Half-year Report and Q2 2011 Results

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<u>HALF-YEAR 2011 HIGHLIGHTS</u>

Profit for the period was $2.1 million, an increase of $3.8 million over Half-year 2010 when there was a loss for the period of $1.7 million. The improvement was in spite of certain challenges and because of certain improvements as described below:

- Revenues from continuing operations were $61.2 million through Q2 2011 vs. $62.5 million for the same period in 2010, a decrease of 2.1 percent. The decrease comes from hotel properties sold in Peru that did not operate during the entire Half-year 2011 as compared to Half-year 2010. When taking into consideration only same hotel sales, Group-wide sales would increased by 1.9% for Half-year 2011 as compared to Half-year 2010. Please see pages 24-25 for a 2011 Half-year to 2010 Half-year same hotel comparison for our Peru operations.

- Property EBITDA from continuing operations was $14.4 million through Q2 2011 vs. $17.5 million for the same period in 2010, a decrease of 17.7%. The decrease in property EBITDA based on Peru same hotel performance was 16.1% for Half-year 2011 as compared to Half-year 2010.

- Corporate expenses were $2.7 million through Q2 2011 vs. $3.2 million for the same period in 2010, a savings to the Group of $0.5 million.

- Adjusted EBITDA from continuing operations was $11.7 million through Q2 2011 vs. $14.3 million for the same period in 2010, a decrease of 18.2%. The decrease in property EBITDA based on Peru same hotel performance was 16.2% for Half-year 2011 as compared to Half-year 2010.

- Interest and financing costs were $5.8 million through Q2 2011 vs. $8.7 million for the same period in 2010, a savings to the Group of $2.9 million. The decrease in interest expense is because total debt from continuing and discontinued operations has been reduced from $121 million at year-end 2010 to $83 million as of 30 June 2011, a reduction in principal balance of 30% in 6 months.

Profit for the period was impacted by certain one-time events including: a) The Group incurred a one-time loss on disposal of assets of $0.5 million due to the structure of completion funding for India; and b) The Group benefitted from a one-time gain of $5.1 million from the sale of two hotels in Peru in April 2011.

Q2 2011 HIGHLIGHTS

Profit for the period was $1.9 million, an increase of $7.1 million over Q2 2010 when there was loss for the period of $5.2 million. The improvement was in spite of certain challenges and because of certain improvements as described below:

- Revenues from continuing operations were $30 million for Q2 2011 vs. $31.8 million for the same period in 2010, a decrease of 5.6 percent.

- Property EBITDA from continuing operations was $6.7 million for Q2 2011 vs. $8.7 million for the same period in 2010, a decrease of 23.8 percent.

- Corporate expenses were $1.6 million for Q2 2011 vs. $1.7 million for the same period in 2010, a savings to the Group of $0.1 million.

- Adjusted EBITDA from continuing operations was $5.1 million for Q2 2011 vs. $7.1 million in the same period in 2010, a decrease of 28.2 percent.

- Interest and financing costs were $3.1 million through Q2 2011 vs. $4.5 million for the same period in 2010, a savings to the Group of $1.4 million.

Please note that if IFRS allowed the Group to report same hotel comparisons only of existing properties post the April 2011 Peru hotel sale, the decrease in revenue would have been 3.2% or $0.8 million, the decrease in property EBITDA would have been 16% or $1.4 million and the decrease in adjusted EBITDA would have been 21% or $1.5 million. Please see pages 24 - 25 for more information.

Profit for the period was impacted by the same one-time events described under Half-year 2011 Highlights on the previous page.

STATEMENT FROM JACK MITCHELL, CEO

In 2009 and 2010, the Group weathered the economic crisis by deleveraging and stabilizing our businesses. In 2011, we are following through on these efforts and are preparing for another phase of growth within our existing markets. On this note, below is an update on our key areas of focus for 2011 as identified in our 2010 Annual Report.

(1) GROW REVENUES TO DRIVE EARNINGS

In our 2010 Annual Report, we identified revenue growth in 2011 as a key area of focus. Group revenue during the first half of 2011 has been flat compared to 2010, but we have taken certain steps that we believe should return the Group to growth in the quarters to come:

- In February, we completed the expansion of our Rizal, Philippines property by adding a 950-square meter event center expansion to increase property traffic. We will activate approximately 100 slot machines and 28 table positions as soon as government approvals are received.
- In March, we completed the conversion of a slot parlor in Peru into a full casino with 157 positions.
- In May, we announced that final agreements have been executed for completion funding for our first business in India, which is now projected to open in late 2011.
- In August, the Group announced that we executed final agreements (subject to regulatory approvals) to raise up to $52 million of equity for our Philippines business, which will be used primarily for debt reduction, expansion of existing properties and investment into new businesses within the country.

The factors that have impacted revenue in the first two quarters are:

- A smoking ban imposed in Peru;
- A smoking ban imposed in our Poro Point property in the Philippines;
- The Philippines gaming regulator has not yet approved that we activate approximately 100 new slot machines and 28 table positions in our Rizal property; and
- Anemic economic growth and a flat tourism market in Costa Rica.

(2) CONTROL EXPENSES DESPITE INFLATIONARY ENVIRONMENT

In our 2010 Annual Report, we identified expense controls in 2011 as a key area of focus. Our two largest markets, the Philippines and Peru, have experienced GDP growth in excess of 7% annualized during the first half of 2011 and this is leading to inflationary pressures, particularly on payroll. Costa Rica has experienced slower growth, but we are seeing similar inflationary trends there as well.

Despite an inflationary environment, country-level promotional allowances and property, marketing & administration expenses have been held at $46.8 million through 30 June 2011, an increase of just 3.8% as compared to 2010. Moreover, interest expense has been reduced to $5.8 million Q2 2011 as compared to $8.7 million for the same period in 2010.

(3) DELEVERAGE FROM HIGH-COST DEBT

In our 2010 Annual Report, we identified debt reduction in 2011 as a key area of focus. Total debt (from continuing and discontinued operations) at the end of 2010 was $121 million as compared to $169 million at the end of 2009. Through June 30, 2011, total debt was further reduced to $83 through:

- Scheduled principal pay down of $7 million;
- The sale of two hotels in Peru in April 2011 for $18 million, which was allocated for accelerated debt pay down in Peru, pay down of payables, transaction costs and other liabilities; and
- Deconsolidation of our India assets, which reduced Group debt by $21 million.

During the first six months of 2011, the Group added back approximately $5 million in debt across various businesses, which was used primarily for working capital and to purchase new slot machines.

Assuming no new project debt, we expect to continue to see a downward trend in total debt, which should be further supported by additional debt pay down from the use of proceeds of the Philippines equity transaction announced in August 2011, if such transaction is approved by the regulators.

The Group has also been re-engineering its debt away from short-term, high-yield bonds to longer-term, real estate backed mortgages. As a result, our weighted cost of capital has decreased from approximately 12% in recent years to approximately 10% today. We will continue to work to reduce our cost of capital by seeking refinancing to accelerate payment of our higher-cost debt and by financing new projects with less expensive real estate backed mortgages as feasible.

(4) ADDRESS OUR OPPORTUNITIES & CHALLENGES AHEAD

Here is an update to our key Opportunities & Challenges Ahead first described in our 2010 Annual Report.

<u>Develop our Core Markets</u>: To mitigate risk and to best leverage our current expense structure, we reported in our 2010 Annual Report that the Group will seek to grow in our core markets rather than new markets. This continues to be our strategy as demonstrated in the announcements described above in the section Grow Revenues to Drive Earnings.

<u>Build Capital Reserves</u>: We reported in our 2010 Annual Report that the Group will seek to develop higher cash reserves in order to better manage economic downturns and other destabilizing events. As announced in August 2011, with the objective to build cash on hand and/or to pay down debt, we are paying down some high amortizing debt with stock directly issued to lenders. The Philippines equity transaction will also contribute to reserves. We continue to seek opportunities to bring additional cash into the Group, and expect no change in this strategy in the short run.

<u>Optimize Shareholder Value</u>: We reported in our 2010 Annual Report that the Group will seek to increase shareholder value as our number one goal. We believe that the recently announced Phillipines equity transaction, if approved by regulators, could position our Philippines businesses for further growth. In that light, we are evaluating the prospects of potentially listing our Philippines or Asian operations on an Asian exchange, with a goal of better reflecting what we believe is the value of our Asian/Philippines assets and operations.

<u>Fine-tune our Capital Structure</u>: We reported in our 2010 Annual Report that we will pursue debt reduction to increase income and to prepare the Group for a new stage of growth. We also stated that we may raise equity in order to invest in new projects with a more balanced capital structure vs. the highly

leveraged transactions of our past. The Philippines equity transaction speaks to this strategy as did our decision to raise equity, rather than more debt, in India to fund a cost overrun despite the impact on dilution. Further growth may require the Group to raise more equity in the foreseeable future.

Complete Construction in Progress ("CIP"): While not mentioned as an Opportunity & Challenge Ahead in our 2010 Annual Report, completing projects, which are currently treated as CIP, is key to our revenue and earnings growth in the year ahead. The Group has organized investment toward the completion of the following projects:

- Approximately $70 million in its Daman, India property that is in its final stages of construction and finishing works. Once open, Thunderbird Resorts – Daman property should contribute to the Group's revenue (including management fees) and to the Group's balance sheet because of the Group's minority share position in this business. We believe that financing is now complete.

- $14 million in a casino expansion project at its Poro Point property that requires an additional $5 million and, when completed, should contribute materially to the performance of the Philippines given casino occupancy rates at peak periods.

- $16 million in its Tres Rios hotel & casino property that requires an additional $15.5 million and, when completed, should contribute materially to the performance of Costa Rica given the lack of product on the eastern side of the capitol city of San Jose.

We are working on completing the financing required to open these projects so that our investments in them to date will contribute to our income and cash flows in the periods to come.

In 2011, the Group is focused on continuing to improve our balance sheet and on preparing for a new phase of growth in existing markets heading into 2012. Again, the Group's primary goal continues to be to enhance shareholder value and to make every effort possible to deliver consistent, positive trends in financial performance.

We thank you for your interest and support of Thunderbird Resorts Inc.

Jack Mitchell, President and CEO

GROUP OVERVIEW

Financial review

The selected financial data below has been derived from the Group's unaudited interim consolidated financial statements for the three and six-month period ended 30 June 2011 and the related notes included in this report. All monetary amounts are in United States dollars.

Q2 2011 Consolidated Results

(In thousands, except per share data)	As reported [1] Three Months Ended 30 June 2011		As reported [1] Three Months Ended 30 June 2010		% change
Net gaming wins	$	**24,741**	$	25,188	-1.8%
Food and beverage sales		**2,357**		2,652	-11.1%
Hospitality and other sales		**2,901**		3,935	-26.3%
Total revenues		**29,999**		31,775	-5.6%
Promotional allowances		**1,680**		1,442	16.5%
Property, marketing and administration		**21,664**		21,593	0.3%
Property EBITDA		**6,655**		8,740	-23.9%
Corporate expenses		**1,560**		1,673	-6.8%
Adjusted EBITDA		**5,095**		7,067	-27.9%
Adjusted EBITDA as a percentage of revenues		**17%**		22%	
Depreciation and amortization		**3,861**		2,998	28.8%
Interest and financing costs, net		**3,101**		4,464	-30.5%
Management fee attributable to non-controlling interest		**1,612**		(1,244)	-229.6%
Project development		**105**		303	-65.3%
Shared based compensation		**(3)**		131	-102.3%
Foreign exchange gain		**(616)**		1,385	-144.5%
Other (gain) / loss		**(4,823)**		11	-43945.5%
Derivative financial instrument		**(128)**		(88)	-45.5%
Income taxes		**88**		228	-61.4%
Profit (loss) for the period from continuing operations	**$**	**1,898**	$	(1,121)	-269.3%
Profit (loss) for the period from discontinued operations		**16**		(4,051)	-
Profit (loss) for the period	**$**	**1,914**	$	(5,172)	-137.0%
Non-controlling interest	**$**	**276**	$	(1,146)	-124.1%
Profit for the period attributable to the owners of the parent	**$**	**1,638**	$	(4,026)	-140.7%
Currency translation reserve		**1,291**		(357)	-461.6%
Total comprehensive income for the period attributable to the owners of the parent	**$**	**2,929**	**$**	**(4,383)**	-166.8%
Earnings per common share:					
Basic	**$**	**0.15**	$	(0.22)	
Diluted	**$**	**0.15**	$	(0.22)	
Weighted average number of common shares:					
Basic		**19,977**		**19,830**	
Diluted		**20,040**		**19,728**	

(1) As reported reflects the results of the Poland operations as discontinued operations.
(2) Please see pages 24-25 for how same-hotel comparisons would impact revenue and EBITDA performance.

Half-year 2011 Consolidated Highlights

(In thousands, except per share data)	As reported [1] Six Months Ended 30 June 2011	30 June 2010	% change
Net gaming wins	**$ 49,356**	$ 49,856	-1.0%
Food and beverage sales	**5,082**	5,115	-0.6%
Hospitality and other sales	**6,749**	7,547	-10.6%
Total revenues	**61,187**	62,518	-2.1%
Promotional allowances	**3,471**	2,805	23.7%
Property, marketing and administration	**43,343**	42,183	2.7%
Property EBITDA	**14,373**	17,530	-18.0%
Corporate expenses	**2,724**	3,221	-15.4%
Adjusted EBITDA	**11,649**	14,309	-18.6%
Adjusted EBITDA as a percentage of revenues	**19%**	23%	
Depreciation and amortization	**7,442**	7,202	3.3%
Interest and financing costs, net	**5,828**	8,726	-33.2%
Management fee attributable to non-controlling interest	**1,455**	(2,079)	-170.0%
Project development	**218**	834	-73.9%
Shared based compensation	**(3)**	262	-101.1%
Foreign exchange gain	**(818)**	(1,942)	-57.9%
Other gains	**(4,815)**	(2,478)	94.3%
Derivative financial instrument	**(128)**	-	-
Income taxes	**323**	1,208	-73.3%
Profit (loss) for the period from continuing operations	**$ 2,147**	$ 2,576	-16.7%
Profit (loss) for the period from discontinued operations	**(74)**	(4,263)	-
Profit (loss) for the period	**$ 2,073**	$ (1,687)	-222.9%
Non-controlling interest	**$ 425**	$ (164)	-359.1%
Profit for the period attributable to the owners of the parent	**$ 1,648**	$ (1,523)	-208.2%
Currency translation reserve	**1,000**	422	137.0%
Total comprehensive income for the period attributable to the owners of the parent	**$ 2,648**	**$ (1,101)**	-340.5%
Earnings per common share:			
Basic	**$ 0.13**	$ (0.06)	
Diluted	**$ 0.13**	$ (0.06)	
Weighted average number of common shares:			
Basic	**19,977**	**19,830**	
Diluted	**20,040**	**19,728**	

(1) As reported reflects the results of the Poland operations as discontinued operations.
(2) Please see pages 24-25 for how same-hotel comparisons would impact revenue and EBITDA performance.

Basic shares outstanding is the weighted average number of shares outstanding for the six-month period ended as of 30 June 2011. Total basic shares outstanding as of 30 June 2011 were 20,819,767. Total actual shares outstanding as of 30 June 2011 were 20,819,767. Common shares issued as of 29 August 2011 were 21,188,314.

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

Q2 2011 EBITDA to profit (loss)

(In thousands)	As reported [1] Three Months Ended 30 June 2011	30 June 2010	% change
Profit (loss) for the period from continuing operations	**$ 1,898**	$ (1,121)	-269.3%
Income tax expense	**88**	228	-61.4%
Net interest expense	**3,101**	4,464	-30.5%
Depreciation and amortization	**3,861**	2,998	28.8%
EBITDA	**8,948**	6,569	36.2%
Other (gain) loss and derivative financial instruments	**(4,951)**	(77)	6329.9%
Project development	**105**	303	-65.3%
Management fee attributable to non-controlling interest	**1,612**	(1,244)	-229.6%
Share based compensation	**(3)**	131	-102.3%
Foreign exchange gain	**(616)**	1,385	-144.5%
Adjusted EBITDA	**5,095**	7,067	-27.9%
Corporate and other	**1,560**	1,673	-6.8%
Property EBITDA	**$ 6,655**	$ 8,740	-23.9%

Half-year 2011 EBITDA to profit (loss)

(In thousands)	As reported [1] Six Months Ended 30 June 2011	30 June 2010	% change
Profit (loss) for the period from continuing operations	**$ 2,147**	$ 2,576	-16.7%
Income tax expense	**323**	1,208	-73.3%
Net interest expense	**5,828**	8,726	-33.2%
Depreciation and amortization	**7,442**	7,202	3.3%
EBITDA	**15,740**	19,712	-20.2%
Other (gain) loss and derivative financial instruments	**(4,943)**	(2,478)	99.5%
Project development	**218**	834	-73.9%
Management fee attributable to non-controlling interest	**1,455**	(2,079)	-170.0%
Share based compensation	**(3)**	262	-101.1%
Foreign exchange gain	**(818)**	(1,942)	-57.9%
Adjusted EBITDA	**11,649**	14,309	-18.6%
Corporate and other	**2,724**	3,221	-15.4%
Property EBITDA	**$ 14,373**	$ 17,530	-18.0%

(1) As reported reflects the results of the Poland operations as discontinued operations.
(2) Please see pages 24-25 for how same-hotel comparisons would impact revenue and EBITDA performance.

Below is a summary of the Group financial performance broken down by country:

Q2 2011 Group Overview

(In thousands)	As reported (1) Three Months Ended 30 June 2011	30 June 2010	% change
REVENUES BY COUNTRY			
Panama	**$ -**	$ -	0.0%
Guatemala	**-**	-	0.0%
Nicaragua	**3,030**	2,937	3.2%
Costa Rica	**4,760**	5,164	-7.8%
Philippines	**13,651**	12,781	6.8%
Peru	**8,508**	10,830	-21.4%
Poland	**-**	-	0.0%
Other	**50**	63	-20.6%
Total revenues	**$ 29,999**	$ 31,775	-5.6%
PROPERTY EBITDA BY COUNTRY			
Panama	**$ -**	$ -	0.0%
Guatemala	**-**	-	0.0%
Nicaragua	**437**	620	-29.5%
Costa Rica	**1,097**	1,524	-28.0%
Philippines	**3,676**	4,111	-10.6%
Peru	**1,447**	2,484	-41.7%
Poland	**-**	-	0.0%
Property EBITDA	**$ 6,655**	$ 8,740	-23.9%
Property EBITDA as a percentage of revenues	**22%**	**28%**	
Other (corporate expenses)	**1,560**	1,673	-6.8%
Adjusted EBITDA	**$ 5,095**	$ 7,067	-27.9%
Adjusted EBITDA as a percentage of revenues	**17%**	**22%**	

(1) As reported reflects the results of the Poland operations as discontinued operations.
(2) Please see pages 24-25 for how same-hotel comparisons would impact revenue and EBITDA performance.

(In thousands)	As reported (1) Six Months Ended 30 June 2011	30 June 2010	% change
REVENUES BY COUNTRY			
Panama	**$ -**	$ -	0.0%
Guatemala	**-**	-	0.0%
Nicaragua	**5,968**	5,668	5.3%
Costa Rica	**9,899**	10,829	-8.6%
Philippines	**25,818**	25,035	3.1%
Peru	**19,399**	20,849	-7.0%
Poland	**-**	-	0.0%
Other	**103**	137	-24.8%
Total revenues	**$ 61,187**	$ 62,518	-2.1%
PROPERTY EBITDA BY COUNTRY			
Panama	**$ -**	$ -	0.0%
Guatemala	**-**	-	0.0%
Nicaragua	**991**	1,071	-7.5%
Costa Rica	**2,628**	4,028	-34.8%
Philippines	**6,593**	8,159	-19.2%
Peru	**4,161**	4,272	-2.6%
Poland	**-**	-	0.0%
Property EBITDA	**$ 14,373**	$ 17,530	-18.0%
Property EBITDA as a percentage of revenues	**23%**	28%	
Other (corporate expenses)	**2,724**	3,221	-15.4%
Adjusted EBITDA	**$ 11,649**	$ 14,309	-18.6%
Adjusted EBITDA as a percentage of revenues	**19%**	23%	

(1) As reported reflects the results of the Poland operations as discontinued operations.
(2) Please see pages 24-25 for how same-hotel comparisons would impact revenue and EBITDA performance.

REVENUE TRENDS THROUGH HALF-YEAR 2011

Revenues from continuing operations decreased 2.1% to $61.2 million through Q2 2011 as compared to $62.5 million for the same period in 2010. Revenues by country were as follows:

- Philippines: Revenues from continuing operations increased by 3.1% to $25.8 million through Q2 2011 as compared to $25.0 million for the same period for 2010. Management believes revenues have been impacted in the short-term by a smoking ban imposed in our Poro Point property and by the fact that the Philippines gaming regulator has not yet approved that we activate approximately 100 new slot machines and 28 new table positions already installed in our Rizal property.

- Peru: Revenues from continuing operations decreased by 7% to $19.4 million through Q2 2011 as compared to $20.8 million for the same period for 2010. The decrease comes from hotel properties sold in Peru that did not operate during the entire Half-year 2011 as compared to Half-year 2010. There was actually an increase of same hotel sales of 1.9% for Half-year 2011 as compared to Half-year 2010. Please see pages 24-25 for a 2011 Half-year to 2010 Half-year same hotel comparison for our Peru operations. Management also believes gaming revenues have been impacted in the short-term by a new smoking ban for casinos.

- Costa Rica: Revenues from continuing operations decreased by 8.6% to $9.9 million through Q2 2011 as compared to $10.8 million for the same period for 2010. Revenues have been impacted by an anemic economy and a flat tourism sector.

- Nicaragua: Revenues from continuing operations increased by 5.3% to $6.0 million through Q2 2011 as compared to $5.7 million for the same period for 2010. Revenues have grown despite the current market conditions in the country.

HALF-YEAR 2011 EBITDA AND PROFITABILITY TRENDS

Property EBITDA from continuing operations decreased to 23% as a percentage of sales through the second quarter of 2011 as compared to 28% for the same period of 2010. Adjusted EBITDA from continuing operations decreased to 19% as a percentage of sales through the second quarter of 2011 as compared to 23% for the same period of 2010. The decrease comes partially from hotel properties sold in Peru that did not operate during the entire Half-year 2011 as compared to Half-year 2010. The decrease of property EBITDA from same hotel sales was 16.1% for Half-year 2011 as compared to Half-year 2010, while the decrease in adjusted EBITDA was 16.2 % Please see pages 24-25 for a 2011 Half-year to 2010 Half-year same-hotel comparison for our Peru operations.

Profit for the period was $2.1 million, an increase of $3.8 million over Half-year 2010 when there was a loss for the period of $1.7 million.

GROUP MISSION

Thunderbird is an international provider of branded, mid-sized casino, hotels and integrated resorts in Asia and Latin America. Our goal is to be a leading recreational property developer and operator in each of our markets by creating genuine value for our communities, our shareholders, and our employees. In the current year, we may expand our operations in our existing markets, through expansions of existing facilities and new investments as merited by demand and prospective returns on capital.

BUSINESS DEVELOPMENT

The Group's business development strategy in 2011 and 2012 is to: a) Open construction in progress in India, the Philippines and Costa Rica; and b) Prepare for further expansions in the Group's two Philippines properties as well as prepare for new property development, both which should be supported by the Philippines equity transaction announced in August 2011, if approved by regulators

Below are more detailed business development updates by country.

India

Daman Hospitality Private Limited ("DHPL"): Construction continues on the Group's luxury hotel/hospitality complex in Daman, India, announced originally in March 2008. We expect that this 177-room, luxury resort will include: (i) 2,700 square meter indoor event and meeting areas; (ii) 6,500 square meters of outdoor pools and event areas for up to 2,000 people; (iii) three bars, including a branded Salsa's Bar, a cutting edge bar/disco, and a high-end lounge bar, all with facilities for live music; (iv) four restaurants, including one Vegas-style buffet, one high-end Szechuan restaurant, a pool bar and one cafe near the event center; (v) a 450 square meter Zaphira Spa; (vi) 200 square meter gym for guests and club members; (vii) 750 square meter shopping area; and (viii) and a 5,700 square meter world class casino and entertainment venue. Construction of this project has been funded by four sources. DHPL and its original India partner have contributed approximately $18 million in cash and property as equity into the project. As of 31 December 2010, DHPL also raised approximately $13.5 million in fully convertible debentures and a $27 million senior secured loan facility from four India banks. On May 12, 2011, a fourth source of funding was announced when DHPL executed definitive agreements for project completion funding with Delta Corp Ltd (Bombay Stock Exchange trading symbol "deltacorp"). Delta is funding approximately $21million into DHPL, of which approximately $11 million is equity and $10 million is debt, and will be responsible for securing any new debt. Delta is now the 51% owner in the hotel and the Group and its original Indian partners will own the remaining 49%. The Group will operate the hotel with a management contract. The hotel will receive rent proceeds from the lease of space to a casino at the location in which the casino will be owned 51% by Delta and 49% by other Indian entities. The hotel construction has resumed and we anticipate completion in phases with a soft opening of some of the rooms and amenities in Q4 2011 and the balance completed in Q1 2012.

Costa Rica

Tres Rios project: We started construction on a resort project in the eastern suburbs of San Jose in 2006. This 22-acre "Tres Rios" facility was initially intended to be a 225-room five star resort hotel with a convention center, spa and a Fiesta-brand casino. As of 30 June 2011, we have invested approximately $16 million (of which our portion is $8 million) for the acquisition of land, infrastructure development (including roads, ramps and a bridge) and the eight commercial lots comprising the Tres Rios property. The land is subject to a lien securing a loan with Banco Nacional of Costa Rica. The difficulty in securing long term financing during the worldwide economic crisis in 2008 and 2009, along with the new Costa Rica gaming decree, which limits new casinos to one slot machine per room and one table game per ten rooms at the associated hotel, caused us to change plans with respect to this project and on-site construction was suspended in Q4 2008. We have since redesigned the project as a more economically viable three-star to four-star, 108-room hotel with convention center and casino. We are actively pursuing long-term financing to complete this project.

Escazu: We acquired land in 2007 in the southwestern suburb of San Jose where we plan to build a hotel and casino project. As of 30 June 2011, we have invested approximately $4.1 million (of which our portion is $2.0 million). The land is subject to a lien securing a loan with Banco Nacional of Costa Rica. We are seeking further debt financing required for the project.

Guatemala

Effective 31 December 2010, the Group entered into an agreement to transfer its operations to the purchaser for consideration of approximately $2.1 million in a promissory note and approximately $0.5 million of debt assumption. The installment payments will be made over a six-year term. The Group has previously written down the entire Guatemala investment of $4.9 million. Management, in the 2010 Annual Report, took the position that recovery of the amounts due under the promissory note was entirely contingent on the future profitability of the operation. Management's assessment of the fair value of the promissory note, therefore, was nil based on the significant risks in the Guatemalan market. Regardless, the Group has received to date all monthly payments due commencing April 2011.

Nicaragua

The Group had previously announced in 2007 plans for the development of a flagship casino in downtown Managua on premium land purchased by the Group starting in 2003. While we have continued to evaluate this project until the gaming market shows more positive revenue trends, this project remains on hold.

Peru

As of 31 December 2010, the Group's Peru subsidiary, Thunderbird Hoteles Las Americas S.A. ("THLA") owned and operated four hotels in Lima, Peru (the "THLA Hotels"). These hotels were the Thunderbird Fiesta Hotel & Casino, Thunderbird Hotel Principal, Thunderbird Hotel Bellavista, and Thunderbird El Pueblo Resort & Convention Center. The Group also managed the Thunderbird Hotel Pardo and Thunderbird Hotel Carrera. On 27 March 2011, THLA entered into a contract to sell the Thunderbird Hotel-Principal and the Thunderbird Hotel-Bellavista for $18 million, which transaction was successfully concluded on 7 April 2011. The net proceeds from the sale were used to pay down certain Peru-related debt and certain accounts payable balances. The Group continues to own as of June 30, 2011 the Thunderbird Fiesta Hotel & Casino, Thunderbird El Pueblo Resort & Convention Center and continues to manage the Thunderbird Hotel Pardo and Thunderbird Hotel Carrera. THLA managed the Thunderbird Hotel-Principal and the Thunderbird Hotel-Bellavista for a short transition period ending 30 June 2011.

The Group has also executed an extension of $2 million on balloon note payments until Q1 2013. The Group is actively seeking to refinance its Peru hotel and casino related debt to enhance cash flow with better lending terms and to reduce gross debt if at all feasible.

Philippines

The Group entered the Philippines market in 2005 and it now owns interests in, and operates, two resorts with hotels, casinos, restaurants, bars, an event center and a nine-hole golf course.

<u>Thunderbird Resorts—Rizal</u>: This Thunderbird Hotel and Fiesta Casino is located on a tropical hillside overlooking the country's largest lake. The hotel has 41 luxury suites, three restaurants and a 950 meter squared event center and is adjacent to a private 18-hole golf course to which hotel guests have access. The casino has 453 slot machines and 207 table positions. The 950 square meter event center opened during February and March 2011. The enlarged casino space will allow for an additional 100 slot

machines and 28 table positions over the course of 2011. However, the Group awaits PAGCOR's approval for the opening of the additional gaming space.

Thunderbird Resorts—Poro Point: This Thunderbird Hotel and Fiesta Casino is located in San Fernando, on a peninsula that extends into the South China Sea and was previously the site of a U.S. air force base. In 2005, we obtained a 25-year lease on this 130 acre-tract, on which the existing resort and planned expansions are located. San Fernando is a six-hour drive, or a one-hour flight, from Manila. The hotel has 36 luxury suites and two restaurants and is adjacent to a 9-hole golf course that we also developed. The casino has 285 slot machines and 172 table positions. In Q3 2008, we commenced construction of 1,000 square meters casino expansion that will offer 65 new slot machines and 49 new table positions. The estimated cost of this expansion is $7.4 million, of which approximately $5 million remains to be invested.

Extended lease: In March 2010, the Company received approval for a 25-year lease extension through 2055 from the Bases Conversion Development Corporation ("BCDA") and the Poro Point Management Corporation ("PPMC") for the Group's leased property. Management believes the grant of an additional extension will enhance the Group's effort to obtain the remaining financing of the ongoing expansion of our hotel and casino operations in Poro Point. The lease extension is facilitating the Group's plans to develop the existing location into a world class residential enclave offering a mixture of single detached homes, townhouses, and medium rise condominium units. To date, the Group has sold 35 lots under long-term leasehold agreements.

Poland

Casino Centrum: Due to a modified gaming law that increased the gaming tax to 50 %of revenues, the decision was taken to shut down the operations in late February 2011.

SUBSEQUENT EVENTS AND RECENT MATERIAL CONTRACTS AND FINANCINGS

Since 31 December 2010, the Group and its subsidiaries and affiliates entered into certain material contracts, changes in our financing arrangements and have been impacted by events including:

India:

- On 12 May 2011, the Group reported that its India affiliate Daman Hospitality Private Ltd. ("DHPL") entered into final agreements for project completion funding with Delta Corp Ltd. Delta Corp. Ltd. will fund approximately $21 million into DHPL, of which approximately $11 million is equity and $10 million is debt. Delta Corp Ltd will be responsible for securing any new debt. Delta Corp Ltd is now the 51% owner in the hotel and Thunderbird and its original Indian partners will own the other 49%. Thunderbird will continue to operate the hotel with a management contract. The hotel construction shall resume immediately and we anticipate completion in phases with a full opening in late 2011.

Philippines:

- On 2 February 2011, the Group entered into a contract to extend its land lease of 65 hectares at its Poro Point, Philippines property for an additional 25 years.

- Opened our Rizal event center expansion in Q1 2011.

$2.9 million was raised in the Philippines for the purchase of gaming equipment and property expansion projects.

- On 10 August 2011, the Group announced that its Philippine operations entered into final agreements to raise up to $52 million in equity from Solar Entertainment Corporation ("Solar"). The agreements are subject to a number of conditions to closing, including Philippine Amusement Gaming Corporation ("PAGCOR") and other regulatory approvals. If the transaction receives regulatory approval, Solar (or its Philippine affiliate assignee) will invest into a newly-formed Philippine holding company ("HoldCo") to which the Group and one other Filipino shareholder, will assign all of their respective Philippine operations. Solar will initially fund $25 million to receive a 32.47% stake in HoldCo, and this initial funding will primarily be used by HoldCo to meet closing conditions and to expand our existing properties at Poro Point and Rizal and to pay down some Philippines-related debt, which should have a positive impact on the Group's balance sheet. Solar will have a 12-month option from closing to fund an additional $27 million to complete the purchase of up to 50% of HoldCo.

- The Group previously announced that its affiliates in the Philippines, Eastbay Resorts, Inc. ("ERI") and Thunderbird Pilipinas Hotels and Resorts, Inc. ("TPHR") filed lawsuits in June 2011 against the Philippine Amusement & Gaming Corporation ("PAGCOR") seeking enforcement of its prior agreements with PAGCOR. On 23 June 2011, the Philippine Regional Trial Court issued a "Writ of Preliminary Prohibitory Injunction" directing PAGCOR to cease and desist from initiating and completing cessation or other similar proceedings against TPHR's and ERI's business operations. On or about 15 August 2011, PAGCOR filed a Writ of Certiorari requesting the Philippine Supreme Court hear its request that the Preliminary Prohibitory Injunction described above be set aside and that the complaint be dismissed The Supreme Court's review is discretionary not mandatory. As of 29 August 2011, no decision has been rendered by the Supreme Court to hear the request of PAGCOR. On about 22 August 2011, ERI and TPHRI filed a motion before the above mentioned trial court seeking permission to amend it petitions: to (i) increase its request for monetary damages and (ii) seek a mandatory injunction directing that PAGCOR approve the day to day operational requests pending before PAGCOR from ERI and PAGCOR. The legal process continues.

<u>Nicaragua:</u>

- The National Assembly of Nicaragua passed the Casino and Gaming Room Control Act in May 2011, creating a licensed and regulated market for Nicaraguan gambling establishments. The Group's subsidiary operation has been operating in Nicaragua under the auspices of various regulators. In general, all games of chance are permitted in Nicaragua as long as the gaming company has registered in the National Tourism Registry of the Nicaraguan Institute of Tourism ("Instituto Nicaraguans de Turismo") and has obtained a license as a tourist service company from the respective authority. In both cases, the gaming company must first obtain a permit from the Directorate of Public Safety of the National Police ("Dirección de Seguridad Pública de la Policía Nacional"). The Casino and Gaming Room Control Act placed the control of casinos into the hands of the new Nicaraguan gaming regulator - The Department of Casinos and Gaming Venues, attached to the Nicaraguan Institute of Tourism (Intur). The Group's Nicaragua subsidiary operations fit within "Class-A Gaming License" that provides that establishments must have a minimum of 71 slot machines and three table games. The business must also show that at least $100,000 is deposited into a checking account and that the business is backed by a $50,000 bank guaranteed bond. The business must also provide 30 full time jobs and invest $200,000 or have invested $200,000 into the business. Each operator must submit to an audit by an external auditor approved by the Banking Superintendent. We do not believe the new law will impact us adversely as we already comply within the criteria established for licenses. The Casino and Gaming Room Control Act does not change the tax rate established under the tax reform of December, 2009.

Peru:

- On 27 March 2011, THLA entered into a contract to sell the Thunderbird Hotel-Principal and the Thunderbird Hotel-Bellavista for $18 million, the transaction was successfully concluded on 7 April 2011. The net proceeds from the sale were used to pay down certain Peru-related debt and to pay certain accounts payable balances and liabilities. The Group managed the Thunderbird Hotel-Principal and the Thunderbird Hotel-Bellavista for a short transition period ending 30 June 2011.

- $0.3 million was raised in Peru for hotel improvements and the purchase of slot machines.

- In Q2 2011 the Group's Peru subsidiary, THLA, extended the maturity date on two loans totaling USD$2,000,000 until Q1 2013.

- During the first half of 2011, the taxing authority for Peru ("SUNAT") has been conducting an audit with respect to the Group's subsidiary hotel operations in Peru (Thunderbird Hoteles Las Americas or "THLA") for the tax year ended December 31 2007. There can be no assurances as to the results of the audit or the materiality of any such assessment. The Group believes that SUNAT may render an initial assessment as early as within the next 30 days and that SUNAT may assess a certain level of additional taxes for 2007. However, the amount of such tax is not known, nor is it known whether any such tax assessment may be offset against other existing tax credits or other offsets or deductions. THLA has appeal rights which can be pursued, but any such decision cannot be made until the audit results are known.

Costa Rica:

- $1.5 million was raised in Costa Rica for the purchase of gaming equipment and property improvement projects.

Group:

- On 25 May 2011, the Group's announced that at its Annual General and Special Meeting of shareholders held in San Jose, Costa Rica, Salomon Guggenheim, Douglas Vicari, Franz Winkler, Roberto de Ocampo, Jack R. Mitchell, and Albert W. Atallah, were elected as Directors for one year terms. Grant Thornton UK LLP was appointed as auditor for the ensuing year. A resolution to ratify and approve all previous acts and deeds by the Directors since the last meeting of shareholders was approved. Election of Officers: The Board of Directors appointed the following persons as officers of the Group for the ensuing year: Jack Mitchell, President and Chief Executive Officer; Albert Atallah, General Counsel and Corporate Secretary, Peter LeSar, Chief Financial Officer; Tino Monaldo, Vice President - Corporate Development; Raul Sueiro, Vice President – Operations; Angel Sueiro, Vice President - Design and Construction.

- The Group announced on 11 August 2011, authorization to issue up to 900,000 of its common shares for twelve months beginning 9 July 2011. During July and August 2011 pursuant to this authorization the Group issued 345,881 of its common shares to six lenders to pay $864,703 of principal and interest due on various loans. The purpose of this transaction is to improve reserves and cash flow.

- $0.3 million was raised by the parent company and used to fund working capital and improvements by subsidiary companies.The Group has renegotiated payment terms on certain debt with various lenders that has enabled the Group to improve cash on hand by approximately $1.7 million.

EMPLOYEES

As of 30 June 2011, we had 3,221 employees, including 1,342 in the Philippines, 401 in Nicaragua, 907 in Peru, 531 in Costa Rica and 40 elsewhere. None of our employees are represented by a labor union, and we believe our relations with our employees to be good.

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 consolidated financial statements have been prepared in accordance with international financial reporting standards ("IFRS").

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 2011 is Grant Thornton UK LLP.

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

OUTLOOK

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

HALF-YEAR PERFORMANCE

During the six-month period ended 30 June 2011, we generated sales of $61.2 million from continuing operations as compared to $62.5 million for the same period in 2010, a 2.1% decrease. The decrease in revenues of $1.3 million for 2010 was attributable to the following: Philippines revenues increased by $0.8 million; Peru hotel operations decreased $2.0 million; Peru revenues decreased by $1.4 million; and Costa Rica operations decreased $0.8 million.

Property EBITDA for continuing operations decreased 17.7% to $14.4 million for the six-month period ended 30 June 2011 as compared to $17.5 million for the same period in 2010. The decrease was the result of the following:

- Philippines operations generated property EBITDA of $6.6 million through Q2 2011 vs. $8.2 million through the same period in 2010.
- Peru operations generated property EBITDA of $4.2 million through Q2 2011 vs. $4.1 million through the same period in 2010.
- Costa Rica operations generated property EBITDA of $2.6 million through Q2 2011 vs. $4.0 million through the same period in 2010.
- Nicaragua operations generated property EBITDA of $1.0 million through Q2 2011 vs. $1.1 million through the same period in 2010.

Adjusted EBITDA for continuing operations for the six-month period ended 30 June 2011 decreased to $11.7 million from $14.3 million for the same period in 2010. As a percentage of sales, Adjusted EBITDA decreased to 19% of revenue as compared to 23% for the same period in 2010.

Please note that if IFRS allowed the Group to report same-hotel comparisons only post the April 2011 sale of hotels in Peru, Group-wide revenue would have increased by 1.9% and the decrease in Group property EBITDA would have been 16.1% and the decrease in Group adjusted EBITDA would have been 16.2%. See pages 24-25 for more information.

Net gain for the six-month period ended 30 June 2011 attributable to the owners of the parent was a gain of $1.6 million as compared to a loss of $1.5 million for the same period in 2010. The net gain for the year was impacted by other gains of $4.8 million (vs. other gains of $2.5 million for the same period in 2010), which includes gains related to the sale of hotels in Peru. Project development costs accounted for $0.2 million vs. $0.8 million for the same period in 2010. In addition, the net loss for the period contains an unrealized foreign exchange profit of $0.8 million vs. an unrealized foreign exchange profit of $1.9 million in 2010. The effect these items had on the profitability of the Group is depicted in the table below:

(In thousands)	**As reported [1]** **Six Months Ended**				%
		30 June 2011		**30 June 2010**	change
Profit for the period attributable to the owners of the parent	**$**	**1,648**	$	(1,523)	-208.2%
Depreciation and amortization		**7,442**		7,202	3.3%
Foreign exchange (gain)/loss		**(818)**		(1,942)	57.9%
Project development		**218**		834	-73.9%
Other (gain) / loss, derivative financial instruments, and share based compensation		**(4,946)**		(2,216)	123.2%
Adjusted net earnings	**$**	**3,544**	$	2,355	50.5%

(1) As reported reflects the results of the Poland operations as discontinued operations due to sale.

ITEMS EXCLUDED FROM PROPERTY EBITDA AND ADJUSTED EBITDA

Items excluded from Property EBITDA and Adjusted EBITDA are discussed below:

Depreciation and amortization: For the six-month period ended 30 June 2011, depreciation and amortization was $7.4 million as compared to $7.2 million for 2010. The total increase primarily relates to higher depreciation due to the purchase of gaming equipment between 2010 and 2011.

Share based compensation: The only was no share based compensation granted since 1 January 2011 has been to directors for their direcftor fees through June 2011.

Project development costs: Project development costs were $0.2 million for the six-month period ended 30 June 2011 as compared to $0.8 million for the same period in 2010. The development costs are related primarily to Thunderbird's Tres Rios project in Costa Rica.

Interest and financing costs: Net interest and financing costs decreased to $5.8 million for the six-month period ended 30 June 2011 from $8.7 million for the same period in 2010. This savings of $2.9 million resulted from lower debt levels and improved interest rates on refinancings. Corporate accounted for approximately a $0.8 million decrease, Peru accounted for $1.7 million decrease, and the Phillipines accounted for approximately a $0.3 million decrease.

Non-controlling interests: For the six-month period ended 30 June 2011 the non-controlling interests in the Group's operational profits were $0.4 million as compared with a loss of $0.2 million during the same period of 2010. The variance in non-controlling interests relates primarily to the fact that the group no longer records a non-controlling interest for its former Panama operations, which were sold in August 2010.

Foreign exchange: For the six-month period ended 30 June 2011, the unrealized foreign exchange difference was $0.8 million of income gain vs. a gain of $1.9 million of income reported during the same period in 2010. An unrealized foreign exchange profit or loss is a non-cash item and recognized when the carrying balances of the loans and other debts, which are recorded in the functional currency of the subsidiary, are adjusted according to the current exchange rate at the end of the period. The foreign exchange profit for the six-month period ended 30 June 2011 primarily originates in Poland and Guatemala, and secondarily by the Philippines, Peru and Costa Rica. The Group has investigated currency hedging strategies and has decided that the short-term benefits and unpredictable nature of foreign exchange do not justify the cost of implementing any such strategies.

Other gains: For the six-month period ended 30 June 2011, other gains totaled $4.8 million, which included a $5.1 million gain from the sale of hotels in Peru and a $0.5 million loss from the disposal of investment in India.

Income taxes: For the six-month period ended 30 June 2011, income tax expense decreased to $0.3 million from $1.2 million recorded in the prior year. This $0.8 million variance is due primarily to lower income taxes in Costa Rica of $0.5 million, and lowed income taxes for the parent of $0.3 million.

HALF-YEAR PERFORMANCE BY COUNTRY

Below is a discussion of sales, property, marketing and administration expenses, promotional allowances, and Property EBITDA on a country level basis for the six-months ended 30 June 2011 compared to six-months ended 30 June 2010:

COSTA RICA

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

Costa Rica - Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	Six Months Ended 30 June		%
	2011	2010	change
Net gaming wins	**$ 8,982**	$ 9,943	-9.7%
Food and beverage sales	**866**	819	5.7%
Hospitality and other sales	**51**	67	-23.9%
Sales	**9,899**	**10,829**	-8.6%
Promotional allowances	**159**	153	3.9%
Property, marketing and administration	**7,113**	6,648	7.0%
Property EBITDA	**2,627**	**4,028**	-34.8%
Property EBITDA as a percentage of sales	**27%**	**37%**	

<u>Net gaming wins and sales</u>: On an as reported basis, sales decreased to $9.9 million during the six-month period ended 30 June 2011 from $10.8 million reported for the same period last year, an 8.6% decrease or $0.9 million for the period. This decrease is primarily due to a decrease in revenue in existing operations at the Fiesta Casino at Holiday Inn Express of $0.7 million, Fiesta Casino Herradura of $0.1 million, and the remainder $0.2 million spread out evenly among all other operating properties other than the Fiesta Casino at Hotel Presidente which had an increase of $0.1 million.

<u>Expenses and promotional allowances</u>: Property, marketing & administration expenses increased to $7.1 million during the six-month period ended 30 June 2011 from $6.6 million reported for the same period last year, a 7.0% or $0.5 million increase. The increase is caused to the general increases associated with our existing operation within the country. Promotional allowances remain the same as 30 June 2011 as compared for the same period in 2010. In July 2011 management implemented cost savings programs which we believe will result in a decrease of our operating expenses to the 2010 annualized level.

<u>Property EBITDA</u>: Property EBITDA decreased as a percentage of sales to 27% in the six-month period ended 30 June 2011 compared to 37% for the same period in 2010. This decrease can primarily be attributed to a combination of a decrease in revenues of 8.6% and an increase in property, marketing & administration expenses of 7.0% as compared to the same period in 2010. The property EBITDA decrease of $1.4 million came primarily from a decrease of EBITDA of $1.1 million in the Fiesta Casino Holiday Inn, $0.1 million in Fiesta Casino Herradura and the balance decrease of $0.2 million was spread across the remaining operating properties.

<u>Costa Rica properties include</u>: Fiesta Casino Holiday Inn Express – San Jose; Fiesta Casino Hotel el Presidente – San Jose; Fiesta Casino Heredia – Heredia; Fiesta Casino Herradura – San Jose; Lucky's at

Perez Zeledon – San Jose; Lucky's San Carlos – San Carlos; Lucky's Guapiles – Guapiles; Lucky's Tournon – Tournon; Lucky's Colon – Colon; Hotel Diamante - Perez Zeledon; and one Slot Route.

PHILIPPINES

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

Philippines - Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	**Six Months Ended 30 June**		%
	2011	2010	change
Net gaming wins	**$ 23,186**	$ 23,226	-0.2%
Food and beverage sales	**969**	776	24.9%
Hospitality and other sales	**1,663**	1,033	61.0%
Sales	**25,818**	**25,035**	3.1%
Promotional allowances	**881**	356	147.5%
Property, marketing and administration	**18,343**	16,520	11.0%
Property EBITDA	**6,594**	**8,159**	-19.2%
Property EBITDA as a percentage of sales	**26%**	**33%**	

Net gaming wins and sales

For the six-month period ended 30 June 2011, sales increased by 3.1% when compared to the same period for 2010. This net increase is primary due to the increase in real estate sales recognized for the period (which increased by 160% or by $0.4 million) and the increase in F&B revenue by 47% (also by $0.4 million). This partially offset the decrease in gaming revenues of 1.9% (also by $0.4 million).

Expenses and promotional allowances

Property, marketing & administration expenses increased to $18.3 million for the six-month period ended 30 June 2011 from the $16.5 million reported for the same period in 2010, an 11% increase period-over-period. The increase is due to labor cost inflation, increased marketing and promotional expenses in Rizal due to greater competition and from legal expenses related to the operations' legal actions against the Philippines gaming regulator.

Property EBITDA: During the six-month period ended 30 June 2011, property EBITDA decreased to $6.6 million from $8.2 million reported for the same period in 2010. As a percentage of sales, Property EBITDA increased to 26% for the six-month period ended 30 June 2011, as compared to 33% for the same period in 2010. The decrease was primarily due to factors described in the paragraphs above.

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

PERU - HOTELS

The Group entered Peru in July 2007, when we acquired the Hoteles Las Americas properties located in Lima for $43.5 million. The six hotels under this brand, which included a resort/convention center, had 660 rooms and 14 restaurants, bars and entertainment venues. During the fourth quarter of 2008, the

Group substantially completed a $10 million renovation program of the six hotels in Lima, Peru, while our flagship Fiesta Casino in Lima opened in September 2008 in the Thunderbird Fiesta Hotel & Casino. This casino as of 30 June 2011 offers 427 slot machines and 198 table positions. This flagship Fiesta Casino required a capital investment of approximately $21.2 million, which included budgeted pre-opening costs and working capital of $4.5 million.

Four of our Six Peruvian hotels were classified as assets held for sale at 31 December 2009 and as of 31 March 2010, one of the hotels was sold for approximately $8.4 million. As of 30 June 2011, we owned Thunderbird Hotel Fiesta & Casino and Thunderbird El Pueblo Resort & Convention Center and managed Thunderbird Hotels Pardo and Carrera. The Group sold the Thunderbird Hotels Pardo and Carrera in 2010 and has managed both since. The Thunderbird Hotels Principal and Bella Vista were sold in April 2011, and managed until 30 June 2011 when the turn over to the purchaser was compete.

Note on comparative analysis: During 2010 and 2011, the Group sold certain hotels in Peru that make it difficult to precisely compare both Peru and Group consolidated Half-year 2011 results with 2010.

The table below indicates which properties are reported for each period and it is followed by a summary of the impact on the year-to-year comparative analysis of the financial performance of the Group:

Reported	Jan-June 2010	Jan-June 2011
Properties Owned and Reported for the Full Period	Thunderbird Fiesta Hotel & Casino, Thunderbird El Pueblo Resort & Convention Center Thunderbird Hotel – Bella Vista, Thunderbird Resorts – Principal, Fiesta Casino and four slot parlors.	Thunderbird Fiesta Hotel & Casino, Thunderbird El Pueblo Resort & Convention Center, Fiesta Casino and four slot parlors.
Properties Owned and Reported for Jan-Feb 2010 for the Period	Thunderbird Hotel – Pardo	
Properties Owned and Reported for Jan-April for the Period		Thunderbird Hotel – Bella Vista and Thunderbird Resorts – Principal.
Hotel Management Contracts	Thunderbird Hotel – Carrera (6 months) and Thunderbird Hotel – Pardo (4 months)	Thunderbird Hotel – Carrera (6 months), Thunderbird Hotel – Pardo (6 months), Thunderbird Hotel – Bella Vista (2 months), Thunderbird Resorts – Principal (2 months)

The reported Peru half-year results show decreased revenue of $1.5 million and decreased property EBITDA of $0.1 million. This difference is entirely related to the fewer number of properties owned by the Group between 2010 and 2011 as described above. When comparing same-hotel performance for those hotels that continue to operate post June 2011 (Thunderbird Fiesta Hotel & Casino, Thunderbird El Pueblo Resort & Convention Center Fiesta Casino and four slot parlors), there would have actually been a Peru revenue increase of $1.0 million and a Peru property EBITDA increase of $0.5 million. This variance is described in the table below. Because the Group consolidates 100% of Peru results, these variances also would have added back the same amount of revenue and EBITDA to the consolidated results of the Group.

Property Revenue Variance

Name of Business	Revenues for Half-year 2011	Revenues for Half-year 2010	Variance
Thunderbird Fiesta Hotel & Casino	$1.7 million	$1.5 million	$0.2 million
Thunderbird El Pueblo Resort & Convention Center	$3.0 million	$2.5 million	$0.5 million
Gaming	$12.3 million	$12.0 million	$0.3 million
Total	**$17 million**	**$16 million**	**$1.0 million**

Property EBITDA Variance

Name of Business	EBITDA for Half-year 2011	EBITDA for Half-year 2010	Variance
Thunderbird Fiesta Hotel & Casino	$0.3 million	$0.1 million	$0.2 million
Thunderbird El Pueblo Resort & Convention Center	$0.5 million	$0.4 million	$0.1 million
Gaming	$2.6 million	$2.4 million	$0.2 million
Total	**$3.4 million**	**$2.9 million**	**$0.5 million**

Peru Hotel - Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	**Six Months Ended 30 June**		%
	2011	2010	change
Food and beverage sales	**2,236**	2,577	-13.2%
Hospitality and other sales	**4,907**	6,285	-21.9%
Sales	**7,143**	**8,862**	-19.4%
Promotional allowances	-	-	-
Property, marketing and administration	**5,602**	7,021	-20.2%
Property EBITDA	**1,541**	**1,841**	-16.3%
Property EBITDA as a percentage of sales	**22%**	**21%**	

Food & beverage and hospitality sales: Sales for the six-month period ended 30 June 2011 were $7.1 million as compared to $8.9 million reported for the same period in 2010. This difference is entirely related to the fewer number of properties owned by the Group between 2010 and 2011. When comparing the year-on-year performance of just the properties that continue to operate post June 2011 (Thunderbird Fiesta Hotel & Casino and Thunderbird El Pueblo Resort & Convention Center, Fiesta Casino and four slot parlors), there would have actually been a Peru revenue increase of $1.0 million.

Expenses and promotional allowances: Property, marketing & administration expenses were $5.6 million for the six-month period ended 30 June 2011 as compared to $7.0 million for the same period in 2010. The savings are due primarily to cost controls imposed by management. Promotional allowances are not separately reported for the hotel operation.

Property EBITDA: Property EBITDA was $1.5 million for the six-month period ended 30 June 2011 as compared to $1.8 million reported for the same period in 2010. As a percentage of sales, property EBITDA was 22% for 2011 compared to 21% for 2010. When comparing the year-on-year performance of just the properties that continue to operate post June 2011 (Thunderbird Fiesta Hotel & Casino and Thunderbird El Pueblo Resort & Convention Center, Fiesta Casino and four slot parlors), there would have been a Peru property EBITDA increase of $0.5 million. Because the Group consolidates 100% of Peru results, these variances also would have added back the same amount of revenue and EBITDA to the consolidated results of the Group.

PERU - CASINOS

During the third quarter of 2008, the Group acquired five slot parlor locations (one of which was consolidated after the acquisition). The Group also owns the Fiesta Casino located in the Thunderbird Fiesta Hotel & Casino in the Miraflores neighborhood of the capitol city of Lima.

Peru Casino - Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	**Six Months Ended 30 June**		%
	2011	2010	change
Net gaming wins	**$ 11,801**	$ 11,468	2.9%
Food and beverage sales	**455**	519	-12.3%
Hospitality and other sales	**-**	-	-
Sales	**12,256**	**11,987**	2.2%
Promotional allowances	**1,570**	1,588	-1.1%
Property, marketing and administration	**8,066**	7,968	1.2%
Property EBITDA	**2,620**	**2,431**	7.8%
Property EBITDA as a percentage of sales	**21%**	**20%**	

Net gaming wins and sales: Sales for the six-month period ended 30 June 2011 were $12.3 million as compared to $12.0 million reported for the same period in 2010 an increase of $0.3 million or 2.2 percent. The results were primarily driven by an increase in the flagship Fiesta Casino Benavides, accounting for $0.5 million of the increase and the Luxor Tacna slot parlor location, which added table games that accounted for $0.3 million of the increase that offset decreases of $0.5 million among the remaining slot parlor locations. Of the total sales of $12.3 million, the flagship Fiesta Casino Benavides accounted for $8.1 million or 66% of the total while the remaining $4.2 million was contributed by the four slot parlor locations combined.

Expenses and promotional allowances: Property, marketing & administration expenses were $8.1 million for the six-month period ended 30 June 2011 compared to $8.0 million reported for the same period in 2009 an increase of $0.1 million. Promotional allowances were $1.6 million for both six-month periods of which $0.9 million related to the flagship Fiesta Casino Benavides and $0.7 million related to the slot parlor operations.

Property EBITDA: Property EBITDA was $2.6 million for the six-month period ended 30 June 2011, which consists of $2.0 million for the flagship Fiesta Casino Benavides property and $0.6 million generated by the slot parlor locations as compared to $2.4 million reported for the same period in 2010.

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

NICARAGUA

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

Nicaragua [1] – Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	**Six Months Ended 30 June**		%
	2011	2010	change
Net gaming wins	**$ 5,388**	$ 5,219	3.2%
Food and beverage sales	**556**	424	31.1%
Hospitality and other sales	**24**	25	-4.0%
Sales	**5,968**	**5,668**	5.3%
Promotional allowances	**861**	708	21.6%
Property, marketing and administration	**4,116**	3,889	5.8%
Property EBITDA	**991**	**1,071**	-7.5%
Property EBITDA as a percentage of sales	**17%**	**19%**	

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

Net gaming wins and sales: Sales increased to $6.0 million during the six-month period ended 30 June 2011 from $5.7 million reported for the same period last year, an increase of $0.3 million or 5.3 percent. The increase was primarily due to sales growth of $0.2 million in the Bello Horizonte location, while the Camino Real, Pharahos's Managua and Holiday Inn Casinosexperienced combined sales growth of approximately $0.1 million.

Expenses and promotional allowances: Property, marketing & administrative expenses increased to $4.1 million for the six-month period ended 30 June 2011, a 5.8% increase from the $3.9 million reported for the same period in 2010. Promotional allowances increased to $0.9 million for the six-month period ended 30 June 2011 as compared to $0.7 million for the same period in 2009.

Property EBITDA: Property EBITDA for the six-month period ended 30 June 2011 was $1.0 million compared to the $1.1 million reported for the same period in 2010. As a percentage of sales, Property EBITDA was 17% for the six-month period ended 30 June 2011 compared to 19% for the same period in 2010, primarily as a result of labor cost inflation and client retention programs.

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

POLAND

As of 10 March 2011, our Poland operations were shut down and liquidated.

CORPORATE AND OTHER

Corporate and Other – Six-months ended 30 June 2011 compared to six-months ended 30 June 2010

(In thousands)	Six Months Ended 30 June		%
	2011	2010	change
Net gaming wins	**$ -**	$ -	-
Food and beverage sales	**-**	-	-
Hospitality and other sales	**103**	137	-24.8%
Sales	**103**	**137**	-24.8%
Promotional allowances	**-**	-	-
Property, marketing and administration	**2,827**	3,358	-15.8%
Property EBITDA	**(2,724)**	**(3,221)**	-15.4%
Property EBITDA as a percentage of sales	**-2645%**	**-2351%**	

Expenses: Net corporate expenses for the six-month period ended 30 June 2011 decreased to $2.8 million as compared to $3.4 million for the same period in 2010, a savings of $0.6 million. The decrease was due to the effective implementation of the cost saving program initiated in 2010, which included the reduction of corporate level staff and other cost cutting measures that were implemented regarding external consulting services, travel costs and certain general administration costs.

CAPITAL RESOURCES AND LIQUIDITY

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

In 2011 year to date, the Group has reduced its total debt (from continuing and discontinued operations) dramatically from $121 million as of 31 December 2010 to $83 million as of 30 June 2011, which has led to improving liquidity.

In 2011, we have: a) Opened our Rizal event center expansion in Q1 2011, which is expected to improve cash flow and earnings; b) Closed our non-performing Poland operations in March; c) Sold the Thunderbird Resorts-Bellavista and Thunderbird Resorts-Principal hotels in April for $18 million, much of which was used to pay down debt and liabilities in Peru; and d) On 12 May 2011, we announced we sold 50% of our India hotel to fund completion of this project. These events are expected to further debt rations as well as to improve liquidity.

We were successful in securing approximately $5 million of new debt in 2011:

- $0.3 million was raised by the parent company and used to fund working capital and expansions by subsidiary companies;
- $0.3 million was raised in Peru for hotel improvements and the purchase of slot machines;
- $2.9 million was raised in the Philippines for the purchase of gaming equipment and property expansion projects; and

- $1.5 million was raised in Costa Rica for the purchase of gaming equipment and property improvement projects.

For a list of material financings, please refer to notes 10 and 11 to the consolidated financial statements.

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

Other information: As of 30 June 2011, we had outstanding share options exercisable for up to 579,320 common shares at prices ranging from $2.10 to $5.00 per share. If all remaining share options are exercised, to which no assurance can be given, 579,320 common shares would be issued generating proceeds of approximately $2.2 million.

Management statement on "going concern": Management routinely plans future activities including forecasting future cash flows. Management has reviewed its plan with the Directors and have collectively formed a judgment that the Group has adequate resources to continue as a going concern for at least the next 12 months, subject to certain conditions being met. In arriving at this judgment, the Directors have reviewed the cash flow projections of the Group for the foreseeable future in light of the financing uncertainties in the current economic climate and have considered existing commitments together with the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding anticipated to reduce over time. The model incorporates future cash flows from existing projects under construction following their projected opening dates, but assumes no new construction projects during the forecast period. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to delayed project opening dates and revenues not achieving anticipated levels. The Directors have considered the very supportive base of investors and debt lenders historically available to Thunderbird Resorts Inc.

The Directors have also considered (i) the current global economic environment together with the recovering markets for global debt and equity financing at this time; (ii) all significant trading exposures and do not consider the Group to be significantly exposed to its trading partners, either customers or suppliers at this time; and (iii) the other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk. Our parent company relies on: a) Management Fees charged to its various operations; b) Repayment of principal and interest payments for loans made to its various operations; and c) Income distributed from its various operations. Given that Group wide debt has been reduced from $121 million, based on continuing and discontinued operations as of 31 December 2010, to $83 million as of 30 June 2011, and that adjusted EBITDA from continuing operations was $11.7 million for the same period, the Group has now lowered its net debt to EBITDA ratio to less than 4.0X based on an annualized calculation of half-year adjusted EBITDA. The combination of stabilized operations as described above, our financial performance described in the 2010 Annual Report, our performance in the first half of 2011, and the very supportive base of investors and debt lenders historically available to the Group, Thunderbird Resorts, Inc management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the next 18 months.

Please note the following on our capital structure:

Indebtedness: The Group has reduced its amount of indebtedness significantly in the last 12 months. In order to further reduce the risks associated with indebtedness, the Group may renegotiate certain principal debt repayment terms with certain of our lenders in order to extend amortization periods and further improve cash flow. The Group has and may continue to use stock of its publicly-traded parent company to pay down high amortizing debt.

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

INDEBTEDNESS AND CONTRACTUAL OBLIGATIONS

Our total long-term indebtedness, interest and other known contractual obligations are summarized below as of 30 June 2011. The contractual obligations for short- and long-term debt reflect our historical debt levels and reflect the debt repayments that will actually be due under our capital structure as of the date of this Half-year Report.

	Six months ending 31 Dec 2011	2012	2013	2014	2015	2016	Thereafter	Total
Long-term bank loans	$ 10,901	$ 16,885	$ 15,943	$ 12,443	$ 34,719	$ 4,090	$ 4,388	$ 99,369
Finance lease obligations	2,602	4,127	2,847	2,756	2,723	2,372	1,319	18,746
Trade payables	15,113	-	-	-	-	-	-	15,113
Due to related parties	888	-	-	-	-	-	-	888
Investment commitments (Note 24b)	5,526	7,586	7,146	8,787	998	-	-	30,043
Total	**$ 35,030**	**$ 28,598**	**$ 25,936**	**$ 23,986**	**$ 38,440**	**$ 6,462**	**$ 5,707**	**$ 164,159**

Subsidiary debt arrangements and debt: Our joint ventures and operating subsidiaries typically finance their projects with indebtedness, either borrowed from us or from third party lenders. As of 30 June 2011, our joint ventures owed us an aggregate of $0.6 million.

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 30 June 2011 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.

See also “Capital resources and liquidity” and our consolidated financial statements included elsewhere in this Annual Report.

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.

REPORTING RESPONSIBILITIES AND RISKS

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

Auditor’s involvement: The content of this interim financial report has not been audited or reviewed by an external auditor.

Management’s responsibility statement: The Board of Management is responsible for preparing the Half-year Report 2011 and the interim consolidated financial statements for the six-month period ended 30 June 2011 in accordance with applicable law and regulations.

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

- The interim consolidated financial statements for the six-month period ended 30 June 2011 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group’s consolidated companies; and
- The additional management information disclosed in the Half-year Report 2011 gives a true and fair view of the Group as of 30 June 2011, 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.

31 August 2011

Panama City, Panama

Jack Mitchell, President, CEO and Director
Albert Atallah, General Counsel, Corporate Secretary and Director
Peter LeSar, Chief Financial Officer
Tino Monaldo, Vice President - Corporate Development
Raul Sueiro, Vice President, Operations
Angel Sueiro, Vice President, Design and Construction

Risks:

While the Board of Management continually attempts to identify risks at all levels of the organization and undertake the development of corrective actions, the constant changes in the worldwide business environment in 2010 and 2011 have made it challenging to keep abreast of the rapidly evolving conditions. The Group's management has reviewed the risk profile throughout the first half of 2011 and will continue to do so during the remainder of 2011. No new material risks have been identified that have not already been disclosed in this Half-year Report 2011 or the 2010 Annual Report. (See also "Subsequent Events and Recent Material Contracts and Financings" on pages 16-18 of this 2011 Half-year Report).

THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of United States dollars)
As of 30 June 2011

	30 June 2011 (unaudited)	31 December 2010 (audited)
Assets		
Non-current assets		
Property, plant and equipment (Note 9)	$ 105,747	$ 134,856
Intangible assets	13,143	14,079
Investments in associates	5,172	-
Deferred tax asset (Note 8)	4,599	4,504
Trade and other receivables	6,106	6,672
Total non-current assets	134,767	160,111
Current assets		
Trade and other receivables	21,721	18,512
Inventories	1,964	2,318
Restricted cash	3,662	3,703
Cash and cash equivalents	4,931	6,312
Total current assets	32,278	30,845
Assets classified as held for sale (Note 7)	698	13,631
Total assets	**$ 167,743**	**$ 204,587**

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

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
(Expressed in thousands of United States dollars)
As of 30 June 2011

	30 June 2011 (unaudited)	31 December 2010 (audited)
Equity and liabilities		
Capital and reserves		
Share capital (Note 12)	$ 101,180	$ 101,005
Reserves - share commitments	9,096	9,100
Retained earnings	(66,649)	(67,835)
Translation reserve	1,645	645
Equity attributable to equity holders of the parent	45,272	42,915
Non-controlling interest	8,393	7,968
Total equity	53,665	50,883
Non-current liabilities		
Borrowings (Note 10)	57,175	80,461
Obligations under leases and hire purchase contracts (Note 11)	9,380	10,454
Derivative financial instruments	-	128
Other financial liabilities	152	1,454
Deferred tax liabilities (Note 8)	537	532
Provisions	3,697	3,653
Due to related parties (Note 14)	840	103
Other liabilities	1,886	1,470
Total non-current liabilities	73,667	98,255
Current liabilities		
Trade and other payables	15,113	14,067
Due to related parties (Note 14)	888	1,390
Borrowings (Note 10)	13,708	23,917
Obligations under leases and hire purchase contracts (Note 11)	3,109	2,957
Other financial liabilities	5,098	4,860
Current tax liabilities	665	2,621
Provisions	1,502	2,191
Total current liabilities	40,083	52,003
Liabilities associated with assets classified as held for sale (Note 7)	328	3,446
Total liabilities	114,078	153,704
Total equity and liabilities	**$ 167,743**	**$ 204,587**

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

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)
For the six months and three months ended 30 June 2011

	Six months ended 30 June (unaudited)		Three months ended 30 June (unaudited)	
	2011	2010	2011	2010
Net gaming wins	$ 49,356	$ 49,856	$ 24,741	$ 25,189
Food, beverage and hospitality sales	11,831	12,662	5,258	6,587
Total revenue	61,187	62,518	29,999	31,776
Cost of goods sold	(23,163)	(22,230)	(11,464)	(11,349)
Gross profit	38,024	40,288	18,535	20,427
Other operating costs				
Operating, general and administrative	(27,831)	(23,900)	(15,053)	(12,117)
Project development	(218)	(834)	(105)	(303)
Depreciation and amortization (Note 9)	(7,442)	(7,202)	(3,861)	(2,998)
Other gains and (losses) (Note 5)	4,947	2,216	4,954	(54)
Operating profit	7,480	10,568	4,470	4,955
Financing				
Foreign exchange gain / (loss)	818	1,942	616	(1,385)
Financing costs (Note 6)	(6,020)	(9,356)	(3,191)	(4,781)
Financing income (Note 6)	192	630	90	317
Finance costs, net	(5,010)	(6,784)	(2,485)	(5,849)
Profit / (loss) before tax	2,470	3,784	1,985	(894)
Income taxes expense (Note 8)				
Current	(323)	(1,208)	(88)	(228)
Taxation	(323)	(1,208)	(88)	(228)
Profit / (loss) for the period from continuing operations	$ 2,147	$ 2,576	$ 1,897	$ (1,122)
(Loss) / profit for the period from discontinued operations	(74)	(4,263)	16	(4,051)
Profit / (loss) for the period	$ 2,073	$ (1,687)	$ 1,913	$ (5,173)
Other comprehensive income				
Currency translation reserve	$ 1,000	$ 422	$ 1,291	$ (357)
Other comprehensive income / (loss) for the period	1,000	422	1,291	(357)
Total comprehensive income / (loss) for the period	$ 3,073	$ (1,265)	$ 3,204	$ (5,530)
Profit / (loss) for the period attributable to:				
Owners of the parent	1,648	(1,523)	1,637	(4,027)
Non-controlling interest	425	(164)	276	(1,146)
	$ 2,073	$ (1,687)	$ 1,913	$ (5,173)
Total comprehensive income attributable to:				
Owners of the parent	2,648	(1,101)	2,928	(4,384)
Non-controlling interest	425	(164)	276	(1,146)
	$ 3,073	$ (1,265)	$ 3,204	$ (5,530)
Basic earning / (loss) per share (in $) (Note 13)	0.13	(0.06)	0.15	(0.22)
Diluted earning / (loss) per share (in $) (Note 13)	0.13	(0.06)	0.15	(0.22)

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

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THUNDERBIRD RESORTS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in thousands of United States dollars)

As of 30 June 2011

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2010	$ 99,357	$ 8,670	$ (1,048)	$ (83,639)	$ 23,340	$ 7,361	$ 30,701
Recognition of share based payments	-	261	-	-	261	-	261
Advance dividends to minority interest	-	-	-	-	-	(12)	(12)
Change through year	-	-	-	-	-	(364)	(364)
Issue of ordinary shares under employee share option plan	80	-	-	-	80	-	80
	$ 99,437	$ 8,931	$ (1,048)	$ (83,639)	$ 23,681	$ 6,985	$ 30,666
Loss for the period	-	-	-	(1,523)	(1,523)	(164)	(1,687)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	422	-	422	-	422
Total comprehensive profit / (loss) for the period	**$ -**	**$ -**	**$ 422**	**$ (1,523)**	**$ (1,101)**	**$ (164)**	**$ (1,265)**
Balance at 30 June 2010 (unaudited)	$ 99,437	$ 8,931	$ (626)	$ (85,162)	$ 22,580	$ 6,821	$ 29,401
Recognition of share based payments	1,648	169	-	-	1,817	-	1,817
Advance dividends to minority interest	-	-	-	-	-	12	12
Change through year	-	-	-	-	-	502	502
Issue of ordinary shares under employee share option plan	(80)	-	-	-	(80)	-	(80)
	$ 101,005	$ 9,100	$ (626)	$ (85,162)	$ 24,317	$ 7,335	$ 31,652
Profit for the period	-	-	-	17,328	17,328	633	17,961
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	1,271	-	1,271	-	1,271
Total comprehensive profit for the period	**$ -**	**$ -**	**$ 1,271**	**$ 17,328**	**$ 18,599**	**$ 633**	**$ 19,232**
Balance at 31 December 2010 (audited)	**$ 101,005**	**$ 9,100**	**$ 645**	**$ (67,835)**	**$ 42,915**	**$ 7,968**	**$ 50,883**

	Attributable to equity holders of parent						
	Share capital	Reserves - share commitments	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2011	$ 101,005	$ 9,100	$ 645	$ (67,835)	$ 42,915	$ 7,968	$ 50,883
Recognition of share based payments	175	(4)	-	-	171	-	171
Change through year	-	-	-	(462)	(462)	-	(462)
	$ 101,180	$ 9,096	$ 645	$ (68,297)	$ 42,624	$ 7,968	$ 50,592
Profit for the period	-	-	-	1,648	1,648	425	2,073
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	1,000	-	1,000	-	1,000
Total comprehensive profit for the period	**$ -**	**$ -**	**$ 1,000**	**$ 1,648**	**$ 2,648**	**$ 425**	**$ 3,073**
Balance at 30 June 2011 (unaudited)	**$ 101,180**	**$ 9,096**	**$ 1,645**	**$ (66,649)**	**$ 45,272**	**$ 8,393**	**$ 53,665**

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

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States dollars)
For the six months ended 30 June 2011

	Six months ended 30 June (unaudited) 2011	2010
Cash flow from operating activities		
Profit / (loss) for the period	$ 2,073	$ (1,687)
Items not involving cash:		
Depreciation and amortization	7,442	7,221
Loss on disposal of plant, property, and equipment	(271)	115
Unrealized foreign exchange	(818)	(971)
Decrease in provision	(408)	(461)
Gain on sale of Peru hotels	(5,057)	-
Loss on disposal of controlling interest in subsidiary	512	-
Gain on derivative financial instruments	(128)	-
Share based compensation	(3)	262
Non-controlling interest	(425)	164
Finance income	(192)	(889)
Finance cost	6,020	9,361
Tax expenses	323	1,190
Net change in non-cash working capital items		
(Increase) / decrease in trade and other receivables	(2,321)	2,175
Decrease / (increase) in inventory	364	(373)
Increase / (decrease) in trade payables and accrued liabilities	1,786	(5,498)
Cash generated from operations	8,897	10,609
Total tax paid	(961)	(1,346)
Net cash generated by operating activities	**$ 7,936**	**$ 9,263**

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

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THUNDERBIRD RESORTS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
(Expressed in thousands of United States dollars)
For the six months ended 30 June 2011

	Six months ended 30 June (unaudited) 2011	2010
Cash flow from investing activities		
Expenditure on property, plant and equipment	$ (6,148)	$ (5,759)
Proceeds from the sale of Peru Hotels	18,000	-
Investment in associate	(460)	(263)
Proceeds from the sale of interest in joint venture	807	-
Cash deconsolidated upon disposal of controlling interest	(499)	-
Interest received	192	889
Net cash used from investing activities	**$ 11,892**	**$ (5,133)**
Cash flow from financing activities		
Proceeds from issuance of common shares	174	80
Proceeds from issuance of new loans	4,207	13,746
Proceeds from issuance of new finance leases	828	1,011
Other financial liabilities	-	-
Repayment of loans and leases payable	(21,721)	(6,623)
Interest paid	(4,793)	(7,029)
Net cash flow / (used) from financing activities	**$ (21,305)**	**$ 1,185**
Change in cash and cash equivalent for the period from continuing operations	(1,477)	5,315
Net cash (used) for the period from discontinued operation	(2,900)	(3,080)
Net change in cash and cash equivalent during the period	(4,377)	2,235
Cash and cash equivalent, beginning of the period	10,015	10,898
Cash and cash equivalent, end of the period	5,638	13,133
Effect of foreign exchange adjustment	2,955	255
Adjusted cash and cash equivalent, end of the period	**$ 8,593**	**$ 13,388**

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

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated Financial Statements "Interim Financial Statements" are for the six months ended 30 June 2011 and have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRS. These Interim Financial Statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2010 which are based on IFRS as issued by the IASB.

In addition, the notes to these Interim Financial Statements are presented in a condensed format except as disclosed herein. The applied accounting principles are in line with those as described in the Group's consolidated financial statements for the year ended 31 December 2010. 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 its plan with the Directors and have collectively formed a judgment that the Group has adequate resources to continue as a going concern for at least the next 12 months, subject to certain conditions being met. In arriving at this judgment, the Directors have reviewed the cash flow projections of the Group for the foreseeable future in light of the financing uncertainties in the current economic climate and have considered existing commitments together with the financial resources available to the Group. The expected cash flows have been modeled based on anticipated revenue and profit streams with debt funding anticipated to reduce over time. The model incorporates future cash flows from existing projects under construction following their projected opening dates, but assumes no new construction projects during the forecast period. The model assumes a stable regulatory environment in all countries with existing operations. Sensitivities have been applied to this model in relation to delayed project opening dates and revenues not achieving anticipated levels. The Directors have considered the very supportive base of investors and debt lenders historically available to Thunderbird Resorts Inc.

The Directors have also considered (i) the current global economic environment together with the recovering markets for global debt and equity financing at this time; (ii) all significant trading exposures and do not consider the Group to be significantly exposed to its trading partners, either customers or suppliers at this time; and (iii) the other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk. Our parent company relies on: a) Management Fees charged to its various operations; b) Repayment of principal and interest payments for loans made to its various operations; and c) Income distributed from its various operations. Given that Group wide debt has been reduced from $117 million as of 31 December 2010 to $83 million as of 30 June 2011, and that adjusted EBITDA from continuing operations was $11.7 million for the same period, the Group has now lowered its net debt to EBITDA ratio to less than 4.0X based on an annualized calculation of half-year adjusted EBITDA. The combination of stabilized operations as described above, our financial performance described in the 2010 Annual Report, our performance in the first half of 2011, and the very supportive base of investors and debt lenders historically available to the Group, Thunderbird Resorts, Inc. management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the next 18 months.

Please note the following on our capital structure:

Indebtedness: The Group has reduced its amount of indebtedness significantly in the last 12 months. In order to further reduce the risks associated with indebtedness, the Group may renegotiate certain principal debt repayment terms with certain of our lenders in order to extend amortization periods and further improve cash flow. The Group has and may continue to use stock of its publicly-traded parent company to pay down high amortizing debt.

2. MANAGEMENT STATEMENT ON "GOING CONCERN" (cont'd)

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

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements ("Interim Financial Statements") have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2010 except for the adoption of:

- Improvements to IFRS effective 1 January 2011 other than certain amendments effective.
- The term "non-controlling interest" replaces "minority interest" in all of our financial reporting.

As of 1 January 2011 various improvements to IFRS became effective. The improvements have not resulted in a change to the presentation of the Group's Interim Financial Statements in the current reporting period and we foresee a prospective impact only.

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

In preparing these condensed set of Interim Financial Statements, the significant judgments, made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2010.

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.

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

4. SEGMENTAL INFORMATION

The segmental information is presented as comparative six month period except for assets and liabilities which are presented as of 30 June 2011 and 31 December 2010

Geographical Segments

	Costa Rica		Nicaragua		Philippines		Peru	
	2011	2010	2011	2010	2011	2010	2011	2010
Continuing operations								
Total revenue	9,900	10,829	5,968	5,668	25,817	25,035	19,399	20,849
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	2,628	4,028	991	1,071	6,594	8,159	4,161	4,272
Project development	(140)	(64)	(58)	(59)	(3)	(6)	(6)	-
Depreciation and amortization	(1,187)	(1,108)	(310)	(400)	(2,711)	(2,714)	(3,079)	(2,673)
Other gains and losses	(12)	24	(2)	-	-	-	5,359	2,475
Segments result	1,289	2,880	621	612	3,880	5,439	6,435	4,074
Foreign exchange gain / (loss)	131	1,089	(105)	(129)	187	(8)	147	1,128
Finance costs	(379)	(518)	(81)	(96)	(1,117)	(1,384)	(1,655)	(3,511)
Finance income	-	1	6	7	8	4	55	246
Management fees - intercompany charges	(1,123)	(1,160)	(268)	(289)	(1,863)	(2,030)	435	-
(Loss) / profit before taxation	(82)	2,292	173	105	1,095	2,021	5,417	1,937
Taxation	(97)	(664)	(51)	(32)	(28)	(29)	-	-
(Loss) / profit for the period continued operation	(179)	1,628	122	73	1,067	1,992	5,417	1,937
(Loss) / profit for the period discontinued operations	-	-	-	-	-	-	-	-
(Loss) / profit for the period	(179)	1,628	122	73	1,067	1,992	5,417	1,937
Currency translation reserve	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(179)	1,628	122	73	1,067	1,992	5,417	1,937
Non-controlling interest	(56)	424	53	33	428	872	-	-
Total comprehensive income attributable to owners of the parent	(123)	1,204	69	40	639	1,120	5,417	1,937
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	2,508	2,508	1,387	1,387	3,901	3,901	4,277	4,277
Intangible assets with finite useful lives	164	306	40	47	-	-	867	881
Financial assets - investments	-	-	-	-	-	-	-	-
Segment assets:								
Property, plant and equipment	19,634	19,730	5,455	5,797	39,352	37,826	40,388	41,803
Other segment assets (including cash)	5,862	6,629	(4)	3	19,797	18,474	33,695	30,891
Total segment assets - continuing operations	28,168	29,173	6,878	7,234	63,050	60,201	79,227	77,852
Assets classified as held for sale	-	-	-	-	-	-	388	13,369
Total assets	28,168	29,173	6,878	7,234	63,050	60,201	79,615	91,221
Total segment liabilities - continuing operations	11,258	11,460	3,192	3,613	40,591	39,362	38,097	44,796
Liabilities associated with assets held for sale	-	-	-	-	-	-	-	3,158
Total liabilities	11,258	11,460	3,192	3,613	40,591	39,362	38,097	47,954
Net assets	16,910	17,713	3,686	3,621	22,459	20,839	41,518	43,267
Non-controlling interest	4,985	5,041	1,199	1,146	1,874	1,446	-	-
Other segment items - continuing operations								
Capital expenditure	353	868	124	692	3,902	6,409	1,497	2,692
Depreciation and amortization	1,187	2,277	310	731	2,711	5,427	3,079	5,958
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	-	-	-	-

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

4. SEGMENTAL INFORMATION (cont'd)

Geographical Segments (cont'd):

	Total operations		Corporate and non-allocated [1]		Total	
	2011	2010	2011	2010	2011	2010
Continuing operations						
Total revenue	61,084	62,381	103	137	61,187	62,518
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	14,374	17,530	(2,724)	(3,221)	11,650	14,309
Project development	(207)	(129)	(11)	(705)	(218)	(834)
Depreciation and amortization	(7,287)	(6,895)	(155)	(307)	(7,442)	(7,202)
Other gains and losses	5,345	2,499	(398)	(283)	4,947	2,216
Segments result	12,225	13,005	(3,288)	(4,516)	8,937	8,489
Foreign exchange gain / (loss)	360	2,080	458	(138)	818	1,942
Finance costs	(3,232)	(5,509)	(2,788)	(3,847)	(6,020)	(9,356)
Finance income	69	258	123	372	192	630
Management fees - intercompany charges	(2,819)	(3,479)	1,362	5,558	(1,457)	2,079
Profit / (loss) before taxation	6,603	6,355	(4,133)	(2,571)	2,470	3,784
Taxation	(176)	(725)	(147)	(483)	(323)	(1,208)
Profit / (loss) for the period continued operation	6,427	5,630	(4,280)	(3,054)	2,147	2,576
Loss for the period discontinued operations	-	-	(74)	(4,263)	(74)	(4,263)
Profit / (loss) for the period	6,427	5,630	(4,354)	(7,317)	2,073	(1,687)
Currency translation reserve	-	-	1,000	422	1,000	422
Total comprehensive income for the period	6,427	5,630	(3,354)	(6,895)	3,073	(1,265)
Non-controlling interest	425	1,329	-	(1,493)	425	(164)
Total comprehensive income attributable to owners of the parent	6,002	4,301	(3,354)	(5,402)	2,648	(1,101)
Assets and liabilities						
Segment intangible assets:						
Intangible assets with indefinite useful lives	12,073	12,823	-	-	12,073	12,823
Intangible assets with finite useful lives	1,071	1,234	(1)	22	1,070	1,256
Financial assets - investments	-	-	5,172	-	5,172	-
Segment assets:						
Property, plant and equipment	104,829	133,812	918	1,044	105,747	134,856
Other segment assets (including cash)	59,350	57,427	(16,367)	(15,406)	42,983	42,021
Total segment assets - continuing operations	177,323	205,296	(10,278)	(14,340)	167,045	190,956
Assets classified as held for sale	388	13,369	310	262	698	13,631
Total assets	177,711	218,665	(9,968)	(14,078)	167,743	204,587
Total segment liabilities - continuing operations	93,138	125,540	20,612	24,718	113,750	150,258
Liabilities associated with assets held for sale	-	3,446	328		328	3,446
Total liabilities	93,138	128,986	20,940	24,718	114,078	153,704
Net assets	84,573	89,679	(30,908)	(38,796)	53,665	50,883
Non-controlling interest	8,058	7,633	335	335	8,393	7,968
Other segment items - continuing operations						
Capital expenditure	5,876	29,220	15	(197)	5,891	29,023
Depreciation and amortization	7,287	14,473	155	403	7,442	14,876
Impairment losses	-	-	-	-	-	-
Share based compensation	-	-	(3)	1,389	(3)	1,389

(1) Includes non-operating entities

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

4. SEGMENTAL INFORMATION (cont'd)

Business Segments

	Gaming		Hotel		Corporate and non-allocated [1]		Total operations	
	2011	2010	2011	2010	2011	2010	2011	2010
Continuing operations								
Total revenue	51,209	51,487	9,875	10,894	103	137	61,187	62,518
Operating profit / (loss) before: project development, depreciation, amortization and other gains and losses	13,217	15,980	1,157	1,550	(2,724)	(3,221)	11,650	14,309
Project development	(204)	(129)	(3)	-	(11)	(705)	(218)	(834)
Depreciation and amortization	(5,469)	(5,298)	(1,818)	(1,597)	(155)	(307)	(7,442)	(7,202)
Other gains and losses	287	24	5,058	2,475	(398)	(283)	4,947	2,216
Segments result	7,831	10,577	4,394	2,428	(3,288)	(4,516)	8,937	8,489
Foreign exchange gain / (loss)	492	1,214	(132)	866	458	(138)	818	1,942
Finance costs	(1,737)	(1,627)	(1,495)	(3,882)	(2,788)	(3,847)	(6,020)	(9,356)
Finance income	18	197	51	61	123	372	192	630
Management fees - intercompany charges	(2,819)	(3,468)	-	(11)	1,362	5,558	(1,457)	2,079
Profit / (loss) before taxation	3,785	6,893	2,818	(538)	(4,133)	(2,571)	2,470	3,784
Taxation	(173)	(725)	(3)	-	(147)	(483)	(323)	(1,208)
Profit / (loss) for the period continued operation	3,612	6,168	2,815	(538)	(4,280)	(3,054)	2,147	2,576
Profit / (loss) for the period discontinued operations	-	-	-	-	(74)	(4,263)	(74)	(4,263)
Profit / (loss) for the period	3,612	6,168	2,815	(538)	(4,354)	(7,317)	2,073	(1,687)
Currency translation reserve	-	-	-	-	1,000	422	1,000	422
Total comprehensive income for the period	3,612	6,168	2,815	(538)	(3,354)	(6,895)	3,073	(1,265)
Non-controlling interest	425	1,329	-	-	-	(1,493)	425	(164)
Total comprehensive income attributable to owners of the parent	3,187	4,839	2,815	(538)	(3,354)	(5,402)	2,648	(1,101)
Assets and liabilities								
Segment intangible assets:								
Intangible assets with indefinite useful lives	12,059	12,809	14	14	-	-	12,073	12,823
Intangible assets with finite useful lives	336	488	735	746	(1)	22	1,070	1,256
Financial assets - investments	-	-	-	-	5,172	-	5,172	-
Segment assets:								
Property, plant and equipment	55,216	84,695	49,613	49,117	918	1,044	105,747	134,856
Other segment assets (including cash)	35,935	29,531	23,415	27,896	(16,367)	(15,406)	42,983	42,021
Total segment assets - continuing operations	103,545	127,523	73,778	77,773	(10,278)	(14,340)	167,045	190,956
Assets classified as held for sale	-	(1)	388	13,370	310	262	698	13,631
Total assets	103,545	127,522	74,166	91,143	(9,968)	(14,078)	167,743	204,587
Total segment liabilities - continuing operations	65,750	67,518	27,388	58,022	20,612	24,718	113,750	150,258
Liabilities associated with assets held for sale	-	288	-	3,158	328	-	328	3,446
Total liabilities	65,749	67,806	27,388	61,180	20,940	24,718	114,078	153,704
Net assets	37,796	59,716	46,778	29,963	(30,908)	(38,796)	53,665	50,883
Non-controlling interest	8,058	7,633	-	-	335	335	8,393	7,968
Other segment items - continuing operations								
Capital expenditure	5,088	27,681	788	1,539	15	(197)	5,891	29,023
Depreciation and amortization	5,469	10,878	1,818	3,595	155	403	7,442	14,876
Impairment losses	-	-	-	-	-	-	-	-
Share based compensation	-	-	-	-	(3)	1,389	(3)	1,389

(1) Includes non-operating entities

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

5. OTHER GAINS AND LOSSES

	Six months ended 30 June (unaudited)		Three months ended 30 June (unaudited)	
	2011	2010	2011	2010
Other gains and (losses)				
Share based compensation	3 $	(262)	3 $	(131)
Other write off of assets	271	(29)	278	(12)
Gain from asset held for sale	5,057	2,507	5,057	1
Loss on disposal of investment	(512)	-	(512)	-
Fair value adjustment for financial derivative contracts	128	-	128	88
Total	**$ 4,947 $**	**2,216**	**$ 4,954 $**	**(54)**

a. Share based compensation
The Group's Board of Directors declared a stock grant to management for past performance and to provide incentive to fulfill the growth strategy associated with the Group's 2007 capital infusion. Current gains in reserve balances of $22,000 for options canceled due to employee attrition were partially offset by current period reserve valuation adjustments of $19,000.

b. Other write off of assets
Certain trade receivables in Nicaragua, Costa Rica, and Peru were determined to be uncollectable and a provision of $16,000 (2010 - $29,000) has been recorded. In addition, losses were recognized on dispositions, abandonments or obsolescence of property, plant and equipment totaling $16,000 (2010 -$Nil) which offset with a gain of $302,000 coming from the reversal of a provision in our Peru casino operation related to one of the Group's gaming equipment vendors.

c. Gain from asset held for sale
In the fourth quarter of 2009, management decided to sell four of our six hotels in Peru to pay off some debts and to improve the Group's statement of financial position. As of 30 April 2011, the two remaining hotels held for sale were sold and the Group recognized a gain from asset held for sale of $5,057,000.

d. Loss of disposal of investment
On 12 May 2011, the Group sold 27% of its shares in Daman Hospitality Limited "DHPL", for $807,525, resulting in a consolidated loss on disposal of $512,333.

g. Fair value adjustments for financial derivative contracts
The adjustment for the fair value of financial derivative contracts is derived from the revaluation of 781,667 outstanding warrants granted at 31 December 2002, of which 666,666 were exercised on 4 June 2007, with a further 58,470 being issued under the same agreement leaving 173,471 outstanding and during 2010 the final warrants outstanding were exercised and cancelled. In January 2010, 200,000 warrants were issued of which 100,000 were exercised in April 2010, leaving 100,000 warrants outstanding as of 31 December 2010 (2009 – 173,471). During 2011 the final warrants outstanding were exercised and cancelled leaving no outstanding warrants as of 30 June 2011.

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

6. FINANCING COSTS AND REVENUES

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

	Six months ended 30 June 2011			Six months ended 30 June 2010		
Finance cost	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 842	$ -	$ 842	$ 190	$ 559	$ 749
Other loans	4,269	106	4,375	6,882	376	7,258
Related party loans	-	-	-	96	84	180
Finance charges payable under finance leases and hire purchase contracts	672	-	672	1,430	13	1,443
Amortization of borrowing costs	131	-	131	763	206	969
Total finance costs (on a historical cost basis)	**$ 5,914**	**$ 106**	**$ 6,020**	**$ 9,361**	**$ 1,238**	**$ 10,599**
Finance revenue						
Bank interest receivable	192	-	192	889	40	929
Total finance revenue (on a historical cost basis)	**$ 192**	**$ -**	**$ 192**	**$ 889**	**$ 40**	**$ 929**

	Three months ended 30 June 2011			Three months ended 30 June 2010		
Finance cost	**Continuing operations**	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Bank loans	$ 335	$ -	$ 335	$ 97	$ 265	$ 362
Other loans	2,508	106	2,614	3,517	178	3,695
Related party loans	-	-	-	49	40	89
Finance charges payable under finance leases and hire purchase contracts	288	-	288	731	6	737
Amortization of borrowing costs	68	-	68	390	168	558
Total finance costs (on a historical cost basis)	**$ 3,199**	**$ 106**	**$ 3,305**	**$ 4,784**	**$ 657**	**$ 5,441**
Finance revenue						
Bank interest receivable	90	-	90	342	20	362
Total finance revenue (on a historical cost basis)	**$ 90**	**$ -**	**$ 90**	**$ 342**	**$ 20**	**$ 362**

7. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2009 management decided to sell the Group's operations in Panama as well as four of our six hotel locations in Peru (the non-casino hotels). The decision was taken in line with the Group's strategy to reduce debt and to improve the Group's financial position. The Panama operations constituted one of our reporting segments and are reported as a discontinued operation. The Group was successful in selling two of the four Peru hotels in 2010.

In August 2010, the Group announced the completion of the sale of its 63.63 percent stake in its six Panama casinos to the Panama based subsidiary of CODERE, S.A. The Group reported a gain on the sale of stock of approximately $16.2 million in 2010. This transaction resulted in a significant improvement in the Group's statement of financial position through the reduction in consolidated Group debt of approximately $46.8 million ($30.8 million used to pay down debt and elimination from our consolidated financials of $16.0 million of Panama operational level debt) along with a significant improvement in the overall cash flows of the Group.

At 31 December 2010, two of the remaining four hotels in Peru are shown as assets held for sale on the statement of financial position. The operating results of the Peru hotels are still reported as continuing operations in our profit and loss (as they do not represent our entire reporting segment in Peru). As of 30 April 2011, the two remaining hotels held for sale were sold and the Group recognized a gain from asset held for sale of $5,057,000. Included in the balance of assets held for sale at 30 June 2011 are $388,000 of property and plant related to the Peru hotels sold during April 2011, which are being negotiated with the buyer. The negotiation of these assets should be finalized in September 2011.

In December 2010 management decided that it is in the best interest of the Group to divest itself from Guatemala. On 31 December 2010, the Group entered into an agreement to transfer its operations to the purchaser for consideration of $2.1 million in a promissory note and approximately $0.5 million of accounts payable assumption. The Group recorded a gain of the sale of its Guatemalan operation of $0.6 million at 31 December 2010.

In the latter half of 2010 management marketed its Poland operations for sale, the process was unsuccessful and on 10 March 2011 the Group shut down its Poland operations. Poland has been reported as discontinued operations.

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

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

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

The carrying amounts of assets and liabilities for the Poland operations and the two Peruvian hotels that were sold in April 2011 may be summarized as follows:

	30 June 2011 (unaudited)	31 December 2010 (audited)
Non-current assets		
Property, plant and equipment	$ 388	$ 13,372
Intangible assets	22	22
Deferred tax asset	18	17
Trade and other receivables	-	-
Current assets		
Trade and other receivables	122	109
Inventories	19	18
Restricted cash	78	82
Cash and bank balances	51	11
Asset classified as held for sale	$ 698	$ 13,631
Non-current liabilities		
Borrowings	$ -	$ 2,733
Obligations under leases and hire purchase contracts	-	-
Other financial liabilities	-	-
Deferred tax liabilities	6	5
Provisions	-	-
Other non current liabilities	-	-
Current liabilities		
Trade and other payables	222	187
Borrowings	-	-
Obligations under leases and hire purchase contracts	-	425
Other financial liabilities	-	-
Current tax liabilities	13	16
Provisions	87	80
Liabilities classified as held for sale	$ 328	$ 3,446

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

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

	Six months ended 30 June (unaudited)	
	2011	**2010**
Net gaming wins	$ 163	$ 25,597
Food, beverage and hospitality sales	3	1,909
Total revenue	166	27,506
Cost of goods sold	(83)	(10,126)
Gross profit	83	17,380
Other operating costs		
Operating, general and administrative	(155)	(12,274)
Depreciation and amortization	-	(3,999)
Other gains and losses	-	(542)
Operating profit	(72)	565
Financing		
Financing costs	(2)	(1,243)
Financing income	-	300
Finance costs, net	(2)	(943)
Loss before tax	(74)	(378)
Income taxes expense		
Current	-	(3,885)
Deferred	-	-
Taxation	-	(3,885)
Loss for the period from discontinued operations	$ (74)	$ (4,263)

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

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

8. INCOME TAXES AND DEFERRED TAX LIABILITY

a) Tax charged in the statement of comprehensive income

	Six months ended 30 June 2011			Six months ended 30 June 2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Current Income Tax						
Foreign tax	$ 323	$ -	$ 323	$ 1,208	$ 3,885	$ 5,093
Total current income tax	323	-	323	1,208	3,885	5,093
Deferred Tax						
Origination and reversal of temporary differences	-	-	-	-	-	-
Total deferred tax	-	-	-	-	-	-
Tax charged in the statement of comprehensive income	**$ 323**	**$ -**	**$ 323**	**$ 1,208**	**$ 3,885**	**$ 5,093**
Taxes allocated to:						
Loss for the period	323	-	323	1,208	3,885	5,093
Other comprehensive income	-	-	-	-	-	-
Totals	**$ 323**	**$ -**	**$ 323**	**$ 1,208**	**$ 3,885**	**$ 5,093**

	Three months ended 30 June 2011			Three months ended 30 June 2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Current Income Tax						
Foreign tax	$ 88	$ -	$ 88	$ 228	$ 3,885	$ 4,113
Total current income tax	88	-	88	228	3,885	4,113
Deferred Tax						
Origination and reversal of temporary differences	-	-	-	-	-	-
Total deferred tax	-	-	-	-	-	-
Tax charged in the statement of comprehensive income	**$ 88**	**$ -**	**$ 88**	**$ 228**	**$ 3,885**	**$ 4,113**
Taxes allocated to:						
Loss for the period	88	-	88	228	3,885	4,113
Other comprehensive income	-	-	-	-	-	-
Totals	**$ 88**	**$ -**	**$ 88**	**$ 228**	**$ 3,885**	**$ 4,113**

b) Reconciliation of the total tax charge

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

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

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

	30 June 2011			31 December 2010		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Accounting loss before income tax	$ 2,470	$ (850)	$ 1,620	$ 611	$ 18,376	$ 18,987
Higher taxes on overseas earnings	323	-	323	2,368	3,976	6,344
Total tax expense reported in the statement of income	$ 323	$ -	$ 323	$ 2,368	$ 3,976	$ 6,344
Deferred income tax assets:						
Non-capital loss carryforwards	$ 13,383	$ -	13,383	$ 13,288	$ 18	13,306
Total deferred tax assets	13,383	-	13,383	13,288	18	13,306
Valuation allowance	(8,784)	-	(8,784)	(8,784)	-	(8,784)
Deferred income tax assets, net of allowance	$ 4,599	$ -	$ 4,599	$ 4,504	$ 18	$ 4,522
Deferred income tax liabilities:						
Property and equipment - net book value in excess of unamortized capital cost	-	-	-	-	-	-
Other assets - net book value in excess of unamortized tax	-	-	-	-	5	5
Withholding tax on repatriation of retained earnings from foreign subsidiaries	483	-	483	477	-	477
Dividend tax accrual	51	-	51	51	-	51
Other	3	-	3	4	-	4
Total deferred tax liabilities	**$ 537**	**$ -**	**$ 537**	**$ 532**	**$ 5**	**$ 537**

At 30 June 2011, the Group has United States income tax net operating losses of $26,579,697 (31 December 2010 - $25,836,000). These operating losses expire at various dates between 2010 and 2024. The potential income tax benefits related to United States loss carry forwards have not been reflected in the accounts as the Group does not anticipate future United States net income. The Group has recorded a deferred tax asset for its Peruvian operation in the amount of $4,581,298 (31 December 2010 - $4,504,000), attributable to losses. The Peruvian losses will be offset against future net income.

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

9. PROPERTY, PLANT AND EQUIPMENT

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of January 1, 2011	$ 67,572	$ 8,879	$ 43,540	$ 25,238	$ 42,980	$ 188,209
Foreign Exchange adjustments	951	100	608	237	106	2,002
Additions - continued operations	8	2	525	260	5,355	6,150
Additions - discontinued operations	-	-	-	(3)	2,137	2,134
Disposals - continued operations	-	-	(1,016)	(147)	-	(1,163)
Disposals - discontinued operations	(2,942)	(48)	-	(401)	(27,492)	(30,883)
Transfers	57	22	1,394	1,322	(2,795)	-
Reclassified as asset held for sale	-	-	-	(2)	-	(2)
As of June 30, 2011	65,646	8,955	45,051	26,504	20,291	166,447
Depreciation						
As of January 1, 2011	8,553	1,859	27,244	15,319	378	53,353
Foreign Exchange adjustments	149	16	393	108	-	666
Additions - continued operations	1,534	308	3,799	1,601	-	7,242
Additions - discontinued operations	-	9	13	40	-	62
Disposals - continued operations	-	-	(326)	(79)	-	(405)
Disposals - discontinued operations	-	(65)	-	(135)	-	(200)
Impairment Guatemala	-	-	-	-	-	-
Impairment Poland	-	(2)	(13)	(3)	-	(18)
Reclassified as asset held for sale	-	-	-	-	-	-
As of June 30, 2011	10,236	2,125	31,110	16,851	378	60,700
Net book value as of 1 January 2011	**59,019**	**7,020**	**16,296**	**9,919**	**42,602**	**134,856**
Net book value as of 30 June 2011	**$ 55,410**	**$ 6,830**	**$ 13,941**	**$ 9,653**	**$ 19,913**	**$ 105,747**

	Property	Leasehold improvements	Gaming machines	Furniture and equipment	Construction in process and advances	Total
Cost						
As of 1 January 2010	$ 56,306	$ 8,869	$ 36,483	$ 23,022	$ 21,446	$ 146,126
Foreign Exchange adjustments	2,335	663	1,807	784	1,648	7,237
Additions - continued operations	1,345	139	818	362	26,359	29,023
Additions - discontinued operations	-	4	-	-	422	426
Disposals - continued operations	(221)	-	(559)	(482)	-	(1,262)
Disposals - discontinued operations	-	-	-	(139)	-	(139)
Transfers	313	(727)	5,087	802	(6,815)	(1,340)
Reclassified as asset held for sale	7,494	(69)	(96)	889	(80)	8,138
As of 31 December 2010	67,572	8,879	43,540	25,238	42,980	188,209
Depreciation						
As of 1 January 2010	5,010	1,360	19,179	11,108	496	37,153
Foreign Exchange adjustments	255	163	953	323	1	1,695
Additions - continued operations	2,108	1,004	7,424	3,229	-	13,765
Additions - discontinued operations	30	830	2,778	1,096	-	4,734
Disposals - continued operations	(79)	-	(405)	(159)	-	(643)
Disposals - discontinued operations	-	-	-	(128)	-	(128)
Impairment Guatemala	-	-	-	(4)	-	(4)
Impairment Poland	-	(689)	(48)	(50)	(119)	(906)
Transfers	(6)	-	-	(5)	-	(11)
Reclassified as asset held for sale	1,235	(809)	(2,637)	(91)	-	(2,302)
As of 31 December 2010	8,553	1,859	27,244	15,319	378	53,353
Net book value as of 1 January 2010	**51,296**	**7,509**	**17,304**	**11,914**	**20,950**	**108,973**
Net book value as of 31 December 2010	**$ 59,019**	**$ 7,020**	**$ 16,296**	**$ 9,919**	**$ 42,602**	**$ 134,856**

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

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

Assets pledged as security

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

	30 June 2011	31 December 2010
Property	$ 18,199	$ 46,553
Gaming equipment	4,305	4,617
Total	**$ 22,504**	**$ 51,170**

We started construction on a resort project in the eastern suburbs of San Jose in 2006. This 22-acre "Tres Rios" facility was intended to be a 108-room resort hotel with a convention center, spa and a Fiesta-brand casino. As of 30 June 2011, we have invested approximately $16 million (of which our portion is $8 million) for the acquisition of land, infrastructure development (including roads, ramps and a bridge) and the eight commercial lots comprising the Tres Rios property. This development, along with the new Costa Rica gaming decree, which limits new casinos to one slot machine per room and one table game per ten rooms at the associated hotel, has caused us to change plans with respect to this project. We have therefore minimized the amount we will invest in the hotel and will attempt to maximize third party investment. In addition, we will need to comply with the new gaming decree which causes the Tres Rios casino to have less than the number of slot machines and tables originally planned. Accordingly, we are considering other financing structures, including additional financial investors in the hotel. One such option being considered involves the construction of a 108 room hotel, with convention center and casino. While these options are being pursued however, the "on-site" construction at Tres Rios has been indefinitely suspended since the fourth quarter of 2008. There is no certainty that we will be successful in pursuing other options. Due to these changed circumstances, we cannot say when, or if, the Tres Rios hotel and the casino will be operational.

We have also acquired land in the southwestern suburb of San Jose where we plan to build the Escazu project. As of 30 June 2011, we have invested approximately $4.1 million (of which our portion is $2.0 million). The land is subject to a lien securing a loan with Banco Nacional de Costa Rica. We are seeking further debt financing required for the project. However, as a result of the new executive decree mentioned above, we are seeking to develop a structure whereby approximately two-thirds of the land owned by Grupo Thunderbird de Costa Rica, S.A. at Escazu, will be transferred to a third-party who will financially commit to construct a 100 to 200 room hotel or condo-hotel within a given time frame. Land for the casino would be retained by our affiliate for the associated casino. Due to these changed circumstances, we cannot estimate when, or if, the Escazu hotel and casino will be operational.

We commenced our expansion project in Rizal, Philippines, on the eastern side of Manila, in the third quarter of 2008. The expansion includes an event center, additional food and beverage areas, and gaming areas. Total project expenditure as of 30 June 2011 amounted to $8.4 million. The expansion was finished in February 2011 and the event center was launched in the same month. The gaming area was also finished in the same month and ERI is just waiting for the PAGCOR approval on the additional gaming positions added. The gaming area will add approximately 100 slots positions on opening and 28 table positions to the current 453 slot positions and 218 table positions.

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

We commenced the expansion of the existing casino at Poro Point, Philippines in the third quarter of 2008 to create an additional 1,000 square meters of gaming space that will offer 65 new slot machines and 49 new table positions in addition to the current 285 slot machines and 172 table positions, along with expanded food and beverage operations. The estimated cost of this expansion is $7.4 million, of which $2.4 million has been spent as of 30 June 2011.

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

Construction of this project has been funded by four sources. DHPL and its original India partner have contributed approximately $18 million in cash and property as equity into the project. As of 31 December 2010, DHPL also raised approximately $13.5 million in fully convertible debentures and a $27 million senior secured loan facility from four India banks. On May 12, 2011, a fourth source of funding was announced when DHPL executed definitive agreements for project completion funding with Delta Corp Ltd (Bombay Stock Exchange trading symbol "deltacorp"). Delta is funding approximately $21M into DHPL, of which approximately $11M is equity and $10M is debt, and will be responsible for securing any new debt. Delta is now the 51% owner in the hotel and the Group and its original Indian partners will own the remaining 49%. The Group will operate the hotel with a management contract. The hotel will receive rent proceeds from the lease of space to a casino at the location in which the casino will be owned 51% by Delta and 49% by other Indian entities. The hotel construction has resumed and we anticipate completion in phases with a soft opening of some of the rooms and amenities in Q4 2011 and the balance completed in Q1 2012.

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

10. BORROWINGS

Borrowings consist of loans payable detailed as follows:

	Schedule of principal repayments								
	Six months ending 31 Dec 2011	2012	2013	2014	2015	2016	Thereafter	Issuance Costs	Total
Interest Rate[(1)]:									
>15%	$ 358	$ 159	$ 1,185	$ 51	$ -	$ -	$ -	$ 50	$ 1,703
13% to 14%	3,682	5,780	3,068	1,408	207	101	19	208	14,057
11% to 12%	1,226	2,762	2,144	5,579	2,367	2,324	1,936	460	17,878
<10%	2,351	3,599	5,722	3,362	19,984	1,052	1,710	535	37,245
Total Principal Repayments	**7,617**	**12,300**	**12,119**	**10,400**	**22,558**	**3,477**	**3,665**	**1,253**	**70,883**

(1) Floating rate loans are calculated as of the effective rate on 30 June 2010

	Six months ending 31 Dec 2011	2012	2013	2014	2015	2016	Thereafter	Issuance Costs	Total
Country:									
Corporate	$ 2,693	$ 4,653	$ 6,248	$ 7,141	$ 12,137	$ 2,469	$ 2,236	$ 615	$ 36,962
Costa Rica	1,456	2,209	1,256	679	561	470	1,376	137	7,870
Nicaragua	151	310	743	44	49	54	35	14	1,372
Philippines	3,117	4,795	2,872	2,536	811	484	18	328	14,305
Peru	200	333	1,000	-	9,000	-	-	159	10,374
Total Principal Repayments	**$ 7,617**	**$ 12,300**	**$ 12,119**	**$ 10,400**	**$ 22,558**	**$ 3,477**	**$ 3,665**	**$ 1,253**	**$ 70,883**

1. The Group's parent entity (Corporate) assumed outstanding debt balances of our Guatemala and Poland entities. The balances assumed for Guatemala and Poland were $2,088,328 and $1,454,950, respectively as of 30 June 2011.

	Borrowings summary	
	30 June 2011	31 December 2010
Total borrowings	$ 70,883	$ 104,378
Less current portion of borrowings	(13,708)	(23,917)
Borrowing non-current	**$ 57,175**	**$ 80,461**

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

10. BORROWINGS (cont'd)

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

	Schedule of Corporate principal repayments - reimbursable by subsidiaries								
	Six months ending 31 Dec 2011	2012	2013	2014	2015	2016	Thereafter	Issuance Costs	Total
Country:									
Corporate	$ 1,507	$ 2,554	$ 2,915	$ 4,973	$ 488	$ 145	$ 300	$ 227	$ 12,655
Costa Rica	130	-	-	-	-	-	-	-	130
Philippines	126	390	467	343	-	-	-	-	1,326
Peru	930	1,709	2,866	1,825	11,649	2,324	1,936	388	22,851
Total principal repayments	**$ 2,693**	**$ 4,653**	**$ 6,248**	**$ 7,141**	**$ 12,137**	**$ 2,469**	**$ 2,236**	**$ 615**	**$ 36,962**

During the six months ended 30 June 2011, the Group has obtained borrowings detailed as follows:

	Additions	Balance 30 June 2011	Collateral	Interest Rate	Maturity Date
The Company:					
Loans with non-financial entities	$ 307	$ 307		13%	Jan-2015
Costa Rica:					
Loans with non-financial entities	1,553	1,504	Slot machines	14% and 15%	Mar-2014 and Jun-2015
Philippines:					
Loans with financial entities	2,347	2,304	Land and Improvements	5%, 6% and 7%	Jul-2015

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

10. BORROWINGS (cont'd)

Additions Summary		**Additions**		**Balance 30 June 2011**
Loans with financial entities	$	2,347	$	2,304
Loans with non-financial entities		1,860		1,811
Total Additions	**$**	**4,207**	**$**	**4,115**

Notes:

a) During 2010, Eastbay Resorts, Inc. obtained financing from Philippines based bank to complete a 950 square meter event center/casino expansion in its Rizal property located on the east side of Manila, Philippines. The construction loan is for approximately $5.9 million (based on exchange rates as of 30 June 2011) to be drawn in tranches and is secured by our real estate and other assets at our existing Rizal location. As of 31 December 2010 three tranches had been drawn totaling approximately $3 million (based on exchange rates on 30 June 2011). Additional tranches have been drawn during the six months ended 30 June 2011 totaling approximately $2.5 million (based on exchange rates on 30 June 2011). The loan bears interest at PDST-F + 3%, re-priced and payable quarterly in arrears. Principal payments are to be made in 18 equal quarterly payments commencing nine months after the first drawdown date.

b) During the six months ended 30 June 2011 the Group obtained an additional $0.3 million from private lenders. Total amount funded through this offering totals $3.9 million, $0.3 million and $3.6 million secured in 2011 and 2010, respectively. The financing shall be used primarily to finance the expansion of our existing Poro Point Casino located in La Union, Philippines. The funds may also be used to finance corporate working capital, and or other subsidiary projects. The loans are unsecured and have an annual interest rate of 12.5%, interest accrues for three months and is added to principal. Interest only payments shall be made for 45 months based on the adjusted principal amount. Principal and any outstanding interest are due at the end of month 49.

c) During the six months ended 30 June 2011 Grupo Thunderbird de Costa Rica, Inc. obtained financing to purchase gaming machines and fund working capital for 6 months of $1.5 million from private lenders. The loans are unsecured and have an annual interest rate of 14%, principal and interest payment are due monthly in 48 equal installments.

d) During the six months ended 30 June 2011 Casinos Pajaro Trueno S.A. obtained financing of $1 million from a private lender for the expansion of the Group's Fiesta Casino – El Presidente property located in downtown San Jose, Costa Rica. The loan is secured by gaming machines and bears annual interest of 15%, principal and interest payment are due monthly in 36 equal installments.

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

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

Obligations under finance leases and hire purchase contracts

The Group uses leases and hire purchase contracts to finance their vehicles and some video lottery equipment. As at 30 June 2011, future minimum lease payments under finance leases and hire purchase contracts of the Group are as follows:

	Future commitments due 30 June 2011		Future commitments due 31 December 2010	
Finance lease commitments	Commitment	Present value	Commitment	Present value
Not longer than 1 year	$ 4,940	$ 3,167	$ 5,518	$ 3,019
After one year but not more than five years	12,487	8,454	11,698	7,362
After five years	1,319	1,075	4,199	3,269
Sub total	18,746	12,696	21,415	13,650
Less finance charges allocated to future periods				
Less deferred transaction costs	-	(207)	-	(239)
Present value of minimum lease payments	**$ 18,746**	**$ 12,489**	**$ 21,415**	**$ 13,411**
Obligations under leases and hire purchase contracts current		(3,109)		(2,957)
Obligations under leases and hire purchase contracts non-current		$ 9,380		$ 10,454

Assets held under finance leases and hire purchase contracts as of 30 June 2011 and for the year ended 31 December 2010:

	30 June 2011		31 December 2010	
	Cost	Amortized cost	Cost	Amortized cost
Autos	$ 940	$ 421	$ 942	$ 468
Gaming machines	4,582	3,642	3,975	3,364
Building	-	-	22,557	18,973
Other	286	161	280	193
Total	**$ 5,808**	**$ 4,224**	**$ 27,754**	**$ 22,998**

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

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

Obligations under operating leases

As at 30 June 2011, minimum operating lease payments of the Group for continuing operations were as follows:

		Future commitments due
Not longer than 1 year	$	3,890
After one year but not more than five years		14,555
After five years		15,504
Total	**$**	**33,949**

12. SHARE CAPITAL AND RESERVES

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

	Number of shares		Amount
Authorized			
500,000,000 common shares without par value			
500,000,000 preferred shares without par value			
Issued			
Balance as at 31 December 2009	19,729,746	$	99,357
Exercise of Warrants	953,069		1,648
Stock Grants Issued	-		-
Shares cancelled	-		-
Balance as at December 31, 2010	20,682,815	$	101,005
Exercise of options/warrants	100,000		80
Stock Grants Issued	36,952		95
Balance as at June 30, 2011	20,819,767	$	101,180

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

12. SHARE CAPITAL AND RESERVES (cont'd)

Warrants

	30 June 2011			31 December 2010		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	100,000	$	0.80	173,471	$	0.10
Exercise of Warrants	(100,000)		(0.80)	(273,471)		(0.48)
Issued	-		-	200,000		0.80
Outstanding, end of period	**-**	**$**	**-**	**100,000**	**$**	**0.80**

The warrant set out above is classified under non-current liabilities as a derivative financial instrument in accordance with IAS 32 and 39. The fair value of the derivative financial instrument as of 30 June 2011 was $nil (31 December 2010 - $128,000).

Options

	Number of shares		Weighted average exercise price
Balance as at 31 December 2009	664,650	$	3.74
Exercised	(43,333)		2.10
Cancelled	(26,997)		4.13
Balance as at 31 December 2010	594,320	$	3.84
Cancelled	(14,999)		4.98
Balance as at 30 June 2011	**579,321**	**$**	**3.81**
Number of options currently exercisable	518,620	$	3.67

Please refer to Note 20 in the Group's consolidated financial statements for the year ended 31 December 2010 for additional discussion of the Group's stock option plans.

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

13. LOSS PER SHARE

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

	Six months ended 30 June 2011	Six months ended 30 June 2010
Weighted average shares used in computation of basic earnings per share (000's)	20,040	19,728
Effect of diluted securities:		
Stock options and warrants	-	-
Weighted average shares used in computation of diluted earnings per share	20,040	19,728
Total comprehensive income attributable to the owners of the parent	$ 2,648	$ (1,101)
Basic earnings / loss per share (in $)	**0.13**	**(0.06)**
Diluted earnings / loss per share	**0.13**	**(0.06)**

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

14. RELATED PARTY TRANSACTIONS

Included in trade and other receivables is $3,945,029 (31 December 2010 – $4,326,000) due from Thunderbird de Costa Rica S.A., and $nil (31 December 2010 - $471,000) due from Daman Hospitality Private Limited. These amounts represent the balances due in excess of the Group's proportionate share of the net assets included on consolidation. These balances are primarily comprised of management fees accrued but not yet paid by the entity. The income and expenses related to these management fees are fully eliminated upon consolidation.

Transactions with partners in operating entities

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

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

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with partners in operating entities (cont'd)

	30 June 2011		31 December 2010	
	Amount Due	**Interest Paid**	**Amount Due**	**Interest Paid**
Country				
Philippines	548	28	677	72
Total	**$ 548**	**$ 28**	**$ 677**	**$ 72**

Included in trade and other receivables is $41,000 (31 December 2010 – $41,000) due from a shareholder in the Nicaraguan operation for their portion of the loan attributed to the purchase of the majority interest in Nicaragua in October 2004. Also, included in trade and other receivables is $432,000 (31 December 2010 – $432,000) due from the Group partner in Costa Rica for the capitalization of the Group King Lion entity that holds the Tres Rios property and amounts due for the purchase of non-controlling interest in the Thunderbird Gran Entretenimiento entity, $2,241,000 (31 December 2010 - $2,122,000) due from the Group Philippines Poro Point partner for advances to be offset against future dividends.

Included in liabilities are amounts due to the Group's partner in Costa Rica for $1,384,000 (31 December 2010 - $462,000) for its portion of management fees, which have been fully eliminated in the consolidated statement of comprehensive income. $310,000 (31 December 2010 - $996,000) is due to the Group's Nicaraguan partners for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity and $34,000 (31 December 2010 - $34,000) in regard to AGA Korean debt in Eastbay Resorts Inc.

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

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with officers and directors

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

A Director received compensation under a consulting agreement in the amount of $39,000 for the six months ended 30 June 2011 (31 December 2010 - $ 78,000). In addition, he is a director and not a beneficial owner in a company called India Ltd. The group paid India Ltd. broker commissions for the successful securitization of financing of $52,500 for the six months ended 30 June 2011 (31 December 2010 - $265,000), of which a director received a 10% administrative fee of total broker commissions paid by the Group to India Ltd.

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

		30 June 2011		31 December 2010	
	Country	**Amount due**	**Interest paid**	**Amount due**	**Interest paid**
Director	Corporate	$ 67	$ 2	$ 74	$ 7
Daughters of CEO	Philippines	57	4	69	11
Mother of Director	Philippines	-	-	-	1
Director	Philippines	-	-	-	1
Director	Philippines	-	-	-	-
Director	India	-	-	100	17
	Total	**$ 124**	**$ 7**	**$ 243**	**$ 37**

The Group has a receivable from The Fantasy Group, S.A. which is an unsecured promissory note dated 4 June 2003. The obligor under the note is The Fantasy Group, S.A., the president and principal of which were coordinating the Group's pre-2006 efforts to establish operations in Chile. The balance due as of 30 June 2011 is $24,000 (31 December 2010 - $24,000).

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

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

14. RELATED PARTY TRANSACTIONS (cont'd)

Transactions with officers and directors (cont'd)

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

Relation	Position	30 June 2011 Salary[1]	30 June 2010 Salary[1]
Brother-in-law	Regional Counsel	$ 12	$ 49
Brother-in-law	General Manager	76	70
Brother-in-law	General Manager	-	26
Daughter	Assistant Analyst	44	21
Brother-in-law	Project Manager	52	53
Son-in-law	Director of global hotel initiatives	6	-
Total		$ 190	$ 219

[1] Salary includes bonuses, other compensation and benefits

15. COMMITMENTS AND CONTINGENCIES

Note 24 in the Group's consolidated financial statements for the year ended 31 December 2010 provides a discussion of all of the Group's commitments and contingencies. There are no material changes in this disclosure other than the following update.

The Group previously announced that its affiliates in the Philippines, Eastbay Resorts, Inc. ("ERI") and Thunderbird Pilipinas Hotels and Resorts, Inc. ("TPHR") filed lawsuits in June 2011 against the Philippine Amusement & Gaming Corporation ("PAGCOR") seeking enforcement of its prior agreements with PAGCOR. On 23 June 2011, the Philippine Regional Trial Court issued a "Writ of Preliminary Prohibitory Injunction" directing PAGCOR to cease and desist from initiating and completing cessation or other similar proceedings against TPHR's and ERI's business operations. The legal process continues.

During the first half of 2011, the taxing authority for Peru (SUNAT) has been conducting an audit with respect to the Group's subsidiary hotel operations in Peru (Thunderbird Hoteles Las Americas or "THLA") for the tax year ended December 31 2007. There can be no assurances as to the results of the audit or the materiality of any such assessment. The Group believes that SUNAT may render an initial assessment as early as within the next 30 days and that SUNAT may assess a certain level of additional taxes for 2007. However, the amount of such tax is not known, nor is it known whether any such tax assessment may be offset against other existing tax credits or other offsets or deductions. THLA has appeal rights which can be pursued, but any such decision cannot be made until the audit results are known.

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

16. DISCLOSURES ABOUT FAIR VALUES OF FINANCIAL INSTRUMENTS

Credit risk analysis:

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

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

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

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

Liquidity risk analysis:

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

As at 30 June 2011, the Group's liabilities have contractual maturities which are summarized below:

	Six months ending 31 Dec 2011	2012	2013	2014	2015	2016	Thereafter	Total
Long-term bank loans	$ 10,901	$ 16,885	$ 15,943	$ 12,443	$ 34,719	$ 4,090	$ 4,388	$ 99,369
Finance lease obligations	2,602	4,127	2,847	2,756	2,723	2,372	1,319	18,746
Trade payables	15,113	-	-	-	-	-	-	15,113
Due to related parties	888	-	-	-	-	-	-	888
Investment commitments (Note 24b)	5,526	7,586	7,146	8,787	998	-	-	30,043
Total	**$ 35,030**	**$ 28,598**	**$ 25,936**	**$ 23,986**	**$ 38,440**	**$ 6,462**	**$ 5,707**	**$ 164,159**

17. SUBSEQUENT EVENTS

India

On 12 May 2011, the Group reported that its India affiliate Daman Hospitality Private Ltd. ("DHPL") entered into final agreements for project completion funding with Delta Corp Ltd. Delta Corp. Ltd. will fund approximately $21 million into DHPL, of which approximately $11 million is equity and $10 million is debt. Delta Corp Ltd will be responsible for securing any new debt. Delta Corp Ltd is now the 51% owner in the hotel and Thunderbird and its original Indian partners will own the other 49%. Thunderbird will continue to operate the hotel with a management contract. The hotel construction shall resume immediately and we anticipate completion in phases with a full opening in late 2011.

17. SUBSEQUENT EVENTS (cont'd)

Philippines

On 10 August 2011, the Group announced that its Philippine operations entered into final agreements to raise up to $52 million in equity from Solar Entertainment Corporation ("Solar"). The agreements are subject to a number of conditions to closing, including Philippine Amusement Gaming Corporation ("PAGCOR") and other regulatory approvals. If the transaction receives regulatory approval, Solar (or its Philippine affiliate assignee) will invest into a newly-formed Philippine holding company ("HoldCo") to which the Group and one other Filipino shareholder, will assign all of their respective Philippine operations. Solar will initially fund $25 million to receive a 32.47% stake in HoldCo, and this initial funding will primarily be used by HoldCo to meet closing conditions and to expand our existing properties at Poro Point and Rizal and to pay down some Philippines-related debt, which should have a positive impact on the Group's balance sheet. Solar will have a 12-month option from closing to fund an additional $27 million to complete the purchase of up to 50% of HoldCo.

The Group previously announced that its affiliates in the Philippines, Eastbay Resorts, Inc. ("ERI") and Thunderbird Pilipinas Hotels and Resorts, Inc. ("TPHR") filed lawsuits in June 2011 against the Philippine Amusement & Gaming Corporation ("PAGCOR") seeking enforcement of its prior agreements with PAGCOR. On 23 June 2011, the Philippine Regional Trial Court issued a "Writ of Preliminary Prohibitory Injunction" directing PAGCOR to cease and desist from initiating and completing cessation or other similar proceedings against TPHR's and ERI's business operations. On or about 15 August 2011, PAGCOR filed a Writ of Certiorari requesting the Philippine Supreme Court hear its request that the Preliminary Prohibitory Injunction described above be set aside and that the complaint be dismissed The Supreme Court's review is discretionary not mandatory. As of 29 August 2011, no decision has been rendered by the Supreme Court to hear the request of PAGCOR. On about 22 August 2011, ERI and TPHRI filed a motion before the above mentioned trial court seeking permission to amend it petitions: to (i) increase its request for monetary damages and (ii) seek a mandatory injunction directing that PAGCOR approve the day to day operational requests pending before PAGCOR from ERI and PAGCOR. The legal process continues.

Nicaragua

The National Assembly of Nicaragua passed the Casino and Gaming Room Control Act in May 2011, creating a licensed and regulated market for Nicaraguan gambling establishments. The Group's subsidiary operation has been operating in Nicaragua under the auspices of various regulators. In general, all games of chance are permitted in Nicaragua as long as the gaming company has registered in the National Tourism Registry of the Nicaraguan Institute of Tourism ("Instituto Nicaraguans de Turismo") and has obtained a license as a tourist service company from the respective authority. In both cases, the gaming company must first obtain a permit from the Directorate of Public Safety of the National Police ("Dirección de Seguridad Pública de la Policía Nacional"). The Casino and Gaming Room Control Act placed the control of casinos into the hands of the new Nicaraguan gaming regulator - The Department of Casinos and Gaming Venues, attached to the Nicaraguan Institute of Tourism (Intur). The Group's Nicaragua subsidiary operations fit within "Class-A Gaming License" that provides that establishments must have a minimum of 71 slot machines and three table games.

The business must also show that at least $100,000 is deposited into a checking account and that the business is backed by a $50,000 bank guaranteed bond. The business must also provide 30 full time jobs and invest $200,000 or have invested $200,000 into the business. Each operator must submit to an audit by an external auditor approved by the Banking Superintendent. We do not believe the new law will impact us adversely as we already comply within the criteria established for licenses. The Casino and Gaming Room Control Act does not change the tax rate established under the tax reform of December, 2009.

17. SUBSEQUENT EVENTS (cont'd)

Peru

During the first half of 2011, the taxing authority for Peru ("SUNAT") has been conducting an audit with respect to the Group's subsidiary hotel operations in Peru (Thunderbird Hoteles Las Americas or "THLA") for the tax year ended December 31 2007. There can be no assurances as to the results of the audit or the materiality of any such assessment. The Group believes that SUNAT may render an initial assessment as early as within the next 30 days and that SUNAT may assess a certain level of additional taxes for 2007. However, the amount of such tax is not known, nor is it known whether any such tax assessment may be offset against other existing tax credits or other offsets or deductions. THLA has appeal rights which can be pursued, but any such decision cannot be made until the audit results are known.

Group

On 25 May 2011, the Group's announced that at its Annual General and Special Meeting of shareholders held in San Jose, Costa Rica, Salomon Guggenheim, Douglas Vicari, Franz Winkler, Roberto de Ocampo, Jack R. Mitchell, and Albert W. Atallah, were elected as Directors for one year terms. Grant Thornton UK, LLP were appointed as auditors for the ensuing year. A resolution to ratify and approve all previous acts and deeds by the Directors since the last meeting of shareholders was approved. Election of Officers: The Board of Directors appointed the following persons as officers of the Group for the ensuing year: Jack Mitchell, President and Chief Executive Officer; Albert Atallah, General Counsel and Corporate Secretary, Peter LeSar, Chief Financial Officer; Tino Monaldo, Vice President - Corporate Development; Raul Sueiro, Vice President – Operations; Angel Sueiro, Vice President - Design and Construction.

The Group announced on 11 August 2011, authorization to issue up to 900,000 of its common shares for twelve months beginning 9 July 2011. During July and August 2011 pursuant to this authorization the Group issued 345,881 of its common shares to six lenders to pay $864,703 of principal and interest due on various loans. The purpose of this transaction is to improve reserves and cash flow.

The Group has renegotiated terms on certain debt with various lenders that has enabled the Group to improve cash on hand by approximately $1.7 million.

OTHER

Financial calendar: Friday 29 April 2011 - Publication of 2010 Annual Report. Tuesday 20 May 2011 - Publication of Interim management statement first quarter 2011. Wednesday 31 August 2011 - Publication of Half-year 2011 Report. November 2011 - Publication of Interim management statement third quarter 2011.

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Albert W. Atallah, San Diego, California
Franz Winkler, Horgen, Switzerland
Salomon Guggenheim, Zurich, Switzerland
Douglas Vicari, Oradell, New Jersey
Roberto F. de Ocampo, Manila, Philippines

OFFICERS
Jack R. Mitchell, President & CEO
Peter LeSar, CFO
Albert W. Atallah, General Counsel and Corp. Sec'y
Raul Sueiro, Vice President, Operations
Angel Sueiro, Vice President, Design and Construction
Tino Monaldo, Vice President Corporate Development

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CAPITALIZATION
Common shares issued: 21,188,314
(as of 29 August 2011)

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

WEBSITE

www.thunderbirdresorts.com

Cautionary Note concerning "forward-looking statements"

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

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

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

These risks and others are more fully described under the heading "Risk Factors"in our Annual Report of 2010. (See "Subsequent Events and Recent Material Contracts and Financings" on pages 16-18 of this 2011 Half-year Report).

Important information

This is Thunderbird Resorts Inc.'s Half-year Report for the period ended 30 June 2011. Thunderbird Resorts Inc. is a designated foreign issuer with respect to Canadian securities regulations and this Half-year Report is intended to comply with the rules and regulations for the Euronext Amsterdam by Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. and with Canadian securities laws.

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

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

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

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

Thunderbird Resorts Inc. has adopted the U.S. Dollar (“USD”) as its reporting currency. As required by EU regulation, Thunderbird Resorts Inc.’s annual consolidated financial statements have been prepared in accordance with international financial reporting standards (“IFRS”) and interim consolidated financial statements IAS 34.