash and property contributed as equity ($9 million on our side) in a first round of equity funding.
- $21 million in additional equity and junior debt funded by Delta in a second round of equity funding.
- $21.3 million senior secured loan facility from four India banks.
- $15.7 million in fully convertible debentures ("FCD"), secured behind the senior lenders.
- The Group has jointly and severally guaranteed the senior debt and approximately $9million of the FCDs.

To date, DHPL awaits the granting of a hotel occupancy permit which is a necessary step to opening. Unfortunately, the project continues to face delays in licensing and has growing cost overruns associated with pre-operating principal and interest, pre-operating overhead and further construction requirements of Delta. In the Group's 2011 Annual Report released on April 26, 2012 (Chapter4, p. 53), the Group announced the impairment of its investment in DHPL to its fair value of $nil. The Group recorded an impairment charge to the 2011 Statement of Comprehensive Income, shown in Other Gains (losses).

On or about July 23, 2012, DHPL received a notice from MIREF, which notice was only recently received by Thunderbird. The MIREF FCD had certain milestones for the completion of the Daman Project. MIREF alleges in its notice to DHPL that these milestones have not been complied with, which, if true, triggers an early put right for MIREF. On that basis, MIREF has in its notice called upon DHPL and/or its shareholders to purchase its FCD for $14.3 million (which includes the minimum teurn on its investment) within 180 days of the date of the notice. If the FCD is not purchased or paid off within 180 days, then MIREF has the option to convert its FCD into 76% of the common voting shares of DHPL. Since Thunderbird has already written down 100% of its investment in DHPL, the Group at this time believes any such conversion would not have a material impact on the Group's balance sheet. Since the notice was received, Delta has not indicated its intentions. If the MIREF FCD is not paid off by DHPL or purchased by DHPL and or any of the DHPL shareholders collectively or individually, MIREF could elect not to convert to a 76% shareholder and instead seek to enforce its joint and several guarantee on Thunderbird and the KP Group. The resolution of this request by MIREF for purchase or payoff of its FCD may lead to litigation amongst one or more lenders and FCD holders as well as DHPL and its shareholders.

Other potential areas of risk to the Group include exposure on corporate guarantees that the Group faces. The Group previously announced that it had jointly and severally guaranteed the following (all figures based on recent exchange rates or were USD transactions): (i) Senior Secured Debt in the face amount of approximately $21.3 million to a consortium of Indian Banks; (ii) Fully convertible debentures to Madison India Real Estate Fund ("MIREF") in the face amount of $7.5 million (the"MIREF- FCD"); and (iii) Fully convertible debentures to Maravege Limited and one other party in the face amount of $2.9 million. The outcome of any potential litigation including the exposure that Thunderbird potentially faces on the corporate guarantees is not known at this time.

e. Pardini Case

Pardini & Abvogcados vs. International Thunderbird Gaming Corporation: This lawsuit was filed in the latter part of 2001 and is currently at the 1st High Court, in Panama City, Panama. "Pardini" is a law firm in Panama City, Panama, claiming that the Group owes it fees for assisting in the Panama casino acquisition in 1998. The Group deems this matter completely frivolous and is opposing the claim through a vigorous and thorough defense.

The Group's affiliate at the time, International Thunderbird Gaming (Panama) Corp. ("ITGPC") entered into an agreement with an individual, Juan Raul De La Guardia, to provide services, and the suit claims the above mentioned law firm entitled to fees ultimately paid to Mr. De la Guardia, who has executed a complete indemnity and hold harmless agreement from any all liability which may be imposed by the court, for the benefit of the Group and ITGPC.

ITGPC is no longer an affiliate of the Group. A similar case was filed in the 11th Civil Court in September 2011 by Pardini and now names ITGPC and Mr. De La Guardia as defendants. In 2011 Pardini filed a request for the "Consolidation" before the 11TH Court of these two cases which was granted by said Court on November 9, 2011 assigning this case to the 13th Civil Court. The consolidation of processes was appealed by ITGPC but confirmed by the 11th Court's decision which ITGPC was notified of in Q2 2012 that said court had affirmed the decision to consolidate and that Pardini has sought from the 11th Court a clarification of its consolidation decision.

f. Poland Liquidation

On March 10, 2011 the Group shut down its Polish operations. Since then the operations have been liquidated in accordance with the Polish Commercial Companies Law, including certain legal proceedings within the Polish courts. The Group's subsidiaries, Casino Centrum Sp. z o.o. and Thunderbird Resorts (Poland) Sp. z o.o. are now formally dissolved. Casino Centrum has also been removed from the Polish Registry of companies while Thunderbird Resorts (Poland) Sp. z o.o. is awaiting final approval on the removal from the Polish Registry of Companies.

g. Guatemala Controversy

The Group subsidiary, Thunderbird de Guatemala has been engaged in an Administrative Process at 5th High Court of Administrative Processes promoted by the Attorney General's Office, the case involves the invalidity of the contract between Classenvil Management Inc. and the Autonomous Sports Confederation (Confederación Deportiva Autónoma de Guatemala), which derives in the authorization granted to Thunderbird de Guatemala, SA, to develop video lottery rooms and more. This trial is currently in its initial phase.

Simultaneously, Thunderbird de Guatemala filed an action in The Supreme Court – Guatemala for protection of its right to conduct business under the license which case is still pending. The Group has not committed any impropriety of approved gaming, because all of its commercial activities have been made under a license or authorization issued by the Autonomous Sports Confederation of Guatemala (Confederación Deportiva Autónoma de Guatemala), whose organic and fundamental law entitles them to grant such authorizations.

Thunderbird de Guatemala is undergoing a tax audit for 2009 by The Internal Revenue Service (IRS) (Superintendencia de Administración Tributaria-SAT) which has overall responsibility for tax administration in Guatemala.

Based on the uncertain legal and commercial issues, the Group opted for the change of our licensee to continue operations in Guatemala and thereafter Management pursued a sale of the Guatemala operation to a group controlled by former Thunderbird employees that have experience in the country. Effective December 31, 2010, the Group entered into an agreement to transfer its operations for consideration of approximately $2.1 million in a promissory note and approximately $0.5 million of debt assumption.

15. 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 incorporate 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.

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.

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

Management anticipates meeting their liquidity needs over the next 12 months primarily from operational cash flows as set out in Note 2.

As at June 30, 2012, the table set below shows the Group's liabilities and maturity amounts per year:

	Six months ending Dec 31, 2012	2013	2014	2015	2016	2017	Thereafter	Total
Long-term bank loans	$ 7,490	$ 12,933	$ 10,632	$ 20,190	$ 3,874	$ 10,144	$ 10,428	$ 75,691
Finance lease obligations	1,446	145	82	61	22	-	-	1,756
Convertible debt notes	283	823	863	863	6,445	3,812	-	13,089
Trade payables	13,086	-	-	-	-	-	-	13,086
Due to related parties	1,472	-	-	-	-	-	-	1,472
Investment commitments	-	-	20,000	-	20,000	-	20,000	60,000
Total	**$ 23,777**	**$ 13,901**	**$ 31,577**	**$ 21,114**	**$ 30,341**	**$ 13,956**	**$ 30,428**	**$ 165,094**

18. SUBSEQUENT EVENTS

Group

On June 28, 2012, the Group announced the results of its AGM held June 22, 2012, in Manila, Philippines:

a. Election of Directors: Salomon Guggenheim, Douglas Vicari, Reto Stadelmann, Roberto de Ocampo, and Albert W. Atallah were elected as Directors for one-year terms. Mr. Stadelmann is new to the board of directors and brings substantial experience from the finance sector as former Co-Head of Global Foreign Exchange & Money Market for UBS AG from 2003 to 2009 and Co-Head of Global Macro for UBS AG from 2009 to 2010. Mr. Stadelmann currently manages his own capital.

b. Election of Officers: The persons listed below were elected and authorized by the Board to the following positions for the ensuing year:

   i. Peter LeSar, Interim Chief Executive Officer and President
   ii. Albert Atallah, General Counsel and Corporate Secretary
   iii. Peter LeSar, Chief Financial Officer
   iv. Tino Monaldo, Vice President - Corporate Development
   i. Angel Sueiro, Vice President - Design and Construction

c. Election of Chairman: Mr. Guggenheim, a member of the Board since June 2002, was named Chairman of the Board of Directors and will work closely with Mr. LeSar during this transition period.

d. Approval of Auditors: At the Annual Meeting, the Company's audited financial statements for its fiscal year ended December 31, 2011 were received. Shareholders also approved Grant Thornton UK, LLP as auditors for the ensuing year and resolved to ratify and approve all previous acts and deeds by the Directors since the last meeting of shareholders. No other business was conducted at the Shareholder meeting.

e. Management Changes: In a press release dated June 28, 2012, the Group announced that Jack Mitchell was no longer an officer or Director of the Group. Mr. Mitchell is now pursuing other business interests. Mr. Mitchell had certain publicly disclosed rights under his Employment Contract. The Group and Mr. Mitchell have now reached a negotiated resolution related to those terms, which include Mr. Mitchell receiving up to $1.8 million spread over a period of not greater than approximately 6 years. Mr. Mitchell will be subject to a non-compete restriction for 3 years in the Group's current markets. The resolution reached is more favorable to the Group than provided for in the Employment Contract.

Thunderbird issued tradable common shares in July and August 2012 for various purposes as well as returning to treasury certain shares which were cancelled:

- 67,714 shares were issued to pay off $135 thousand of Sweep Debt to two lenders.
- 26,228 shares were issued to the Group's independent directors for the prior quarter's directors fees
- 23,332 shares were returned to treasury as result of 3 former employees whose shares had not yet vested.
- 146,666 shares returned to treasury as a result of certain shares of Jack Mitchell, former CEO, which had not yet vested.
- 197,222 shares were issued to two entities which had provided investment advisory fees relating to the restructuring of the Peru related debt.

As of June 28 2012 166,666 options held by Jack Mitchell were no longer effective.

Material contracts and new financing

Costa Rica

During July 2012, Grupo Thunderbird de Costa Rica obtained financing to purchase $900 thousand in gaming machines. The loan is secured by gaming machines and bears an annual interest rate of 12.5%, principal and interest payment are due monthly in 48 equal installments beginning on July 2012 and ending on June 2016.

Peru

In July 2012, the group entered into an agreement with Table Trac to provide our five Peruvian gaming locations with its Casino Trac Casino Management System (v3.8.2a). This system was recently approved by the Peruvian government and meets the standards and requirements of the Government's Supreme Decree for a Unified Control System in Real Time (SUCTR). Apart from achieving regulatory compliance, the Table Trac system has customer loyalty and other features that should increase revenue and create operational efficiencies.

During July 2012, the Group’s Peruvian operations executed contracts to acquire approximately 75 new slot machines for approximately $1.6 million. The financings are secured by the slot machines, pay interest of 5.25% and amortize over 34 monthly installments. Additionally, our Peru operations purchased in cash, approximately 97 conversion kits for $281 thousand to upgrade existing slot machines.

Chapter 5: Reporting Responsibilities and Risks

Related Party Transactions: Related-party transactions are disclosed in Note 12 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 is responsible for preparing the Half-year Report 2012 and the interim consolidated financial statements for the six-month period ended June 30, 2012 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 June 30, 2012 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-year Report 2012 gives a true and fair view of the Group as of June 30, 2012 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.

August 27, 2012

Panama City, Panama

Peter LeSar, Interim Chief Executive Officer and President
Albert Atallah, General Counsel and Corporate Secretary
Peter LeSar, Chief Financial Officer
Tino Monaldo, Vice President - Corporate Development
Angel Sueiro, Vice President - Design and Construction

Risks

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-year Report.

These risks and others are more fully described under the heading "Risk Factors" in our 2011 Annual Report.

IMPORTANT INFORMATION

This is Thunderbird Resorts Inc.'s Half-year Report for the period ended June 30, 2012. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this Half-year 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-year Report and, if given or made, such information or representations must not be relied upon as having been authorized by us. This Half-year Report does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this Half-year 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-year 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-year 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-year Report reflects our position at the date of this Half-year Report and under no circumstances should the issue and distribution of this Half-year 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.

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OFFICERS

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Peter LeSar, CFO
Albert W. Atallah, General Counsel and Secretary
Tino Monaldo, Vice President, Corporate Development
Angel Sueiro, Vice President, Design and Construction

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CAPITALIZATION

Common shares issued: 23,041,239
as of August 27, 2012

SHARES LISTED

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

WEBSITE

www.thunderbirdresorts.com

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