Thunderbird

RESORTS

HALF-YEAR REPORT 2014

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

Cautionary Note on “forward-looking statements”

This 2014 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

Dear Shareholders and Investors:

In the 2013 Annual Report CEO Letter to Shareholders, I stated the Company's objectives in unwavering terms with the ultimate goal to build a profitable Company. We remain steadfast on these objectives as summarized and updated on below.

PERFORMANCE UNDER OUR STATED GOALS

Development: We continue to develop our current operating markets where we can leverage existing management teams to more efficiently generate cash flow from new revenues.

- In Costa Rica, the Fiesta Casino Aurola opened in June 2014 with 122 slot machines, 27 table positions, 3 poker tables and 36 F&B seats, with an additional 26 slot positions to be added before year end.
- In Peru, we have opened 24 electronic roulette positions between the months of July and August, and 56 new table positions at our Luxor Lima operation estimated to open during Q4 2014. We are also in the process of reallocating the office space used by our internal administrative staff to increase space for third party rentals in the Fiesta hotel. We also continue to seek new locations for slot parlors.
- In Nicaragua, we are now in the process of arranging a bank loan for the relocation of one of our existing operations to a demographically better location on land that we own with the goal to improve top and bottom line performance.

Revenue Performance: We continue to focus on growth, but have been challenged by forex:

- Revenues were $29.3 million through June 30, 2013 as compared to $27.4 million through June 2014. On a currency neutral basis, this $1.9 million variance is reduced to just $83 thousand showing that our principal revenue challenge has been forex.
- Revenues have also been impacted by: a) The reduction of 290 machines in Costa Rica in Q4 2013 for which revenue was less than its proportional operating cost and gaming tax; and b) A decrease in hold percentage in Peru because of large wins by a VIP table player.

Expense Reduction: We continue to control and reduce country-level and corporate expenses:

- Operating expenses (promotional allowances and property, marketing and administration) were reduced by $1.3 million through June 2014 as compared to through June 2013.
- Corporate expense was reduced by $197 thousand through June 2014 as compared to through June 2013.

Adjusted EBITDA and Profit / (Loss) for the Period: Our bottom line results are improving in spite of a forex-driven reduction in EBITDA:

- Adjusted EBITDA[1] decreased by $451 thousand through June 2014 as compared to through June 2013. On a currency neutral basis[2], adjusted EBITDA fell by just $106 thousand showing that revenues impacted by a rising US dollar compared to our operating currencies has been the primary driver of decreased US dollar performance.
- While still operating at a loss, our results improved by $3.0 million through June 2014. The improving bottom line results were driven by declining depreciation and Financing costs[3] as our Group gross debt (see below) continues to be paid down.

Efforts to Reduce Debt and to Refinance Remaining Debt: We continue to reduce debt and refinancing our remaining debt remains a high priority.

a) Group gross debt[4] has been reduced to $47.3 million as of June 30, 2014.
b) Group net debt[5] has been reduced to $42.7 million as of June 30, 2014.

We previously announced efforts to refinance Peru and Peru-related debt principal balances (includes some debt on parent company books), and are specifically attempting to refinance approximately $20.9 million of principal balances with $22 million of bank financing at an 8.5% rate, 10-15-year amortization with a 10-year balloon. Such a transaction would reduce our amortization on and improve our cash flow by approximately $1.5 to $2.1 million annually.

Increasing Shareholder Value: We are keenly aware that our share price does not reflect the value of the company. We continue to evaluate our capital structure with the goal of achieving positive cash flow and optimizing value for shareholders. For example, we continue in our efforts to sell our Costa Rican properties known as Tres Rios and Escazu. The goal of any asset sale would be to right size cash flow and to build shareholder value by investing in growth.

Salomon Guggenheim
Chief Executive Officer and President
August 27, 2014

[1] 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.
[2] Currency neutral is a calculation that eliminates fluctuations in currency values by applying the 2014 year-to-date exchange rate average to the same period in 2013 in order to compare the Group's performance trend net of the impact of forex.
[3] Financing costs is the aggregate of loan interest, lease interest and amortization of loan premium, discounts and issuance costs.
[4] Gross debt equals total borrowings and finance lease obligations inclusive of the Group's proportional share of debt held by its Costa Rican joint venture.
[5] Net debt equals gross debt less cash and cash equivalents (excludes restricted cash).

Important Note: Effective January 1, 2013, IFRS 11 changed the way joint ventures are accounted for whereby proportional consolidation is no longer considered an appropriate method to present investments in joint ventures and that equity accounting should be applied. To compare results with previous periods, the Group presents the Costa Rican joint venture proportionally when discussing financial performance in this 2014 Half-year Report (except in Chapter 4 – 2014 Half-year Consolidated Financial Statements that are compliant with IFRS 11).

Chapter 2: June 30, 2014 Group Overview and Updates by Country

Group Overview for Half-year 2014

This 2014 Half-year Report presents our results through June 30, 2014.

The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but with the adjustment that we apply to our 2014 year-to-date average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Half-year 2014 consolidated P&L without adjustments for forex:

(In thousands, proportional consolidation)	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 22,205	$ 24,095	$ (1,890)	-7.8%
Food and beverage sales	2,200	2,202	(2)	-0.1%
Hospitality and other sales	2,989	3,016	(27)	-0.9%
Total revenues	**27,394**	**29,313**	**(1,919)**	**-6.5%**
Promotional allowances	2,355	2,444	(89)	-3.6%
Property, marketing and administration	20,307	21,489	(1,182)	-5.5%
Property EBITDA	**4,732**	**5,380**	**(648)**	-12.0%
Corporate expenses	2,191	2,388	(197)	-8.2%
Adjusted EBITDA	**2,541**	**2,992**	**(451)**	**-15.1%**
Property EBITDA as a percentage of revenues	9.3%	10.2%		
Depreciation and amortization	2,606	3,668	(1,062)	-29.0%
Interest and financing costs, net	2,290	3,308	(1,018)	-30.8%
Management fee attributable to non-controlling interest	(13)	71	(84)	-118.3%
Project development	33	61	(28)	-45.9%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	521	1,115	(594)	-53.3%
Other (gains) / losses	(290)	(13)	(277)	2130.8%
Derivative financial instrument	-	(18)	18	-100.0%
Income taxes	221	619	(398)	-64.3%
Profit / (loss) for the period from continuing operations	**$ (2,827)**	**$ (5,819)**	**$ 2,992**	**-51.4%**

b) Summary Half-year 2014 consolidated P&L adjusted for forex:

(In thousands, proportional consolidation under currency neutral)

	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 22,205	$ 22,582	$ (377)	-1.7%
Food and beverage sales	2,200	2,068	132	6.4%
Hospitality and other sales	2,989	2,827	162	5.7%
Total revenues	**27,394**	**27,477**	**(83)**	**-0.3%**
Promotional allowances	2,355	2,302	53	2.3%
Property, marketing and administration	20,307	20,140	167	0.8%
Property EBITDA	**4,732**	**5,035**	**(303)**	-6.0%
Corporate expenses	2,191	2,388	(197)	-8.2%
Adjusted EBITDA	**2,541**	**2,647**	**(106)**	**-4.0%**
Property EBITDA as a percentage of revenues	9.3%	9.6%		
Depreciation and amortization	2,606	3,432	(826)	-24.1%
Interest and financing costs, net	2,290	3,233	(943)	-29.2%
Management fee attributable to non-controlling interest	(13)	29	(42)	-144.8%
Project development	33	58	(25)	-43.1%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	521	1,030	(509)	-49.4%
Other (gains) / losses	(290)	(14)	(276)	1971.4%
Derivative financial instrument	-	(18)	18	-100.0%
Income taxes	221	583	(362)	-62.1%
Profit / (loss) for the period from continuing operations	**$ (2,827)**	**$ (5,686)**	**$ 2,859**	**-50.3%**

Group debt: Below is the Group's Gross debt and Net debt on June 30, 2014.

(In thousands, proportional consolidation)

	June 30, 2014	March 31, 2014	December 31, 2013
Borrowings	$ 44,473	$ 45,624	$ 46,035
Borrowings associated with assets held for sale	1,918	2,018	2,117
Obligations under leases and hire purchase contracts	953	1,029	1,108
Derivative financial instruments	-	-	-
Gross Debt	**$ 47,344**	**$ 48,671**	**$ 49,260**
Less: cash and cash equivalents (excludes restricted cash)	4,684	4,141	5,606
Net Debt	**$ 42,660**	**$ 44,530**	**$ 43,654**

Note: Gross Debt above is presented net of debt issuance costs which is why there is an approximate $1.0 million variance with the total Principal balance below. Borrowings under assets held for sale are related to two undeveloped real estate parcels owned by the Group's joint venture in Costa Rica. "Cash and cash equivalents" do not include $5.0 million in Hold back due to the Group in January 2016 assuming no liabilities charged against the hold back as per agreements with the Philippines buyer.

The Group estimates its debt schedule as follows starting in July 2014:

Principal Balance	2014	2015	2016	2017	2018	2019	Thereafter	Total
Corporate	$ 2,211,972	$ 6,978,596	$ 5,188,369	$ 4,910,903	$ 1,563,506	$ 1,375,026	$ 3,397,095	$ 25,625,467
Corporate	1,730,432	5,287,830	5,188,369	4,910,903	1,563,506	1,375,026	3,397,095	23,453,161
Guatemala	263,232	658,074	-	-	-	-	-	921,306
Poland	218,308	1,032,692	-	-	-	-	-	1,251,000
Costa Rica	1,104,334	3,191,822	1,036,096	798,452	1,357,808	431,808	33,148	7,953,469
Peru	1,158,668	1,368,267	1,197,047	1,280,221	1,386,369	6,931,464	-	13,322,036
Nicaragua	155,445	165,514	181,027	172,538	149,988	664,470	-	1,488,982
Total	**$ 4,630,419**	**$ 11,704,199**	**$ 7,602,539**	**$ 7,162,114**	**$ 4,457,670**	**$ 9,402,768**	**$ 3,430,243**	**$ 48,389,954**

Interest Expense	2014	2015	2016	2017	2018	2019	Thereafter	Total
Corporate	$ 1,129,684	$ 1,866,620	$ 1,584,419	$ 822,549	$ 602,022	$ 456,979	$ 419,584	$ 6,881,857
Corporate	1,112,285	1,831,598	1,584,419	822,549	602,022	456,979	419,584	6,829,436
Guatemala	-	-	-	-	-	-	-	-
Poland	17,399	35,023	-	-	-	-	-	52,422
Costa Rica	335,899	527,761	235,187	162,980	91,437	13,670	518	1,367,452
Peru	513,820	940,360	840,504	738,275	629,632	271,233	-	3,933,824
Nicaragua	65,654	111,660	96,147	79,006	65,671	52,807	-	470,944
Total	**$ 2,045,056**	**$ 3,446,401**	**$ 2,756,257**	**$ 1,802,810**	**$ 1,388,762**	**$ 794,689**	**$ 420,101**	**$ 12,654,077**

Management continues to be focused on developing in Latin America, particularly in markets in which we currently operate. We continue to analyze our businesses, countries and structure regularly. We will announce any strategy changes if and when there are material changes. We look forward to our Annual Shareholders Meeting to be held in Lima, Peru on October 14, 2014 in which strategy will be further discussed.

Peru Update

Description of Properties as of Half-year 2014

In Peru, as of June 30, 2014, the Group operates one hotel anchored by a casino, manages three independently-owned hotels under the Thunderbird brand, and owns and operates four standalone gaming venues in addition to our flagship casino which operates within the Fiesta Hotel & Casino. Below is a table that outlines key information for each property.

Name	Province	Date Acquired	Date Sold	Type	Slots	Table Positions	Hotel Rooms
Fiesta Hotel & Casino	Lima	2007	NA	Hotel & Casino	426	232	66
Thunderbird Resort - El Pueblo (Management Contract)	Lima	2007	2012	Resort under management	-	-	235
Thunderbird Hotel Pardo (Management Contract)	Lima	2007	2010	Hotel under management	-	-	64
Thunderbird Hotel Carrera (Management Contract)	Lima	2007	2011	Hotel under management	-	-	99
Luxor	Lima	2010	NA	Slot Parlor	179	-	-
Mystic Slot	Cusco	2010	NA	Slot Parlor	102	-	-
El Dorado	Iquitos	2010	NA	Slot Parlor	97	-	-
Luxor	Tacna	2010	NA	Casino	147	51	-
Peru Total					**951**	**283**	**464**

The Group's Fiesta Hotel & Casino property is an integrated resort anchored by a casino 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 426 slot machines and 232 table positions.

Financial Performance through June 30, 2014: Peru was the Group's largest contributor in Half-year 2014 to both Group revenue and consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but with the adjustment that we apply our 2014 year-to-date average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Peru Half-year 2014 consolidated P&L without adjustments for forex:

(In thousands)	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 10,880	$ 11,293	$ (413)	-3.7%
Food and beverage sales	864	744	120	16.1%
Hospitality and other sales	2,825	2,789	36	1.3%
Total revenues	**14,569**	**14,826**	**(257)**	**-1.7%**
Promotional allowances	1,432	1,257	175	13.9%
Property, marketing and administration	11,172	10,912	260	2.4%
Property EBITDA	**1,965**	**2,657**	**(692)**	-26.0%
Property EBITDA as a percentage of revenues	13.5%	17.9%		
Depreciation and amortization	1,603	2,196	(593)	-27.0%
Interest and financing costs, net	645	628	17	2.7%
Management fee attributable to non-controlling interest	(42)	68	(110)	-161.8%
Project development	-	-	-	0.0%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	(47)	1,449	(1,496)	-103.2%
Other (gains) / losses	12	4	8	200.0%
Derivative financial instrument	-	-	-	0.0%
Income taxes	-	330	(330)	-100.0%
Profit / (loss) for the period from continuing operations	**$ (206)**	**$ (2,018)**	**$ 1,812**	**-89.8%**

b) Summary Peru Half-year 2014 consolidated P&L adjusted for forex:

(In thousands, under currency neutral)	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 10,880	$ 10,561	$ 319	3.0%
Food and beverage sales	864	696	168	24.1%
Hospitality and other sales	2,825	2,608	217	8.3%
Total revenues	**14,569**	**13,865**	**704**	**5.1%**
Promotional allowances	1,432	1,175	257	21.9%
Property, marketing and administration	11,172	10,204	968	9.5%
Property EBITDA	**1,965**	**2,486**	**(521)**	-21.0%
Property EBITDA as a percentage of revenues	13.5%	17.9%		
Depreciation and amortization	1,603	2,054	(451)	-22.0%
Interest and financing costs, net	645	587	58	9.9%
Management fee attributable to non-controlling interest	(42)	64	(106)	-165.6%
Project development	-	-	-	0.0%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	(47)	1,355	(1,402)	-103.5%
Other (gains) / losses	12	4	8	200.0%
Derivative financial instrument	-	-	-	0.0%
Income taxes	-	309	(309)	-100.0%
Profit / (loss) for the period from continuing operations	**$ (206)**	**$ (1,887)**	**$ 1,681**	**-89.1%**

Total revenue through Half-year 2014 was impacted by a $2.3 million growth in gaming drop against a decrease in hold percentage to 19.9% from 21.3% for the same period in 2013. The reduction in hold percentage was due to material wins from certain large players in our VIP table operations. We believe the reduction is not a trend as there have been no material changes to the way the Group operates its gaming rules or positions. The hold percentage of year-to-date 2013 applied to our 2014 year-to-date drop would have materially increased our revenue as compared to last year. Revenues in USD were also negatively impacted by forex as on a currency neutral basis revenues were actually $704 thousand higher as compared to the same period in 2013.

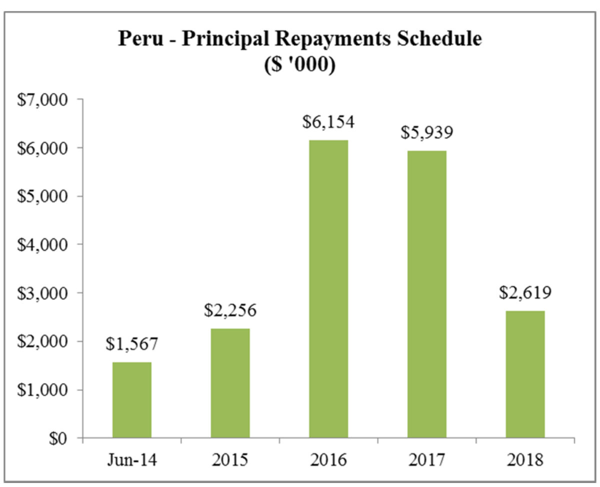
EBITDA for the period reduced primarily because of the lower revenue (as described above) and a 3.6% combined increase in promotional allowances and property, marketing and administration expenses. While this expense increase is in line with inflation, the Group is targeting for better cost efficiency in the coming periods.

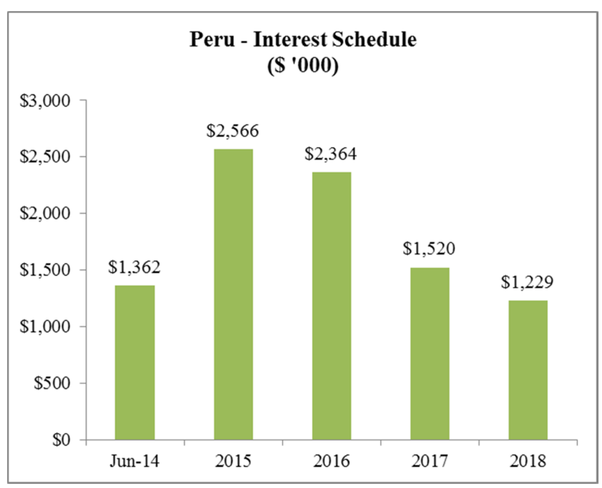
Loss for the period as compared to the same period last year improved by $1.8 million due to decreases in depreciation and amortization and to forex gains as compared to the previous year.

Key business driver – expansion: As previously announced, the Group has recently opened an additional 24 electronic roulette positions and should open 56 new table positions in Q4 2014 at our Luxor operation in Lima. The reallocation of the Peru office complex to increase space of third party rentals is also in process and should have an impact late in 2014.

Key business driver – refinancing: The Group continues its efforts to refinance Peru and Peru-related debt, which includes debt on parent company books. The principal balance of Peru and Peru-related debt on corporate books is approximately $30.2 million as of June 30, 2014, of which we are trying to refinance $20.9 million as previously stated in the Letter of the CEO.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2014.





Costa Rica Update

Description of Properties as of Half-year 2014

In Costa Rica, the Group is a 50-50 joint venture partner in all operations, except for our largest casino in the Fiesta Casino – Holiday Inn Express, which we consolidate as a 56% subsidiary and recognize the 44% non-controlling equity interest within reserves. Our operations as of June 30, 2014 consist of:

Name	Province	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Fiesta Casino – Holiday Inn Express	San José	2005	Casino	297	58	—
Fiesta Casino – Hotel El Presidente	San José	2003	Casino	229	—	—
Fiesta Casino – Hotel America Heredia	Heredia	2005	Casino	216	—	—
Fiesta Casino – Wyndham Herradura	San José	2007	Casino	132	41	—
Fiesta Casino – Aurola	San José	2014	Casino	122	27	
Lucky's – Perez Zeledon	San José	2007	Slot Parlor	87	—	—
Lucky's – San Carlos	San Carlos	2006	Slot Parlor	32	—	—
Hotel Diamante Real	San José	2008	Hotel	—	—	21
Costa Rica Total				**1,113**	**126**	**21**

Note: The Fiesta Casino Aurola opened in late June 2014 with 122 slot machines (expanding to 148 slot machines), 27 gaming table positions (non-poker), 3 poker tables, and 36 F&B seats. Effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer considered to be an appropriate method to present investments in joint ventures and that equity accounting should be applied. To enable the reader to best compare results with previous periods, the Group has elected to represent the Costa Rican joint venture proportionally when discussing financial performance in this narrative section of our 2014 Half-year Report. Such presentation varies from the way in which we account for the Costa Rican joint venture in our 2014 Half-year Financial Statements and Notes (Chapter 4), which complies with IFRS 11.

Financial Performance through June 30, 2014: Costa Rica was the Group's second largest contributor in 2014 to both Group revenue and consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but with the adjustment that we apply our 2014 year-to-date average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Costa Rica Half-year 2014 consolidated P&L without adjustments for forex:

(In thousands, proportional consolidation)

	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 5,419	$ 6,625	$ (1,206)	-18.2%
Food and beverage sales	556	624	(68)	-10.9%
Hospitality and other sales	80	81	(1)	-1.2%
Total revenues	**6,055**	**7,330**	**(1,275)**	**-17.4%**
Promotional allowances	129	139	(10)	-7.2%
Property, marketing and administration	4,309	5,486	(1,177)	-21.5%
Property EBITDA	**1,617**	**1,705**	**(88)**	-5.2%
Property EBITDA as a percentage of revenues	26.7%	23.3%		
Depreciation and amortization	688	1,051	(363)	-34.5%
Interest and financing costs, net	263	383	(120)	-31.3%
Management fee attributable to non-controlling interest	240	378	(138)	-36.5%
Project development	33	35	(2)	-5.7%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	552	(198)	750	-378.8%
Other (gains) / losses	(1)	16	(17)	-106.3%
Derivative financial instrument	-	-	-	0.0%
Income taxes	57	107	(50)	-46.7%
Profit / (loss) for the period from continuing operations	**$ (215)**	**$ (67)**	**$ (148)**	**220.9%**

b) Summary Costa Rica Half-year 2014 consolidated P&L adjusted for forex:

(In thousands, proportional consolidation under currency neutral)

	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 5,419	$ 6,138	$ (719)	-11.7%
Food and beverage sales	556	578	(22)	-3.8%
Hospitality and other sales	80	75	5	6.7%
Total revenues	**6,055**	**6,791**	**(736)**	**-10.8%**
Promotional allowances	129	129	-	0.0%
Property, marketing and administration	4,309	5,082	(773)	-15.2%
Property EBITDA	**1,617**	**1,580**	**37**	2.3%
Property EBITDA as a percentage of revenues	26.7%	23.3%		
Depreciation and amortization	688	974	(286)	-29.4%
Interest and financing costs, net	263	355	(92)	-25.9%
Management fee attributable to non-controlling interest	240	350	(110)	-31.4%
Project development	33	32	1	3.1%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	552	(183)	735	-401.6%
Other (gains) / losses	(1)	15	(16)	-106.7%
Derivative financial instrument	-	-	-	0.0%
Income taxes	57	99	(42)	-42.4%
Profit / (loss) for the period from continuing operations	**$ (215)**	**$ (62)**	**$ (153)**	**246.8%**

Total revenue through Half-year 2014 reduced primarily because the Group removed 290 gaming positions between September and October 2013 to reduce fixed gaming tax expense with the overall goal of improving EBITDA (see below).

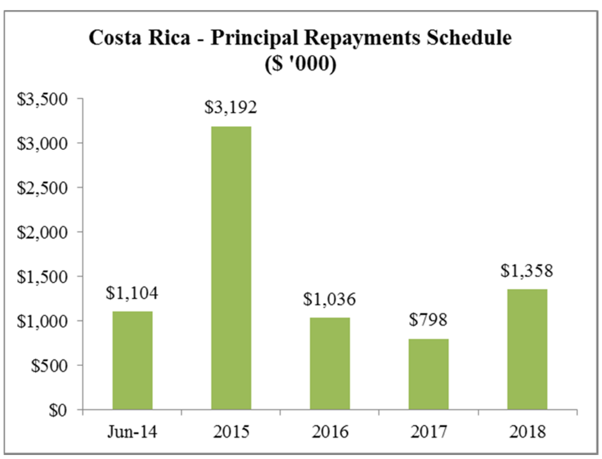
EBITDA for the period reduced by $88 thousand, but on a currency neutral basis improved by $37 thousand as, discounting forex, the impact of approximately $1.19 million in cost reductions offset the decreased revenue. Management's cost reduction efforts should create efficient EBITDA increases as revenue grows. Please note the key business driver below vis-à-vis the prospective for revenue and EBITDA growth in coming periods.

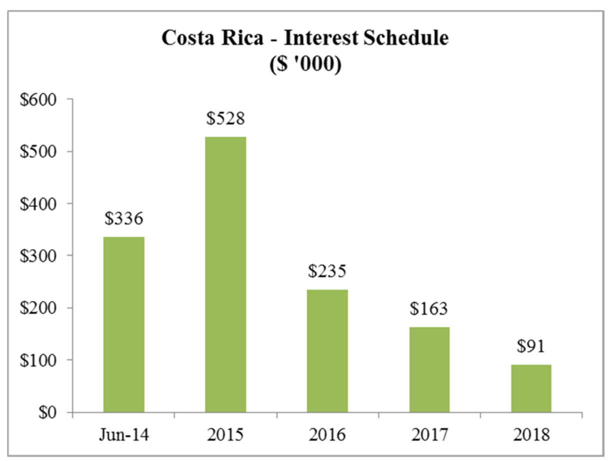
Loss for the period was driven entirely by $552 thousand of non-cash forex losses and, without forex losses, would have otherwise resulted in a gain of approximately $337 thousand.

Key business driver – new operation: In late June 2014, the new Fiesta Casino Aurola opened in the heart of downtown San Jose with 122 slot machines (expanding to 148 slot machines by year end), 27 gaming table positions (non-poker), 3 poker tables, and 36 F&B seats. We expect this operation to contribute to EBITDA of the overall Costa Rica operation in the coming periods.

Key business driver – land sales: The Group's affiliates in Costa Rica own two undeveloped properties: a) Tres Rios, a 8.2-hectare property located on a highway off-ramp on the major highway leading from San Jose to Cartago and in front of a major shopping mall; and b) Escazu, a 2.7-hectare property located in the major commercial growth area of San Jose. Efforts to sell both parcels of real estate are underway with net proceeds projected to pay down Costa Rica debt, and to be distributed and/or used for reserves or development.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2014.





Nicaragua Update

Description of Properties as of Half-year 2014

In Nicaragua, the Group operates five standalone casinos. Below is a table that outlines information for each property as of June 30, 2014.

Name	Location	Date Acquired	Type	Slots	Table Positions	Hotel Rooms
Pharaoh's Casino – Highway to Masaya	Managua	2000	Casino	150	91	—
Pharaoh's Casino – Camino Real	Managua	2005	Casino	115	21	—
Pharaoh's Casino – Holiday Inn	Managua	2006	Casino	82	21	—
Zona Pharaoh's – Bello Horizonte	Managua	2008	Casino	101	21	—
Pharaoh's Casino	Chinandega	2012	Casino	93	21	—
Nicaragua Total				541	175	0

The Group's 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 high-end shopping.

Financial Performance through June 30, 2014: Nicaragua was the Group's smallest contributor in 2014 to both Group revenue and consolidated property EBITDA. The strengthening of the US dollar versus our operating currencies has had a material impact on our business as compared to the same period in 2013. Thus, for the convenience of the reader, below we present: a) A summary of our consolidated results without adjustments for forex; and b) The same summary, but with the adjustment that we apply our 2014 year-to-date average exchange rates to the same period in 2013 to compare results under a currency neutral scenario.

a) Summary Nicaragua Half-year 2014 consolidated P&L without adjustments for forex:

(In thousands)

	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 5,906	$ 6,177	$ (271)	-4.4%
Food and beverage sales	780	834	(54)	-6.5%
Hospitality and other sales	14	36	(22)	-61.1%
Total revenues	**6,700**	**7,047**	**(347)**	**-4.9%**
Promotional allowances	794	1,048	(254)	-24.2%
Property, marketing and administration	4,756	4,981	(225)	-4.5%
Property EBITDA	**1,150**	**1,018**	**132**	13.0%
Property EBITDA as a percentage of revenues	17.2%	14.4%		
Depreciation and amortization	275	347	(72)	-20.7%
Interest and financing costs, net	69	123	(54)	-43.9%
Management fee attributable to non-controlling interest	14	210	(196)	-93.3%
Project development	-	-	-	0.0%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	92	132	(40)	-30.3%
Other (gains) / losses	1	1	-	0.0%
Derivative financial instrument	-	-	-	0.0%
Income taxes	145	145	-	0.0%
Profit / (loss) for the period from continuing operations	**$ 554**	**$ 60**	**$ 494**	**823.3%**

b) Summary Nicaragua Half-year 2014 consolidated P&L adjusted for forex:

(In thousands, under currency neutral)

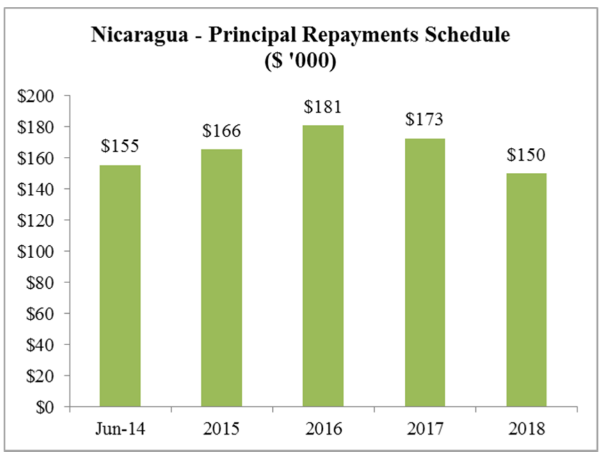
	Six months ended June 30, 2014	Six months ended June 30, 2013	Variance	% change
Net gaming wins	$ 5,906	$ 5,883	$ 23	0.4%
Food and beverage sales	780	794	(14)	-1.8%
Hospitality and other sales	14	34	(20)	-58.8%
Total revenues	**6,700**	**6,711**	**(11)**	**-0.2%**
Promotional allowances	794	998	(204)	-20.4%
Property, marketing and administration	4,756	4,744	12	0.3%
Property EBITDA	**1,150**	**969**	**181**	18.7%
Property EBITDA as a percentage of revenues	17.2%	14.4%		
Depreciation and amortization	275	330	(55)	-16.7%
Interest and financing costs, net	69	117	(48)	-41.0%
Management fee attributable to non-controlling interest	14	200	(186)	-93.0%
Project development	-	-	-	0.0%
Shared based compensation	-	-	-	0.0%
Foreign exchange (gain) / loss	92	126	(34)	-27.0%
Other (gains) / losses	1	1	-	0.0%
Derivative financial instrument	-	-	-	0.0%
Income taxes	145	138	7	5.1%
Profit / (loss) for the period from continuing operations	**$ 554**	**$ 57**	**$ 497**	**871.9%**

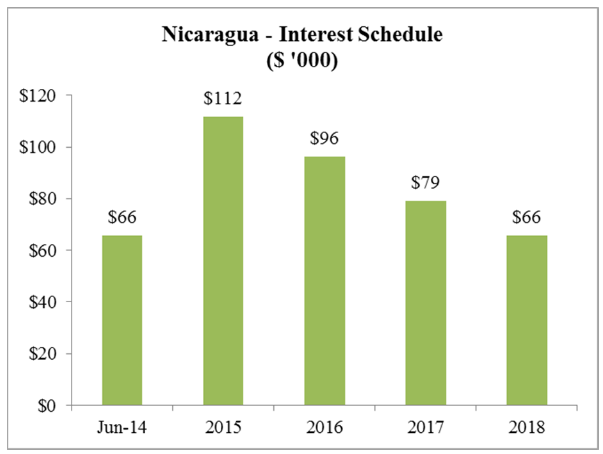
Total revenue through Half-year 2014 on a US dollar basis reduced because of forex, with virtually nil change on a currency neutral basis. While our gaming drop increased by $200 thousand over the same period in 2013, our hold percentage year-to-date fell to 23.6% from 25.0% for the same period in 2013, resulting in the loss of revenue. We believe the reduction in hold percentage is not a trend as there have been no material changes to the way the Group operates its gaming rules or positions. The hold percentage of year-to-date 2013 applied to our 2014 year-to-date drop would have materially increased our revenue as compared to last year.

EBITDA for the period improved as compared to the same period in 2013 because of effective cost controls in promotional allowances and in property, marketing and administration.

Profit for the period improved because of the higher EBITDA, reductions in financing costs, and decreasing gross debt through normal amortization.

Below are graphs exhibiting our expected principal and interest payments based on loan contracts effective as of June 30, 2014.





Other Group Updates

In Q1 2014, the Group announced material events and entered into material contracts as follows:

- New Director: On January 19, 2014, Alfred Meili became a Director of the Company until the next Annual General Meeting of Shareholders.

- Guatemala Sale: As previously reported, the Group sold its interests in its Guatemala gaming facilities as of December 31, 2010. Such sale was in the form of a Promissory Note for approximately $2.1 million plus other consideration, and was secured by a Stock Pledge and Asset Pledge. The Group had written off any value associated with such Promissory Note. On April 22, 2014, the Group took back possession of the shares sold in the subject Guatemalan entities and assigned said shares to the charitable foundation that currently has the gaming license under which the companies operate. The assignment of shares was financed by the Group with a $2 million note at 10%, with the obligation to a pay it back at not less than $30,000 per month with any remaining balance due on the 36th month. Additional monthly payments may be due if certain performance thresholds are met. The note is secured by stock and asset pledges.

- Pardini Litigation Settlement: On March 31, 2014, Thunderbird entered into a settlement with the various parties to the Pardini litigation described in Note 5 to the 2013 Financials. The litigation had been pending for over 10 years and was likely to last for a significant number of additional years. To avoid the cost of additional litigation amongst multiple parties, Management settled in an efficient way to end the litigation and remove any potential exposure. The cost of the settlement, including legal fees and costs, was $550,519.89.

In Q2 2014, the Group announced material events and entered into material contracts as follows:

- Opening of Fiesta Casino Aurola in Costa Rica: In the last week of June, the 570 square meter venue opened for business with 122 slot machines (expanding to 148 slot machines within the next 90 days), 27 gaming table positions (non-poker), 3 poker tables, and 36 F&B seats. This property is located in a 5 star, 196-room hotel in the heart of downtown San Jose, which is a high-density commercial and tourism district.

- Sale of Plaza Globus office: In May 2014, the Group sold an investment property in Panama City, Panama for $1,800,000.00 in gross proceeds and $440,857.30 in net proceeds after debt paydown, brokerage commissions and taxes.

As subsequent events to half-year 2014, the Group announced material events and entered into material contracts as follows:

- Peru Country Manager: On July 8, 2014, Gustavo Barclay officially took over as Country Manager of our Peru operations replacing Tom Mraz who has resigned to pursue other endeavors.

- Resignation: On July 25, 2014, Alfred Meili resigned as a Director of the Company.

- July 2014 Revenue Report: The Group reports the following revenues for July 2014:

Thunderbird Resorts Inc. – Group-wide sales results by country (unaudited, *in millions)* [(1)]	July 2014	July 2013	Year-over-year increase/(decrease)
Peru[(2)]	$2.73	$2.57	6.23%
Costa Rica[(3)(4)]	1.04	1.27	-18.11%
Nicaragua	1.20	1.12	7.14%
Total Consolidated Operating Revenues	**$4.97**	**$4.96**	**0.20%**

[1] Revenues reported are based on monthly average exchange rates, report same store revenues and are in USD millions. From month to month, exchange rate fluctuations could cause an impact on revenues as compared to the previous year.
[2] 2014 and 2013 revenues consist of all gaming revenue in the country plus revenue from our fully-owned Fiesta Hotel and management fees for the Thunderbird Hotel – Pardo, Thunderbird Hotel – Carrera and Thunderbird Hotel – El Pueblo, which are owned by third parties.
[3] Effective January 1, 2013, IFRS 11 changed the way that joint ventures are accounted for whereby proportional consolidation is no longer allowed and equity accounting should be applied to joint ventures. Until further notice and for the convenience of the reader and for the illustrative purposes of this monthly revenue report, the Group has elected to continue to show the Costa Rican joint venture proportional revenues, which vary from the way that the Group accounts for these revenues in our Interim and Annual Financial Statements.
[4] In October 2013, we reduced 290 gaming positions in Costa Rica that cost more to maintain on the floor (because of per position gaming taxes) than their respective revenue. As a result, period revenue has dropped, but should be reflected in enhanced EBITDA from the related properties. In late June, the Group soft opened the Casino Fiesta Aurola in downtown San Jose with 122 slot machines (expanding to 148 slot machines), 27 gaming table positions (non poker), 3 poker tables, and 36 F&B seats. Our formal inauguration is scheduled for late August 2014.

- Sale of Philippine Operations: On August 6, 2013, the Group entered into a series of transactions that resulted in the sale of its entire economic interests and management rights in its Philippine and related British Virgin Islands ("BVI") operations "Philippine operations" to Magnum Leisure Holdings Inc. and its related entities, affiliates of Solar Entertainment Corporation (collectively "Magnum"), for post-tax consideration of approximately $28.3 million. Of the net price: a) $21.1 million was settled in cash; b) $5 million was paid via a promissory note that amortizes over approximately 18 months at a 7% interest rate and is backed by a Letter of Credit issued by a major banking institution ("Note receivable") (face value is estimated to be equal to fair value); and b) $5 million is subject to hold backs by Magnum for up to 30 months ("Hold back") to cover potential contingent liabilities. The fair value recognized for the Hold back was $2.2 million, which represented the present value of the Group's estimate of the cash inflow. On August 20, 2014, the Group received notice that Magnum is making a claim for the full $5,000,000 Hold back and asserting a right to more than the Hold back despite clear contract language limiting the Group's liability to the Holdback. The Group is reviewing the matter and will respond within the 30 days permitted and intends to vigorously defend it positions as to the Hold back, the Note Receivable and Letter of Credit mentioned above.

Chapter 3:
Other Key Items

Capital Resources and Liquidity

The Group measures its liquidity needs by:

- Monitoring short-term obligations on a country-by-country and global, consolidated basis, with short-term inflows and outflows forecasted for the financial year, updated weekly.
- Monitoring long-term, scheduled debt servicing payments.
- Rolling forward 5-year cash flow models each month based on the financial results year-to-date through the previous month.

The Group has the capacity to manage liquidity with different tools at its disposal, including:

- Allocating and/or reserving cash on hand.
- Raising of debt or equity capital at both the operations and Group levels.
- Selling of non-strategic assets.
- Restructuring or deferral of unsecured lenders.
- Restructuring of salaries of key personnel.
- Deferral or aging of accounts payables.
- Cost management programs at both the operations and Group levels.

Based upon our current expectations for the second half of 2014 and with the sale of the Philippines operations, we anticipate that our available cash balances, our cash flow from operations and available borrowing capacity under our existing credit arrangements will be sufficient to fund our liquidity requirements for at least the next 18 months.

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, the Group continues to adopt the going concern basis in preparing the interim consolidated financial statements.

Business Status

Employees

As of June 30, 2014, we had 1,751 employees, including 506 in Nicaragua, 846 in Peru, 366 in Costa Rica and 33 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 2014 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

The Group is 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 re-negotiated. 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.

Indebtedness and Contractual Obligations

Our total long-term indebtedness, interest and other known contractual obligations are summarized below as of June 30, 2014. 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 2014 Half-year Report.

	Six months ending Dec 31, 2014	2015	2016	2017	2018	Thereafter	Total
Long-term bank loans	$ 3,586	$ 9,264	$ 2,586	$ 2,560	$ 2,565	$ 7,920	$ 28,481
Finance lease obligations	684	292	32	5	3	-	1,016
Convertible debt notes	1,257	2,513	6,480	5,441	1,832	5,649	23,172
Trade and other payables	6,909	-	-	-	-	-	6,909
Due to related parties	2,360	-	-	-	-	-	2,360
Total	**$ 14,796**	**$ 12,069**	**$ 9,098**	**$ 8,006**	**$ 4,400**	**$ 13,569**	**$ 61,938**

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.

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, 2014 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 2014 and will continue to do so during the remainder of 2014. No new material risks have been identified that have not already been disclosed in this 2014 Half-year Report or the 2013 Annual Report, Chapter 5, "Regulatory Environment", Chapter 10, Risk Factors and Note 22 "Commitments and Contingencies", other than the claims of Magnum discussed in the Subsequent Events Section under "Sale of Philippine Operations" (page 21).

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, 2014 and December 31, 2013

	June 30, 2014	December 31, 2013
Assets		
Non-current assets		
Property, plant and equipment (Note 8)	$ 31,636	$ 33,708
Investment accounted for using the equity method	3,370	3,954
Intangible assets	7,857	7,939
Deferred tax asset (Note 7)	348	352
Trade and other receivables	4,531	5,321
Due from related parties (Note 13)	89	120
Total non-current assets	47,831	51,394
Current assets		
Trade and other receivables	5,980	8,662
Due from related parties (Note 13)	11,526	11,477
Inventories	676	886
Restricted cash	1,684	1,724
Cash and cash equivalents	4,686	5,491
Total current assets	24,552	28,240
Total assets	**$ 72,383**	**$ 79,634**

- 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, 2014 and December 31, 2013

	June 30, 2014	December 31, 2013
Equity and liabilities		
Capital and reserves		
Share capital (Note 11)	110,046	109,926
Share option reserve	433	467
Retained earnings	(99,027)	(95,666)
Translation reserve	(239)	734
Equity attributable to equity holders of the parent	11,213	15,461
Non-controlling interest	6,399	6,117
Total equity	17,612	21,578
Non-current liabilities		
Borrowings (Note 9)	32,240	37,612
Obligations under leases and hire purchase contracts (Note 10)	35	275
Deferred tax liabilities (Note 7)	53	54
Provisions	1,398	2,100
Trade and other payables	1,557	999
Total non-current liabilities	35,283	41,040
Current liabilities		
Trade and other payables	7,266	6,785
Due to related parties (Note 13)	2,360	2,429
Borrowings (Note 9)	6,954	3,778
Obligations under leases and hire purchase contracts (Note 10)	918	833
Other financial liabilities	633	666
Current tax liabilities	74	513
Provisions	1,283	2,012
Total current liabilities	19,488	17,016
Total liabilities	54,771	58,056
Total equity and liabilities	**$ 72,383**	**$ 79,634**

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 ended June 30, 2014

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2014	**2013**	**2014**	**2013**
Net gaming wins	$ 19,749	$ 21,128	$ 9,882	$ 10,350
Food, beverage and hospitality sales	5,023	5,035	2,592	2,569
Total revenue	24,772	26,163	12,474	12,919
Cost of goods sold	(8,891)	(9,059)	(4,536)	(4,502)
Gross profit	15,881	17,104	7,938	8,417
Other operating costs				
Operating, general and administrative	(14,219)	(15,024)	(7,060)	(7,646)
Project development	-	(26)	-	(4)
Depreciation and amortization	(2,111)	(2,865)	(1,015)	(1,363)
Other gains and (losses) (Note 5)	291	47	256	78
Operating (loss) / profit	(158)	(764)	119	(518)
Share of loss from equity accounted investments	(587)	(238)	(6)	(196)
Financing				
Foreign exchange loss	(107)	(1,287)	(176)	(1,131)
Financing costs (Note 6)	(2,341)	(3,016)	(1,150)	(1,497)
Financing income (Note 6)	297	60	156	38
Other interest (Note 6)	(16)	(3)	(5)	(1)
Finance costs, net	(2,167)	(4,246)	(1,175)	(2,591)
Loss before tax	(2,912)	(5,248)	(1,062)	(3,305)
Income taxes expense (Note 7)				
Current	(201)	(534)	(119)	(335)
Deferred	-	(47)	-	21
Income taxes expense	(201)	(581)	(119)	(314)
Loss for the year from continuing operations	**$ (3,113)**	**$ (5,829)**	**$ (1,181)**	**$ (3,619)**
Profit / (loss) for the year from discontinued operations	-	566	-	(154)
Loss for the year	**$ (3,113)**	**$ (5,263)**	**$ (1,181)**	**$ (3,773)**

- continued -

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 ended June 30, 2014

	Six months ended June 30 (unaudited)		Three months ended June 30 (unaudited)	
	2014	2013	2014	2013
Other comprehensive income (amounts, which will be recycled)				
Exchange differences arising on the translation of foreign operations	$ (973)	$ (2,241)	$ 332	$ (2,296)
Other comprehensive income for the year	(973)	(2,241)	332	(2,296)
Total comprehensive income for the year	**$ (4,086)**	**$ (7,504)**	**$ (849)**	**$ (6,069)**
Loss for the year attributable to:				
Owners of the parent	(3,395)	(5,517)	(1,369)	(3,742)
Non-controlling interest	282	254	188	(31)
	$ (3,113)	$ (5,263)	$ (1,181)	$ (3,773)
Total comprehensive income attributable to:				
Owners of the parent	(4,368)	(7,758)	(1,037)	(6,038)
Non-controlling interest	282	254	188	(31)
	$ (4,086)	$ (7,504)	$ (849)	$ (6,069)
Basic and diluted loss per share (in $) : (Note 12)				
Loss from continuing operations	(0.15)	(0.26)	(0.06)	(0.15)
(Loss) / profit from discontinued operations	-	0.02	-	(0.01)
Total	(0.15)	(0.24)	(0.06)	(0.16)

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)
For the six months ended June 30, 2014

	Attributable to equity holders of parent							
	Share capital	Reserve - share commitments	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2013	$ 109,969	$ -	$ 783	$ 4,523	$ (81,648)	$ 33,627	$ 8,218	$ 41,845
Transactions with owners:								
Issue of new shares	108	48	-	-	-	156	-	156
Reclasification between reserves	-	-	(34)	-	34	-	-	-
	$ 108	$ 48	$ (34)	$ -	$ 34	$ 156	$ -	$ 156
Loss for the period	-	-	-	-	(5,517)	(5,517)	254	(5,263)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	-	-	-	(2,241)	-	(2,241)	-	(2,241)
Total comprehensive income for the year	-	-	-	(2,241)	(5,517)	(7,758)	254	(7,504)
Balance at June 30, 2013	$ 110,077	$ 48	$ 749	$ 2,282	$ (87,131)	$ 26,025	$ 8,472	$ 34,497
Transactions with owners:								
Issue of new shares	132	(48)	-	-	-	84	-	84
Shares buy-back	(272)	-	-	-	-	(272)	-	(272)
Shares returned to treasury	(11)	-	-	-	-	(11)	-	(11)
Options cancellation and expiration	-	-	(282)		282	-	-	-
Philippines disposal	-	-	-	(1,060)	-	(1,060)	(3,035)	(4,095)
	$ (151)	$ (48)	$ (282)	$ (1,060)	$ 282	$ (1,259)	$ (3,035)	$ (4,294)
Loss for the period	-	-	-	-	(8,817)	(8,817)	680	(8,137)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	-	-	-	(488)	-	(488)	-	(488)
Total comprehensive income for the year	-	-	-	(488)	(8,817)	(9,305)	680	(8,625)
Balance at December 31, 2013	$ 109,926	$ -	$ 467	$ 734	$ (95,666)	$ 15,461	$ 6,117	$ 21,578

	Attributable to equity holders of parent							
	Share capital	Reserve - share commitments	Share options reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2014	$ 109,926	$ -	$ 467	$ 734	$ (95,666)	$ 15,461	$ 6,117	$ 21,578
Transactions with owners:								
Issue of new shares	120	-	-	-	-	120	-	120
Reclasification between reserves	-	-	(34)	-	34	-	-	-
	$ 120	$ -	$ (34)	$ -	$ 34	$ 120	$ -	$ 120
Loss for the period	-	-	-	-	(3,395)	(3,395)	282	(3,113)
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	-	-	-	(973)	-	(973)	-	(973)
Total comprehensive income for the year	-	-	-	(973)	(3,395)	(4,368)	282	(4,086)
Balance at June 30, 2014	$ 110,046	$ -	$ 433	$ (239)	$ (99,027)	$ 11,213	$ 6,399	$ 17,612

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, 2014

	Six months ended June 30, (unaudited) 2014	2013
Cash flow from operating activities		
Loss for the year	$ (3,113)	$ (5,829)
Items not involving cash:		
Depreciation and amortization	2,111	2,865
Gain on disposal of property, plant and equipment	(303)	(15)
Unrealized foreign exchange	142	1,238
Decrease in provision	(1,431)	(366)
Bad debt expense	-	1
Other gains	12	25
Gain on derivative financial instruments	-	(18)
Share based payments	120	-
Finance cost	2,341	3,016
Other interests	16	3
Results from equity accounted investments	587	238
Tax expenses	201	534
Net change in non-cash working capital items		
Decrease / (increase) in trade, prepaid and other receivable	3,472	(1,130)
Decrease / (increase) in inventory	210	(12)
(Decrease) / increase in trade payables and accrued	(970)	3
Cash (used) from operations	3,395	553
Total tax paid	(640)	978
Net cash generated by continuing operations	2,755	1,531
Net cash used from discontinued operations	-	(1,383)
Net cash generated from operating activities	**$ 2,755**	**$ 148**

- 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, 2014

	Six months ended June 30, (unaudited)	
	2014	**2013**
Cash flow from investing activities		
Expenditure on property, plant and equipment	(1,716)	(130)
Proceeds on sale of property, plant and equipment	1,649	-
Interest received	297	60
Net cash used from investing activities	**$ 230**	**$ (70)**
Cash flow from financing activities		
Proceeds from issue of new loans	34	3,820
Proceeds from issuance of new finance leases	-	48
Repayment of loans and leases payable	(2,778)	(3,934)
Interest paid	(1,973)	(1,822)
Net cash used from financing activities	**$ (4,717)**	**$ (1,888)**
Net change in cash and cash equivalents during the year	(1,732)	(1,810)
Cash and cash equivalents, beginning of the year	7,215	8,506
Effect of foreign exchange adjustment	887	794
	6,370	7,490
Included in disposal group	-	(3,783)
Cash and cash equivalents, end of the year	**$ 6,370**	**$ 3,707**

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

Notes to the Interim Consolidated Financial Statements

1. BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nature of operations

The principal activities of Thunderbird Resorts Inc. and its subsidiaries ("the Group") is to develop, own and operate gaming venues. The Group also owns and manages hotels principally as a support to the gaming operations.

These activities are grouped into the following service lines:

- Gaming – the provision of table and slot games within a number of operating locations in the Group's chosen markets. The Group also has a limited sports books offering, however, it is considered to be immaterial to the Group's performance.
- Hotel – the Group offers B2C services where revenue is generated directly from occupancy of rooms by customers as well as B2B hotel management services where revenues are generated based on the occupancy rates of the property being managed. Hotel revenues also include the relevant food, beverage and hospitality income.

General information and statement of compliance with IFRS

Thunderbird Resorts Inc., the Group's parent company, is a corporation incorporated and registered in the British Virgin Islands, number 1055634.

Its headquarters is located at Calle Alberto Navarro, El Cangrejo, Apartado 0823-00514, Panama, Republic of Panama. The Group's common shares are listed on the NYSE Euronext Amsterdam under the symbol "TBIRD."

The condensed interim consolidated financial statements (the interim financial statements) are for the six months ended June 30, 2014, and have been prepared in accordance with IAS 34 "Interim Financial Reporting" (IAS 34). They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2013. 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 the foreseeable future, which Management and the Directors have defined as being at least the next 18 months from June 30, 2014. In arriving at this judgment, Management has prepared the cash flow projections of the Group, which incorporates a 5-year rolling forecast and detailed cash flow modeling through the current financial year. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments, and the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding programmed into the model and reducing over time. The model assumes no material failure of creditors to pay the Group. In particular, the outcome of the dispute with Magnum described in Note 16 Subsequent Events, can have a material impact on the Group. The model assumes no new construction projects during the forecast period, with the exception of the addition of a table gaming area and a restaurant in our Luxor facility in Lima, Peru. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to revenues not achieving anticipated levels.

The Directors have considered the: (i) base of investors and debt lenders historically available to Thunderbird Resorts Inc.; (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; (vii) fundamental trends of the Group's businesses; (viii) extraordinary cash inflows and outflows from one-time events forecasted to occur in 2014; (ix) liquidation of undeveloped and therefore non-performing real estate assets that have been held for sale; and (x) the Group's track record of restructuring debt with unsecured lenders if necessary.

Considering the above, Management and the Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the 18 months following June 30, 2014. For these reasons, Management and the Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

These interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended December 31, 2013, except for the adoption of the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning January 1, 2014:

- the application of IFRIC 21 'Levies' (IFRIC 21) IFRS 11 "Joint Arrangements" (IFRS 11). The Group does not expect IFRIC 21 to have a significant effect on the results for the financial year ending December 31, 2014.

- Other amendments to IFRSs effective for the financial year ending December 31, 2014 are not expected to have a material impact on the Group.

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.

Judgments made by management in applying the 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, 2013.

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. These operating segments are monitored by the Group's chief operating decision makers and strategic decisions are made on the basis of adjusted operating results.

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 and Costa Rica.

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. 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 and results for the Group's equity accounted joint venture are shown proportionally and in aggregate with the Group's Costa Rican subsidiary. 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)

Operating segments

	Costa Rica		Nicaragua		Philippines		Peru	
	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations								
Total revenue	6,055	7,330	6,700	7,047	-	-	14,569	14,826
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	1,617	1,705	1,150	1,018	-	-	1,965	2,657
Project development	(33)	(35)	-	-	-	-	-	-
Depreciation and amortization	(688)	(1,051)	(275)	(347)	-	-	(1,603)	(2,196)
Other gains and (losses)	1	(16)	(1)	(1)	-	-	(12)	(4)
Segments result	897	603	874	670	-	-	350	457
Foreign exchange gain / (loss)	(552)	198	(92)	(132)	-	-	47	(1,449)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	-	-
Finance costs	(272)	(383)	(74)	(124)	-	-	(632)	(679)
Finance income	9	-	5	1	-	-	3	53
Other interest	-	-	-	-	-	-	(16)	(2)
Management fees - intercompany charges	(240)	(378)	(14)	(210)	-	(1,050)	42	(68)
Profit / (loss) before taxation	(158)	40	699	205	-	(1,050)	(206)	(1,688)
Taxation	(57)	(107)	(145)	(145)	-	-	-	(330)
Profit / (loss) for the year-continuing operations	(215)	(67)	554	60	-	(1,050)	(206)	(2,018)
Profit / (loss) for the year-discontinued operations	(290)	-	-	-	-	566	-	-
Profit / (loss) for the year	(505)	(67)	554	60	-	(484)	(206)	(2,018)
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the year	(505)	(67)	554	60	-	(484)	(206)	(2,018)
Non-controlling interest	34	55	244	26	-	156	-	-
Total comprehensive income attributable to owners of the parent	(539)	(122)	310	34	-	(640)	(206)	(2,018)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	2,508	2,508	1,387	1,387	-	-	4,277	4,277
Intangible assets with finite useful lives	3	6	39	56	-	-	506	560
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	9,094	9,059	5,909	5,941	-	-	22,211	22,487
Other segment assets (including cash)	6,571	7,024	(1,717)	(2,149)	-	-	15,558	20,696
Total segment assets	18,176	18,597	5,618	5,235	-	-	42,552	48,020
Assets classified as held for sale	9,144	9,886	-	-	-	-	-	-
Total assets	27,320	28,483	5,618	5,235	-	-	42,552	48,020
Total segment liabilities	8,578	7,970	2,824	2,932	-	-	20,503	21,066
Liabilities associated with assets held for sale	1,989	2,193	-	-	-	-	-	-
Total liabilities	10,567	10,163	2,824	2,932	-	-	20,503	21,066
Net assets / (liabilities)	16,753	18,320	2,794	2,303	-	-	22,049	26,954
Non-controlling interest	4,987	4,940	1,555	1,312	-	-	-	-
Other segment items								
Capital expenditure	1,426	385	392	181	-	-	1,518	149
Depreciation and amortization	688	1,051	275	347	-	-	1,603	2,196
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

- continued -

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

	Total Operation		Corporate and non-allocated (1)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations								
Total revenue	27,324	29,203	70	110	(2,622)	(3,150)	24,772	26,163
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	4,732	5,380	(2,191)	(2,388)	(1,007)	(1,002)	1,534	1,990
Project development	(33)	(35)	-	(26)	33	35	-	(26)
Depreciation and amortization	(2,566)	(3,594)	(40)	(74)	495	803	(2,111)	(2,865)
Other gains and (losses)	(12)	(21)	302	52	1	16	291	47
Segments result	2,121	1,730	(1,929)	(2,436)	(478)	(148)	(286)	(854)
Foreign exchange gain / (loss)	(597)	(1,383)	76	268	414	(172)	(107)	(1,287)
Share of profit / (loss) from equity accounted investments	-	-	-	-	(587)	(238)	(587)	(238)
Finance costs	(978)	(1,186)	(1,602)	(2,179)	239	349	(2,341)	(3,016)
Finance income	17	54	289	6	(9)	-	297	60
Other interest	(16)	(2)	-	(1)	-	-	(16)	(3)
Management fees - intercompany charges	(212)	(1,706)	225	1,635	115	161	128	90
Profit / (loss) before taxation	335	(2,493)	(2,941)	(2,707)	(306)	(48)	(2,912)	(5,248)
Taxation	(202)	(582)	(19)	(37)	20	38	(201)	(581)
Profit / (loss) for the year-continuing operations	133	(3,075)	(2,960)	(2,744)	(286)	(10)	(3,113)	(5,829)
Profit / (loss) for the year-discontinued operations	(290)	566	-	-	290	-	-	566
Profit / (loss) for the year	(157)	(2,509)	(2,960)	(2,744)	4	(10)	(3,113)	(5,263)
Currency translation reserve	-	-	(973)	(2,284)	-	43	(973)	(2,241)
Total comprehensive income for the year	(157)	(2,509)	(3,933)	(5,028)	4	33	(4,086)	(7,504)
Non-controlling interest	278	237	-	-	4	17	282	254
Total comprehensive income attributable to owners of the parent	(435)	(2,746)	(3,933)	(5,028)	0	16	(4,368)	(7,758)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	8,172	8,172	-	-	(866)	(866)	7,306	7,306
Intangible assets with finite useful lives	548	622	6	17	(3)	(6)	551	633
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	37,214	37,487	484	1,831	(6,062)	(5,610)	31,636	33,708
Other segment assets (including cash)	20,412	25,571	8,209	7,602	4,269	4,814	32,890	37,987
Total segment assets	66,346	71,852	8,699	9,450	(2,662)	(1,668)	72,383	79,634
Assets classified as held for sale	9,144	9,886	-	-	(9,144)	(9,886)	-	-
Total assets	75,490	81,738	8,699	9,450	(11,806)	(11,554)	72,383	79,634
Total segment liabilities	31,905	31,968	29,708	32,234	(6,842)	(6,146)	54,771	58,056
Liabilities associated with assets held for sale	1,989	2,193	-	-	(1,989)	(2,193)	-	-
Total liabilities	33,894	34,161	29,708	32,234	(8,831)	(8,339)	54,771	58,056
Net assets / (liabilities)	41,596	47,577	(21,009)	(22,784)	(2,975)	(3,215)	17,612	21,578
Non-controlling interest	6,542	6,252	-	-	(143)	(135)	6,399	6,117
Other segment items								
Capital expenditure	3,336	715	6	(173)	(1,395)	(375)	1,947	167
Depreciation and amortization	2,566	3,594	40	74	(495)	(803)	2,111	2,865
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

(1) Includes non-operating entities
(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

(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)		Costa Rica IFRS 11 Adjustments (2)		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Continuing operations										
Total revenue	21,506	20,297	5,818	8,906	70	110	(2,622)	(3,150)	24,772	26,163
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses (Adjusted EBITDA)	4,277	3,743	455	1,637	(2,191)	(2,388)	(1,007)	(1,002)	1,534	1,990
Project development	(31)	(35)	(2)	-	-	(26)	33	35	-	(26)
Depreciation and amortization	(960)	(1,754)	(1,606)	(1,840)	(40)	(74)	495	803	(2,111)	(2,865)
Other gains and (losses)	(35)	(2,953)	23	2,932	302	52	1	16	291	47
Segments result	3,251	(999)	(1,130)	2,729	(1,929)	(2,436)	(478)	(148)	(286)	(854)
Foreign exchange gain / (loss)	(561)	(1,418)	(36)	35	76	268	414	(172)	(107)	(1,287)
Share of profit / (loss) from equity accounted investments	-	-	-	-	-	-	(587)	(238)	(587)	(238)
Finance costs	(418)	1,742	(560)	(2,928)	(1,602)	(2,179)	239	349	(2,341)	(3,016)
Finance income	(86)	(2,180)	103	2,234	289	6	(9)	-	297	60
Other interest	188	-	(204)	(2)	-	(1)	-	-	(16)	(3)
Management fees - intercompany charges	(426)	(1,805)	214	99	225	1,635	115	161	128	90
Profit / (loss) before taxation	1,948	(4,660)	(1,613)	2,167	(2,941)	(2,707)	(306)	(48)	(2,912)	(5,248)
Taxation	170	822	(372)	(1,404)	(19)	(37)	20	38	(201)	(581)
Profit / (loss) for the year-continuing operations	2,118	(3,838)	(1,985)	763	(2,960)	(2,744)	(286)	(10)	(3,113)	(5,829)
Profit / (loss) for the year-discontinued operations	526	4,942	(816)	(4,376)	-	-	290	-	-	566
Profit / (loss) for the year	2,644	1,104	(2,801)	(3,613)	(2,960)	(2,744)	4	(10)	(3,113)	(5,263)
Currency translation reserve	-	-	-	-	(973)	(2,284)	-	43	(973)	(2,241)
Total comprehensive income for the year	2,644	1,104	(2,801)	(3,613)	(3,933)	(5,028)	4	33	(4,086)	(7,504)
Non-controlling interest	278	237	-	-	-	-	4	17	282	254
Total comprehensive income attributable to owners of the parent	2,366	867	(2,801)	(3,613)	(3,933)	(5,028)	0	16	(4,368)	(7,758)
Assets and liabilities										
Segment intangible assets:										
Intangible assets with indefinite useful lives	8,158	8,158	14	14	-	-	(866)	(866)	7,306	7,306
Intangible assets with finite useful lives	98	13	450	609	6	17	(3)	(6)	551	633
Financial assets - investments	-	-	-	-	-	-	-	-	-	-
Segment assets:										
Property, plant and equipment	19,105	(2,378)	18,109	39,865	484	1,831	(6,062)	(5,610)	31,636	33,708
Other segment assets (including cash)	12,430	13,842	7,982	11,729	8,209	7,602	4,269	4,814	32,890	37,987
Total segment assets	39,791	19,635	26,555	52,217	8,699	9,450	(2,662)	(1,668)	72,383	79,634
Assets classified as held for sale	9,144	9,886	-	-	-	-	(9,144)	(9,886)	-	-
Total assets	48,935	29,521	26,555	52,217	8,699	9,450	(11,806)	(11,554)	72,383	79,634
Total segment liabilities	24,204	(3,082)	7,701	35,050	29,708	32,234	(6,842)	(6,146)	54,771	58,056
Liabilities associated with assets held for sale	1,989	2,193	-	-	-	-	(1,989)	(2,193)	-	-
Total liabilities	26,193	(889)	7,701	35,050	29,708	32,234	(8,831)	(8,339)	54,771	58,056
Net assets / (liabilities)	22,742	30,410	18,854	17,167	(21,009)	(22,784)	(2,975)	(3,215)	17,612	21,578
Non-controlling interest	6,542	6,252	-	-	-	-	(143)	(135)	6,399	6,117
Other segment items										
Capital expenditure	3,206	246	130	469	6	(173)	(1,395)	(375)	1,947	167
Depreciation and amortization	960	1,754	1,606	1,840	40	74	(495)	(803)	2,111	2,865
Impairment losses	-	-	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-	-	-

(1) Includes non-operating entities
(2) Includes adjustment to Costa Rica segment results for equity accounting under IFRS 11.

(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, 2014	Six months ended June 30, 2013	Three months ended June 30, 2014	Three months ended June 30, 2013
Sale of corporate property	303	-	303	-
Other write off of assets	(5)	15	(24)	50
Gain on Guatemala sale	-	39	-	39
Fair value for financial derivative contracts	-	18	-	14
Fair value adjustment for shares pledged for borrowings	1	(25)	(11)	(25)
Other	(8)	-	(12)	-
Total	**$ 291**	**$ 47**	**$ 256**	**$ 78**

a. Sale of corporate property

In May 2014, the Group sold an investment property in Panama City, Panama for $1,800,000. The sale resulted in a gain on disposal of $303,000.

b. Other write off of assets

Certain trade receivables and prepaids in Corporate and Nicaragua were determined to be uncollectable and an expense of $13,000 has been recorded. In addition, gains were recognized on dispositions of property, plant and equipment, and reversals of provisions totaling $8,000.

c. Impairment adjustments for shares pledged for borrowings

During the first quarter of 2012, the Group restuctured certain Peru debt, refered to as "Parlor debt" (2012 Annual Report, Chapter 3, p. 15). As part of the negotiations, the Group issued 175,000 of Thunderbird Resorts shares as additional security on the loan. Upon initial recognition, $355,000 was separately measured and recorded within other non-current trade and other receivables. As of December 31, 2013, 115,210 shares were converted to cash and held as security on the loan. The remaining 59,790 shares have a recoverable amount of $44,000, based on the share price as of June 30, 2014, resulting in an adjustment of $1,000 to the previosly recorded impairment.

(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 profit or loss for the years presented:

	Six months ended June 30, 2014	Six months ended June 30, 2013	Three months ended June 30, 2014	Three months ended June 30, 2013
Finance cost				
Bank loans	$ 655	$ 797	$ 312	$ 392
Other loans	1,072	1,415	535	716
Related party loans	175	280	87	140
Finance charges payable under finance leases and hire purchase contracts	22	2	10	2
Reserve for un-collectable trade receivables	-	-	-	-
Amortization of borrowing costs	417	522	206	247
Total finance costs (on a historical cost basis)	**$ 2,341**	**$ 3,016**	**$ 1,150**	**$ 1,497**
Finance income				
Bank interest receivable	22	60	9	33
Gain on loan refinancing	-	-	-	5
Third party interest receivable	275	-	147	-
Total finance income (on a historical cost basis)	**$ 297**	**$ 60**	**$ 156**	**$ 38**
Other interest				
Other interest	16	3	5	1
Total other interest	**$ 16**	**$ 3**	**$ 5**	**$ 1**

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

7. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in profit or loss

	Six months ended June 30,		Three months ended June 30,	
	2014	2013	2014	2013
Current Income Tax				
Foreign tax	$ 201	$ 534	$ 119	$ 335
Total current income tax	201	534	119	335
Deferred Tax				
Origination and reversal of temporary differences	-	47	-	(21)
Total deferred tax	-	47	-	(21)
Tax charged in the statement of comprehensive income	**$ 201**	**$ 581**	**$ 119**	**$ 314**
Taxes allocated to:				
Loss for the year	201	581	119	314
Totals	**$ 201**	**$ 581**	**$ 119**	**$ 314**

b) Reconciliation of the total tax charge

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

	June 30, 2014	December 31, 2013
Accounting loss before income tax	$ (2,912)	$ (9,313)
Effect of different tax rates on overseas earnings	201	1,707
Total tax expense reported in the statement of income	$ 201	$ 1,707
Deferred income tax assets		
Total deferred tax	$ 348	$ 352
Deferred income tax liabilities		
Other assets - net book value in excess of unamortized tax	33	33
Withholding tax on repatriation of retained earnings from foreign subsidiaries	-	-
Other	20	21
Total deferred tax liabilities	**$ 53**	**$ 54**

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

At June 30, 2014, the Group has unrecognized United States income tax net operating losses of $29,554,000 (December 31, 2013 - $29,124,000). These operating losses expire at various dates for up to 20 years. 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. At June 30, 2014, the Group has unrecognized Peru income tax net operating losses of $1,641,000. The $492,000 tax benefit associated with the Peru loss carry forwards have not been reflected in the accounts as it is probable that the subsidiaries that hold the losses will not have sufficient net income to make use of the tax benefits before they expire in one to four years.

The Group has recorded a deferred tax asset in the amount of $348,000 (December 31, 2013 - $352,000), for temporary differences related to provisions and book reserves in certain Peru and Costa Rica subsidiaries.

8. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in progress and advances	Total
Cost						
As of January 1, 2014	$ 29,518	$ 8,127	$ 24,478	$ 14,158	$ 320	$ 76,601
Foreign exchange adjustments	(103)	(434)	(127)	(201)	(2)	(867)
Additions	-	12	268	106	1,330	1,716
Disposals	(1,603)	-	(205)	(101)	-	(1,909)
Transfers	9	20	336	91	(456)	-
As of June 30, 2014	27,821	7,725	24,750	14,053	1,192	75,541
Depreciation						
As of January 1, 2014	$ 7,501	$ 3,984	$ 21,018	$ 10,332	$ 58	$ 42,893
Foreign exchange adjustments	(1)	(201)	(109)	(156)	-	(467)
Charge for the year	680	215	814	333	-	2,042
Disposals	(291)	-	(182)	(90)	-	(563)
As of June 30, 2014	7,889	3,998	21,541	10,419	58	43,905
Net book value as of January 1, 2014	22,017	4,143	3,460	3,826	262	33,708
Net book value as of June 30, 2014	$ 19,932	$ 3,727	$ 3,209	$ 3,634	$ 1,134	$ 31,636

(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 progress and advances	Total
Cost						
As of January 1, 2013	$ 64,885	$ 10,745	$ 44,960	$ 26,358	$ 3,541	$ 150,489
Foreign exchange adjustments	(4,248)	(223)	(3,213)	(1,341)	(263)	(9,288)
Additions	927	27	90	155	(308)	891
Additions - discontinued operations	136	7	11	115	2,182	2,451
Disposals	-	-	(590)	(117)	(3)	(710)
Disposals - discontinued operations	(32,276)	(2,476)	(17,315)	(11,702)	(3,463)	(67,232)
Transfers	94	47	535	690	(1,366)	-
As of December 31, 2013	29,518	8,127	24,478	14,158	320	76,601
Depreciation						
As of January 1, 2013	$ 13,699	$ 4,941	$ 36,752	$ 19,042	$ -	$ 74,434
Foreign exchange adjustments	(1,006)	(140)	(2,642)	(1,007)	-	(4,795)
Charge for the year	1,412	487	2,221	821	-	4,941
Charge for the year - discontinued operations	977	95	955	1,099	-	3,126
Disposals	-	-	(415)	(105)	-	(520)
Disposals - discontinued operations	(7,581)	(1,399)	(15,853)	(9,518)	-	(34,351)
Impairment	-	-	-	-	58	58
As of December 31, 2013	7,501	3,984	21,018	10,332	58	42,893
Net book value as of January 1, 2013	51,186	5,804	8,208	7,316	3,541	76,055
Net book value as of December 31, 2013	$ 22,017	$ 4,143	$ 3,460	$ 3,826	$ 262	$ 33,708

Assets pledged as security

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

	June 30, 2014		December 31, 2013	
	Cost	Amortized cost	Cost	Amortized cost
Property	24,644	16,360	25,835	18,333
Gaming equipment	5,281	286	6,763	513
Auto	42	38	-	-
Total	**$ 29,967**	**$ 16,684**	**$ 32,598**	**$ 18,846**

The carrying value of assets held under finance leases and hire purchase contracts at June 30, 2014 was $945,000 (December 31, 2013 - $1,196,000).

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9. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal re[ayments							
	Six months ended Dec 31, 2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Interest Rate[1]:								
>15%	$ 78	$ -	$ -	$ -	$ -	$ -	$ -	$ 78
13% to 14%	49	409	-	-	-	-	-	458
11% to 12%[2]	1,502	3,243	990	1,105	1,232	4,772	(99)	12,745
<10%	1,285	5,130	5,557	5,257	1,867	7,597	(780)	25,913
Total principal repayments	**$ 2,914**	**$ 8,782**	**$ 6,547**	**$ 6,362**	**$ 3,099**	**$ 12,369**	**$ (879)**	**$ 39,194**

1. Floating rate loans are calculated as of the effective rate on June 30, 2014.
2. Includes $6,211,307 of convertible loan notes with an embedded derivative of $NIL (December 31, 2013 - $NIL AR Note 25).

	Six months ended Dec 31, 2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 2,212	$ 6,979	$ 5,188	$ 4,911	$ 1,563	$ 4,774	$ (683)	$ 24,944
Costa Rica	37	552	-	-	-	-	(32)	557
Nicaragua	155	166	181	173	150	664	-	1,489
Philippines	-	-	-	-	-	-	-	-
Peru	510	1,085	1,178	1,278	1,386	6,931	(164)	12,204
Total principal repayments	**$ 2,914**	**$ 8,782**	**$ 6,547**	**$ 6,362**	**$ 3,099**	**$ 12,369**	**$ (879)**	**$ 39,194**

	Borrowing summary	
	June 30, 2014	**December 31, 2013**
Total borrowing	39,194	41,390
Less current portion of borrowings	(6,954)	(3,778)
Borrowing non-current	**$ 32,240**	**$ 37,612**

(Expressed in United States dollars)
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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							
	2014	2015	2016	2017	2018	Thereafter	Unamortized premiums, discounts & issuance costs	Total
Country:								
Corporate	$ 1,803	$ 6,092	$ 231	$ 252	$ 331	$ -	$ (427)	$ 8,282
Costa Rica	-	-	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	-
Peru	409	887	4,957	4,659	1,232	4,774	(256)	16,662
Total principal repayments	**$ 2,212**	**$ 6,979**	**$ 5,188**	**$ 4,911**	**$ 1,563**	**$ 4,774**	**$ (683)**	**$ 24,944**

During the six months ended June 30, 2014, the Group has obtained new borrowings detailed as follows:

	Additions	Balance June 30, 2014	Collateral	Interest rate	Maturity Date
Nicaragua					
Loans with non-financial entities	34	32	Vehicle	9%	Feb-19
Total	**$ 34**	**$ 32**			

The following table provides additional detail of additions, refinancing, repayments, and disposals taking place during the six months ended June 30, 2014:

Additions Summary	Balance Dec 31, 2013	Additions	Refinancing Additions	Refinancing Extinguishment	Repayments	Disposal	Unamortized premiums, discounts & issuance costs	Balance June 30, 2014
Loans with financial entities	$ 16,687	$ 34	$ -	$ -	$ (640)	$ (1,158)	$ (180)	$ 14,743
Loans with non-financial entities	19,719	-	-	-	(778)	-	(510)	18,431
Convertible loan notes with non-financial entities	6,111	-	-	98	-	-	(189)	6,020
Total	**$ 42,517**	**$ 34**	**$ -**	**$ 98**	**$ (1,418)**	**$ (1,158)**	**$ (879)**	**$ 39,194**

Notes

Additions

During the six months ended June 30, 2014, Buena Esperanza Ltda., obtained financing from a Nicaragua-based bank of $34,000. The loan is secured, bears interest at 9.25% and matures in 5 years. Principal and interest payments are due monthly in 60 equal installments.

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Repayments

During the six months ended June 30, 2014, the Group repaid a total of $1,418,000 of loan principal, consisting of $640,000 of loans with financial entities and $778,000 and of loans with non-financial entities.

Disposals

In April 2014, the Group repaid $1,158,000 of principal and $12,000 of accrued interest on bank financing following the sale of a corporate property.

10. 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 certain video lottery equipment. As at June 30, 2014, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due June 30, 2014		Future commitments due December 31, 2013	
	Minimun Lease Payments	Present value	Minimun Lease Payments	Present value
Finance lease commitments				
Not longer than one year	953	918	891	833
After one year but not more than five years	63	35	283	275
Sub total	1,016	953	1,174	1,108
Less deferred transaction costs	-	-	-	-
Present value of minimum lease payments	**$ 1,016**	**$ 953**	**$ 1,174**	**$ 1,108**
Obligations under leases and hire purchase contracts current		$ (918)		$ (833)
Obligations under leases and hire purchase contracts non-current		**$ 35**		**$ 275**

(Expressed in United States dollars)
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Assets held under finance leases and hire purchase contracts as of June 30, 2014 and December 31, 2013:

	June 30, 2014		December 31, 2013	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 45	$ 35	$ 45	$ 39
Gaming equipment	1,624	910	1,673	1,157
Total	**$ 1,669**	**$ 945**	**$ 1,718**	**$ 1,196**

Obligations under operating leases

The Group leases commercial real estate for one casino in Costa Rica, three slot parlors and one casino in Peru, and four casinos in Nicaragua. The future minimum lease payments are as follows:

	Future commitments due
Not longer than one year	$ 1,855
After one year but not more than five years	3,909
After five years	3,119
Total	**$ 8,883**

Operating lease expense for the six months ended June 30, 2014 was $1,995,000 (June 30, 2013 Restated - $1,951,000).

11. 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.

(Expressed in United States dollars)
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	Number of shares	Share capital ($USD in 000's)
Shares authorized		
500,000,000 common shares without par value		
500,000,000 preferred shares without par value		
Shares issued		
Balance as at December 31, 2012	**22,916,575**	**$ 109,969**
Share based payments	199,416	240
Cancellation of restricted shares	(14,998)	(11)
Treasury shares purchased	(286,515)	(272)
Balance as at December 31, 2013	**22,814,478**	**$ 109,926**
Share based payments	48,648	-
Share besed payments - share commitments	-	120
Balance as at June 30, 2014	**22,863,126**	**$ 110,046**

Options

The following table provides additional detail of share options exercised and cancelled during 2013 and the six months ended June 30, 2014:

	Number of shares	Weighted average exercise price
Balance as at December 31, 2012	**245,020**	**$ 3.87**
Cancelled due to expiring	(93,810)	3.97
Balance as at December 31, 2013	**151,210**	**$ 3.79**
Cancelled due to expiring	(11,111)	3.87
Balance as at June 30, 2014	**140,099**	**$ 3.83**
Number of options currently exercisable	140,099	$ 3.83

Please refer to Note 18 in the Group's consolidated financial statements for the year ended December 31, 2013 for additional discussion of the Group's stock option plans.

(Expressed in United States dollars)
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12. LOSS PER SHARE

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

	Six months ended June 30 2014	Six months ended June 30 2013
Shares used in computation of basic and diluted earnings per share (000's)	23,150	22,992
Loss for the period attributable to the parent	$ (3,395)	$ (5,517)
Basic loss per share	**(0.15)**	**(0.24)**
Diluted loss per share	**(0.15)**	**(0.24)**

Basic and diluted loss per share is calculated by dividing the net loss for the year by the weighted average shares used in the computation of basic loss per share.

As a result of the loss for the six months ended June 30, 2014, the diluted loss per share is the same as the basic loss per share as the employee share options and the effect of convertible loan notes are anti-dilutive.

13. RELATED PARTY TRANSACTIONS

	June 30, 2014		December 31, 2013	
	Current	Non-Current	Current	Non-Current
Due from related parties				
Nicaraguan Partners	$ -	$ 41	$ -	$ 41
Costa Rican Partner	11,526	24	11,477	55
Transactions with officers	-	24	-	24
	11,526	89	11,477	120
Due to related parties				
Nicaraguan Partners	1,125	-	1,210	-
Costa Rican Partner	1,235	-	1,219	-
	$ 2,360	-	$ 2,429	$ -

Due from related parties

Receivables from joint ventures and related party receivables

The Group charges management, marketing, administration and royalty fees to its subsidiaries and joint ventures. The amounts due from joint ventures represent the fees that have been accrued for but not yet paid by the joint venture entities. The income and expenses associated with management fees between subsidiaries have been eliminated in their entirety in these consolidated financial statements. The related party receivable represents amounts due from the Group's partners in its non-wholly owned subsidiaries. All receivables are non-interest bearing and are due on demand by the Group. The Group has not provided for an allowance against these amounts as these amounts are deemed collectible by the Group.

Included in due from related parties is $11,526,000 (December 31, 2013 – $11,532,000) due from Thunderbird de Costa Rica, S.A. which is accounted for under the equity method. These receivables are non-interest bearing and are due on demand by the Group. Settlement is anticipated within a year, pending the sale of certain real estate in Costa Rica. These balances are primarily comprised of management fees accrued but not yet paid by the entity. Also, included in due from related parties is $24,000 (December 31, 2013 – $55,000) due from the Group partner in Costa Rica for the purchase of a non-controlling interest in Thunderbird Gran Entretenimiento, S.A. Additionally, $41,000 (December 31, 2013 – $41,000) is 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.

Receivables from officers

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 one of the principals of which is Peter LeSar who coordinated the Group's pre-2006 efforts to establish operations in Chile at that time. The balance due as of June 30, 2014, is $24,000 (December 31, 2013 – $24,000). The other principals are Raul Sueiro and Angel Sueiro who are former executives of the Group.

Due to related parties

Payable to joint ventures and related party payables

Included in due to related parties are amounts due to the Group's partner in Costa Rica for $1,235,000 (December 31, 2013 – $1,219,000) for its portion of management fees. $1,125,000 (December 31, 2013 – $$1,210,000) is due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity.

Transaction with Officers and Directors included within borrowings

Salomon Guggenheim is a director and not a beneficial owner in a company called India Ltd. The Group has been loaned various amounts by India Ltd. Please see Officer related party transactions in the table below for amount due and interest paid to India Ltd. during 2014 and 2013.

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

		June 30, 2014		December 31, 2013	
		Amount due	Interest paid	Amount due	Interest paid
	Country				
Director	Corporate	1,630	88	1,630	712
Director	Philippines	-	-	-	116
Officer related party	Corporate	1,693	97	1,758	142
	Total	**$ 3,323**	**$ 185**	**$ 3,388**	**$ 970**

Other related party transactions

The Group paid the Vice President of Corporate Development's company, Tino Monaldo Chtd., consulting fees and out of pocket expenses of $26,000 for the six months ended June 30, 2014, and $52,000 for the twelve months ended December 31, 2013. Mr. Monaldo pays his own health, life, and dental insurance, and other professional fees and expenses.

14. CONTINGENCIES

Note 22 in the Group's consolidated financial statements for the year ended December 31, 2013 provides a discussion of all of the Group's commitments. There are no material changes in this disclosure other than the following update.

a. Peru tax controversy

In the latter part of 2011, the Group's wholly owned Peruvian subsidiary Thunderbird Hoteles Las Americas, S.A. ("THLA"), received a group of resolutions issued by the Peruvian tax authority, Superintendencia Nacional de Administración Tributaria ("SUNAT") in relation to various major tax issues. The first set of resolutions encompassed a rejection of certain deductions in 2007 for interest payments made to lenders/investors domiciled abroad in relation to certain loans and investments. The second set of resolutions encompassed a rejection of certain tax credits in favor of THLA related to IGV (sales tax). In each of the first and second set of resolutions, these tax matters related to the acquisition of the six hotels by THLA in Peru. The third set of resolutions was issued by SUNAT relating to fines associated with the prior described tax issues.

THLA filed an administrative appeal with respect to these three sets of resolutions on November 21, 2011. On March 23, 2012, THLA was notified through a SUNAT resolution that the tax authority confirmed its three resolutions as described herein. The total potential exposure (including underlying tax, penalties and interest) is approximately S\.6,963,793 Peruvian Soles ($2,490,627) for the first set of resolutions, S\.6,490,336 Peruvian Soles

($2,321,293) for the second set of resolutions and S\.6,074,727 Peruvian Soles ($2,172,649) for the third set of resolutions.

THLA thereafter filed an appeal on March 23, 2012, challenging the tax assessments as our Peruvian outside tax counsel has taken the position that THLA filed proper tax returns and that SUNAT assessments are inconsistent with the Peruvian tax laws.

THLA received various resolutions on July 24, 2014 for 2008 assessments related to income tax, which amounts updated to July 30, 2014 total $1,401,056, of which amount $95,358 are base tax, $713,258 are related to interest and $592,440 are penalties. THLA intends to file a claim before the Tribunal Fiscal in August 2014 to challenge a majority of these resolutions and will also pay SUNAT approximately $401,000 as a payment toward the assessed amounts in which management concurs with SUNAT's analysis.

Thunderbird Fiesta Casino Benavides, S.A. ("TFCB") received assessments on April 14, 2014 related to income tax for 2008 for a total amount of $261,685; of which amount $126,462 is interest and $135,223 is penalties. This assessment is under claim at SUNAT since June 5, 2014.

Management intends to vigorously defend its position at all administrative and judicial levels. The Group is not responsible for payment until the administrative and judicial process decisions are final with no further rights of appeal. However, interest on these resolutions continues to accrue while the administrative and judicial process is completed and a final decision is rendered. As a result of the on-going uncertainty over the potential outcome of this matter, no provision has been recorded.

b. Costa Rica tax controversy

The income tax in Costa Rica is collected by the General Income Tax Office. The Group's Costa Rica subsidiaries, Thunderbird Gran Entretenimiento, S.A. ("TGE"), and Grupo Thunderbird de Costa Rica, S.A. ("GTCR") are engaged in two separate tax proceedings.

The Group's subsidiary TGE operation received a proposed income tax assessment in Q1 2012, of $0.6 million for the tax year ended December 31, 2009, and a proposed income 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 2010. 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. These matters were appealed to the Tribunal Fiscal Administrative ("TFA") during Q3 and Q4 of 2012. On January 16, 2013, the Group was advised that the TFA appeal was denied in regards to the TGE tax matter. On August 21, 2014, TGE filed a lawsuit before the Administrative-Contentious & Civil Tribunal of Treasury fully disputing the assessments of the Cost Rican tax authorities. However, interest, fines and penalties on the tax assessments will continue to accrue during the time of the judicial appeal and up until the time when a final decision is achieved. In regards to the TGE case, the Group may be notified of an attempt to collect the disputed amount by the General Income Tax Office; however, the Group has the right to file a petition for suspension of payment action that will allow the lawsuit to continue to its final conclusion in the court.

GTCR received a proposed tax assessment in the approximate amount of $356,000 for the tax year ending December 31, 2009, 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. Of the amounts in question, GTCR was notified in July 2014 that it had won its appeal related to $244,000 of the total amount in dispute. The Group is analyzing the case, but believes that of the total disputed amounts, the sum of $56,000 has no possibility to be successfully defended and as a result the Group has established an accrued liability for that amount. The Group believes that the remaining aspects of this tax assessment are incorrect and inconsistent with the decision to overturn the amount of $244,000.

The Group's Costa Rican tax counsel believes that both TGE and GTCR applied tax positions correctly except in the instance described above for which the entities have established an accrued liability. Therefore, the Group intends to vigorously defend its position with respect to each of these tax matters at all administrative and judicial levels.

c. Costa Rica Litigation

An Arbitration Award rendered against the Group's Costa Rica affiliate, King Lion Network, S.A. ("KLN"), commenced on November 21, 2011 before the Resolution Center of Conflicts of the Engineers and Architects College (CFIA). TRAESA, S.A. claimed KLN owed to TRAESA certain damages in relation to construction work performed by TRAESA, plus interest, costs and expenses of the judicial and arbitral procedures. The arbitrator awarded a payment to TRAESA of $154,807, under the concept of refund of withholdings claimed plus the interest imposed on the execution of the Award. TRAESA filed the execution of the Arbitral Award before the Civil Court on March 6, 2013, assigned to 1st Civil Court on April 1, 2013. On May 20, 2013, they requested an embargo for $242,192. At present, KLN continues to pursue its appeal rights with respect to the arbitration award and the embargo, claiming that the facts and law does not support the initial resolution.

d. Daman Hospitality loan guarantees

We entered the India market in 2008 by initiating a hotel project in Daman, India, which is located just north of Maharashtra State whose capital is Mumbai (formerly Bombay). The project known as "Thunderbird Resorts – Daman" faced both regulatory delays outside the Group's control, as well as cost overruns in construction and pre-operating interest and expense due to the delays.

From commencement through the change of control via the sale of DHPL shares to Delta Corp ("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 cash and property contributed as equity ($9 million by the Group) in a first round of equity funding.

- $26 million senior secured loan facility from four India banks, jointly and severally guaranteed by the Group.

- $13.5 million in fully convertible debentures ("FCDs") secured behind the senior lenders, of which approximately $9 million of principal plus any unpaid interest was to be jointly and severally guaranteed by the Group.

- $21 million in additional equity and junior debt required to be contributed by Bombay Stock Exchange traded Delta in a second round of equity funding. Post-closing, Delta became the 51% control partner and the Group and the original local partner shared the remaining 49% share position.

In February 2012, the Group announced that the "Thunderbird Resorts – Daman" project had been largely completed as follows: a) approximately 176 hotel rooms; b) three bars and restaurants; c) pool and outdoor plaza areas; and d) approximately 50% of indoor meeting areas. The Group also announced at that time that the hotel was still waiting for its hotel occupancy permit to be granted by the relevant local authorities.

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. In its Q3 2012 Interim Management Statement, the Group updated previous announcements stating that:

- Madison India Real Estate Fund ("MIREF"), called upon DHPL and/or its shareholders to purchase its fully convertible debentures ("FCDs") that DHPL had issued MIREF for a face amount of approximately $7.5 million plus accrued return. MIREF's FCDs contained conversion rights into a 76% voting equity shareholder in DHPL. Bombay Stock Exchange filings by Delta disclosed that Delta acquired MIREF's FCDs along with its converted shares to increase its total equity holding in DHPL to 87.16% from its earlier 51% ownership.

- As a result of the conversion of the MIREF FCDs into DHPL shares and the termination of all DPHL obligations to MIREF along with other factors, the Group no longer has any liability to MIREF. Furthermore, pursuant to the parties' Shareholders' Agreement, the Management believes its equity holding has been reduced to approximately 5.5% in DHPL and that, as a result, Delta and DHPL are now obligated to obtain a release of the Group's remaining guarantees of: i) senior secured debt in the face amount of approximately $21.3 million to a consortium of Indian Banks; and iii) fully convertible debentures to Maravege Limited and one other party in the face amount of $2.9 million. If no such releases are obtained, Management believes both DHPL and Delta are required to fully indemnify Thunderbird from any claims arising under said guarantees.

- Delta and others dispute their respective obligations and the legal positions taken by the Group. The outcome of any potential litigation, including the liability pursuant to these corporate guarantees, is not known at this time. While there can be no assurances that litigation will not occur, the Group believes that the DHPL shareholders and FCD holders are working toward a non-litigious resolution.

The hotel has opened and has commenced operations in Daman.

e. Canadian tax controversy

Thunderbird Gaming, Inc. ("TGI"), a wholly-owned subsidiary of the Group that has been inactive since 1996, received notification of a reassessment from the Canada Revenue Agency ("CRA") with respect to a transfer of assets in 1996 in relation to the California Indian gaming business previously operated by TGI. Specifically, this reassessment stems from a transfer of assets which CRA contends was undervalued. The reassessment is in the amount of Canadian dollars ("CDN") $380,000 (US $380,760 at December 31, 2010).

TGI submitted applications to CRA utilizing its net operating loss ("NOL") in a manner that reduced the actual tax liability to zero and is taking the position that the valuation of assets was accurate in order to preserve its NOL. By taking this position, TGI believes it avoids the imposition of interest on tax, which is the subject of the reassessment.

Further, TGI filed a fairness application with the appropriate Canadian taxing authority requesting a complete abatement of the alleged interest imposed on the alleged tax liability.

In this filing, management alleged that TGI received unconscionable and egregious treatment from CRA in addition to experiencing excessive delays in the reassessment process. TGI also filed an appeal of CRA's assessment with the tax courts in Canada in which TGI will attempt to establish that the underlying tax liability should never have been assessed.

The fairness application was rejected and in March 2007, TGI abandoned further appeal to the tax courts in Canada.

Although the Group believes CRA's case is without merit, the liability is contained within an insolvent subsidiary and consequently, even though TGI is responsible for the liability, the Group's parent and subsidiaries have no exposure to the TGI liability. The Group does not expect that CRA will collect the judgment as TGI is insolvent and therefore there is no accrual in these consolidated financial statements related to this reassessment.

f. Chile controversy

The Group's Chilean subsidiary, Thunderbird Chile, S.A., was engaged in a "legal challenge" in its quest to be included as a bidder in the Chile Bid Process. On April 5, 2006, the Santiago Court of Appeals unanimously ruled (3-0) in favor of Thunderbird Chile, S.A.'s petitions against the Chilean Gaming Commission's resolutions that had excluded Thunderbird from the current casino bid process. The Court found that the Gaming Commission's resolutions were arbitrary and illegal. The Commission appealed the decision to the Supreme Court. The Supreme Court ruled against Thunderbird Chile, S.A. and no further legal challenges are now pending. A lawsuit was filed against the Thunderbird Chile, S.A. regarding the termination of the "Rancagua lease." The matter was concluded in August of 2008 as the court in Chile rendered a judgment against Thunderbird Chile, S.A. as of August 4, 2008, in the amount of CHP 1,741 million, which as of the date of the judgment converted to USD 2.8 million. Thunderbird Chile, S.A. is not expecting any material impact to its financials as a result of the judgment. The Group believes that the parties in Chile will not collect on the judgment as the Chilean subsidiary is insolvent and therefore there is no accrual in the consolidated financial statements related to this liability.

g. Guatemala tax controversy

The Internal Revenue Service (IRS) (Superintendencia de Administración Tributaria-SAT) which has overall responsibility for tax administration in Guatemala is attempting to commence an audit on Thunderbird de Guatemala, S.A. in spite of the fact that local counsel opined that the statute of limitations on the years in question has expired. The Superintendencia de Administración Tributaria-SAT has sent their intention to collect information to open up 2008, an expired year according to the rules of Tax Law in Guatemala, to the relevant Court in Guatemala. The Group and the local lawyers have the firm conviction that the statute of limitations has expired for that year, and this is the reason for challenging the Superintendencia de Administración at the aforementioned level.

On May 30, 2014, Superintendencia de Administración Tributaria-SAT notified an assessment for 2009 for the amount of approximately USD145,808.45 for what SAT considered as not paid taxes under the category of income tax and VAT. This assessment increases in a per year interest calculation of 14% over the amount of tax and a penalty of 100% of the supposedly owed tax. While the Group and local counsel believe the Company presented its tax returns for the questioned year in order, it is challenging the assessment with an administrative-contentious lawsuit before the Administrative-Contentious Court, presented in July 2014.

h. Guatemala litigation

A case is now pending involving the validity 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, S.A., to develop video lottery rooms and more. The matter commenced at the Administrative level with Sala Quinta del Tribunal de lo Contencioso Administrativos promoted by the Attorney General's Office. The case is currently in its initial phase, and the question of the Court's jurisdiction is at issue. Simultaneously, Thunderbird de Guatemala, S.A. filed an action in the Guatemala Supreme Court for protection of its right to conduct business under the license and the case is still pending. The Group has not committed any impropriety of approved gaming, as 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.

15. FINANCIAL INSTRUMENTS

Credit risk analysis:

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

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

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 measures its liquidity needs by:

- Monitoring short-term obligations on a country-by-country and global, consolidated basis, with short-term inflows and outflows forecasted for the financial year, updated weekly.
- Monitoring long-term, scheduled debt servicing payments.
- Rolling forward 5-year cash flow models each month based on the financial results year-to-date through the previous month.

The Group has the capacity to manage liquidity with a number of different tools at its disposal, including:

- Raising of debt or equity capital at both the operations and Group levels.
- Selling of non-strategic assets.
- Restructuring or deferral of unsecured lenders.
- Restructuring of salaries of key personnel.
- Deferral or aging of accounts payables.
- Cost management programs at both the operations and Group levels.

Based on the information available today and the liquidity tools at its disposal, Management anticipates that the Group can meet its liquidity needs over the next 18 months primarily from operational cash flows as set out in Note 2.

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

As at June 30, 2014, the table set below shows the Group's liabilities maturities per year:

	Six months ending Dec 31, 2014	2015	2016	2017	2018	Thereafter	Total
Long-term bank loans	$ 3,586	$ 9,264	$ 2,586	$ 2,560	$ 2,565	$ 7,920	$ 28,481
Finance lease obligations	684	292	32	5	3	-	1,016
Convertible debt notes	1,257	2,513	6,480	5,441	1,832	5,649	23,172
Trade and other payables	6,909	-	-	-	-	-	6,909
Due to related parties	2,360	-	-	-	-	-	2,360
Total	**$ 14,796**	**$ 12,069**	**$ 9,098**	**$ 8,006**	**$ 4,400**	**$ 13,569**	**$ 61,938**

Derivative financial instruments:

During 2011 and 2012, the Group issued 8.5% convertible loan notes due in 2016 and 2017 (Note 16). Upon initial recognition embedded derivatives of $848,000 and $185,000 were issued in 2011 and 2012, respectively and were separately measured and recorded within derivative financial instruments. The fair value was $Nil at June 30, 2014.

16. SUBSEQUENT EVENTS

In 2014 year-to-date, the Group has announced or herein announces material events as follows:

Resignation of Director: On July 25, 2014, Alfred Meili resigned as a Director of the Company.

Sale of Philippine Operations: On August 6, 2013, the Group entered into a series of transactions that resulted in the sale of its entire economic interests and management rights in its Philippine and related British Virgin Islands ("BVI") operations "Philippine operations" to Magnum Leisure Holdings Inc. and its related entities, affiliates of Solar Entertainment Corporation (collectively "Magnum"), for post-tax consideration of approximately $28.3 million. Of the net price: a) $21.1 million was settled in cash; b) $5 million was paid via a promissory note that amortizes over approximately 18 months at a 7% interest rate and is backed by a Letter of Credit issued by a major banking institution ("Note receivable") (face value is estimated to be equal to fair value); and b) $5 million is subject to hold backs by Magnum for up to 30 months ("Hold back") to cover potential contingent liabilities. The fair value recognized for the Hold back was $2.2 million, which represented the present value of the Group's estimate of the cash inflow. On August 20, 2014, the Group received notice that Magnum is making a claim for the full $5,000,000 Hold back and asserting a right to more than the Hold back despite clear contract language limiting the Group's liability to the Holdback. The Group is reviewing the matter and will respond within the 30 days permitted and intends to vigorously defend it positions as to the Hold back, the Note Receivable and Letter of Credit mentioned above.

Chapter 5:
Reporting Responsibilities and Risks

Related-Party Transactions: Related-party transactions are disclosed in Note 13 in the interim consolidated financial statements.

Auditor's Involvement**:** The content of this 2014 Half-year Report and the interim consolidated financial statements has not been audited or reviewed by an external auditor.

Management's Responsibility Statement: The Board of Management is responsible for preparing the 2014 Half-year Report and the interim consolidated financial statements for the six-month period ended June 30, 2014 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, 2014 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 2014 Half-year Report gives a true and fair view of the Group as of June 30, 2014 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, 2014

Panama City, Panama

Salomon Guggenheim, Chief Executive Officer and President
Albert Atallah, General Counsel and Corporate Secretary
Peter LeSar, Chief Financial Officer
Tino Monaldo, Vice President - Corporate Development

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 2013 Annual Report.

IMPORTANT INFORMATION

This is Thunderbird Resorts Inc.'s 2014 Half-year Report for the period ended June 30, 2014. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this 2014 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 2014 Half-year Report and, if given or made, such information or representations must not be relied upon as having been authorized by us. This 2014 Half-year Report does not constitute an offer to sell or a solicitation of an offer to buy any securities. The delivery of this 2014 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.

Thunderbird Resorts Inc. accepts responsibility for the information contained in this 2014 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 2014 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 2014 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 2014 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 interim 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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CAPITALIZATION

Common shares issued: 23,149,641
as of June 30, 2014

SHARES LISTED

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

WEBSITE

www.thunderbirdresorts.com