# FOR IMMEDIATE RELEASE

## Thunderbird Resorts Reports Second-Quarter 2008 Global Results

- ***Revenues climb 34 percent from 2007 second quarter to record $40.6 million*** [(1(2)]
- ***Property EBITDA rises 38 percent to $13.0 million*** [(1)(2)]

**Panama City, Republic of Panama - August 27, 2008 – Thunderbird Resorts, Inc. (CNQ: BIRD.U and FSE: 4TR) today reported the following financial results for the 2008 second quarter and first half:**

| COMPANY WIDE RESULTS<br>**For the quarter ended June 30**<br>**(in thousands, except per share):** | **2008** | **2007 As Reported** | **% Chg** | **2007 As Adjusted**[(1)] | **% Chg** |
|---|---|---|---|---|---|
| Total Revenues | $40,621 | $23,339 | 74% | $30,247 | 34% |
| Net Income | (9,688) | 499 | -2,041% | 627 | -1,645% |
| Earnings (loss) per share – basic & fully diluted | $ (.50) | $.06 | | $.13 | |
| Property EBITDA | 12,981 | 7,125 | 82% | 9,399 | 38% |
| Property EBITDA as a percentage of sales | 32% | 31% | | 31% | |
| Adjusted EBITDA | 10,097 | 5,912 | 71% | 8,186 | 23% |
| Adjusted as a percentage of sales | 25% | 25% | | 27% | |

| COMPANY WIDE RESULTS<br>**For the six months ended June 30**<br>**(in thousands, except per share):** | **2008** | **2007 As Reported** | **% Chg** | **2007 As Adjusted**[(1)] | **% Chg** |
|---|---|---|---|---|---|
| Total Revenues | $79,628 | $42,836 | 86% | $55,946 | 42% |
| Net Income | (7,939) | 235 | -3478% | 447 | -1877% |
| Earnings (loss) per share – basic & fully diluted | $ (.41) | $.03 | | $.05 | |
| Property EBITDA | 24,892 | 12,303 | 102% | 16,458 | 51% |
| Property EBITDA as a percentage of sales | 31% | 29% | | 29% | |
| Adjusted EBITDA | 18,886 | 9,860 | 92% | 13,992 | 35% |
| Adjusted as a percentage of sales | 24% | 23% | | 25% | |

"Basic earnings (loss) per share" is the earnings (loss) based on the weighted average number of shares outstanding for the year as of June 30, 2008.



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## Financial Highlights

**Second quarter 2008 and second quarter 2007 adjusted for full consolidation of Panama operation (1) (2):**

- Revenues for second quarter 2008 increased 34 percent to a record $40.6 million as compared to $30.2 million for previous year's quarter
- Property EBITDA grows 38 percent to $12.9 million compared to $9.4 million for the second quarter of 2007
- Adjusted EBITDA grows to 23 percent $10.1 million compared to $8.2 million for second quarter 2007

**First six months of 2008 and first six months of 2007 adjusted for full consolidation of Panama operation (1) (2):**

- Revenues for the first six months of 2008 increased 42 percent to a record $79.7 million as compared to $55.9 million for first six months of 2007
- Property EBITDA grows 51 percent to $24.9 million compared to $16.4 million for first six months of 2007
- Adjusted EBITDA grows 35 percent to $18.9 million compared to $14.0 million for first six months of 2007

Property EBITDA and Adjusted EBITDA are not Generally Accepted Accounting Principles (GAAP) measurements but are commonly used in the gaming industry as measures of performance and as a basis for valuation of gaming companies. The reconciliation of Property EBITDA to net income (loss) and Adjusted EBITDA to net income (loss) is attached to this release.

The company's second-quarter loss was $9.7 million, compared with a net income of $0.5 million for the same period in 2007, primarily due to the recognition of an unrealized foreign exchange loss of $6.8 million generated from United States Dollar debt balances in foreign subsidiaries. In addition the company recorded development costs of $2.4 million primarily related to the company's Peruvian developments for the 2008 quarter compared to $0.5 million reported for the same period last year. The company has increased its debt in order to fund these developments, thereby increasing the financing costs to $3.8 million compared to the $1.5 million quarter over quarter. These factors during the second quarter contributed to a net loss for the first six months of 2008 of $7.9 million, compared with net income of $0.2 million in the first half of 2007.

"During the second quarter, our existing operations produced strong property level financial performance. At the same time, we continued to invest in and build our management team in order to pursue our successful project development plans to open these exciting markets. The development and pre-opening costs incurred during the first six months of 2008 have impacted earnings, but at the same time sustain and drive our ability to grow. As we continue to experience this tremendous growth, we expect that our earnings will continue to be impacted by these factors", said Jack Mitchell, Thunderbird's chairman, president and chief executive officer.



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## Summary of results by country follow: (table information in thousands)

### Panama [1]

The 2008 second quarter results for the company's Panama operations increased over the previous year's quarter on an as adjusted basis driven by increased gaming positions added in the Soloy and Colon properties. The first half results showed strong improvements driven by the increased number of gaming positions. Despite the country-wide smoking ban implemented by the government in May 2008 the Fiesta properties have maintained strong visitation and spend per visit.

| | Second Quarter | | % | First six months of | | % |
|---|---|---|---|---|---|---|
| | **2008** | 2007[1] | Chg | **2008** | 2007[1] | Chg |
| Gaming Revenues | **$ 14,253** | $ 6,508 | 119% | **$ 28,759** | $ 12,384 | 132% |
| Food & Beverage Revenues | **1,048** | 399 | 163% | **1,883** | 726 | 159% |
| **Revenues** | **15,301** | 6,907 | 122% | **30,642** | 13,110 | 134% |
| Promotional Allowances | **337** | 386 | -13% | **630** | 504 | 25% |
| Property, Marketing and Administration | **10,173** | 4,247 | 140% | **20,273** | 8,451 | 140% |
| **Property EBITDA** | **$ 4,791** | $2,274 | 111% | **$9,739** | $4,155 | 134% |
| **Property EBITDA as a % of Revenues** | **31%** | 33% | | **32%** | 32% | |

[1]As reported

[1] In January 2008, Thunderbird acquired an additional 11.36% of the total outstanding shares in this operation resulting in a Thunderbird ownership of 61.36%. This purchase gave the company control of the operation; therefore, the company now consolidates the operation at 100% versus the proportional consolidation of 50% of the operation completed reported in prior periods. The second quarter 2008 results as presented here represent 100% of the operations and the second quarter 2007 numbers represent 50% of the operations.

**Panama properties include:**

- Fiesta Casino – Hotel El Panamá, Panamá City
- Fiesta Casino – Hotel El Soloy, Panamá City
- Fiesta Casino – Hotel Nacional, David
- Fiesta Casino – Hotel Washington, Colon
- Fiesta Casino – Hotel Guayacanes, Chitré
- Fiesta Casino – Hotel & Resort Decamerón, Fallaron

**Panama Development:**

The company continues with its plans to deploy additional slot machines as part of the expansion of three existing Panama properties. During 2008, 193 (out of the 200 originally planned) new gaming positions were added with 150 new gaming positions planned for the first quarter of 2009:

- Hotel Washington - Colón; The previously announced casino expansion was completed ahead of schedule on May 17, 2008 with 60 of the previously announced 100 new slot machines installed in Colon, while the remaining 40 slot machines were ultimately installed in various other Panama locations. The expansion added 750 square meters at a cost of $1.5 million.

- Hotel Nacional - David, Chiriquí; 73 slot machines were added at David along with a new Pirates Bar and Grill as part of an 883 square meter expansion that opened on August 8, 2008. An additional 20 slot machines of the original 100 slot machine expansion were installed in various other Panama locations. The investment was approximately $4.0 million.


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- Hotel Soloy – Soloy; in mid-May 2008, permission was obtained from the government to expand the casino by 150 machines and 400 square meters. The expansion has an estimated cost of $5.3 million and is scheduled to be completed during the first quarter 2009. Demolition is complete and construction will begin in September.

In Panama, the company has entered into a Stock Purchase Agreement to acquire an additional 4.55 percent of the total issued and outstanding shares in this operation from minority selling shareholders. The company currently owns 61.36 percent of International Thunderbird (Panama) Corporation. The purchase price for this 4.55 percent is approximately $3.4 million. The closing is contingent on the company receiving approval from the Panama regulatory authority that approved Thunderbird's acquisition in January 2008 of 11.36 percent of the total issued and outstanding shares. We anticipate approval on this purchase by the end of the fourth quarter 2008.

The company previously announced in April of 2008 the purchase of 2.27 percent of the shares in its Panama operation, the consummation of which was subject to financing and government approval, which approval was obtained in August 2008 and we expect financial closing during the third quarter 2008. Assuming the 4.55 percent and the 2.27 percent acquisitions are consummated, the Company will then own 68.18 percent of International Thunderbird Gaming (Panama) Corporation.

## Guatemala

Second quarter 2008 revenues in Guatemala increased slightly as compared to the year-ago quarter while first-half revenues improved by 29 percent. The improvement was driven by increased visitation in the Hotel Intercontinental property. The company opened a new property in Guatemala in June 2008 and will continue to build a stronger market presence. Property EBITDA has remained flat and is expected to increase as the newly opened property ramps-up.

| | **Second Quarter** | | % | **First six months of** | | % |
|---|---|---|---|---|---|---|
| | **2008** | 2007 | Chg | **2008** | 2007 | Chg |
| Gaming Revenues | **$ 939** | $ 874 | 7% | **$ 1,754** | 1,332 | 32% |
| Food & Beverage Revenues | **131** | 97 | 36% | **227** | 206 | 10% |
| Hospitality and Other Revenues | - | | | **-** | | |
| **Revenues** | **1,071** | 971 | 10% | **1,981** | 1,538 | 29% |
| | | | | | | |
| Promotional Allowances | - | - | - | **-** | - | - |
| Property, Marketing and Administration | **1,049** | 931 | 13% | **1,990** | 1,814 | 10% |
| **Property EBITDA** | **$ 22** | 40 | -45% | **(9)** | (276) | -97% |
| | | | | | | |
| **Property EBITDA as a % of Revenues** | **2%** | 4% | | **8%** | -18% | |

### Guatemala properties include:

- Video Lotería Fiesta – Hotel Intercontinental, Guatemala City
- Video Loteria Mazatenango – Mazatenango
- Fiesta Video Lotería – Coatepeque
- Fiesta Video Lotería – Gran Plaza Shopping Center, Guatemala City


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**Guatemala Development:**
The company's fourth location in Guatemala, the Gran Plaza, opened on June 6, 2008 with 140 video gaming machines. The property is building a clientele base and on August 14, 2008 the grand opening event took place that featured a popular Latin artist who entertained the sold out audience with many of his famous hit songs. The Gran Plaza project had experienced delays as a result of a fire during construction. The company is expecting to recover a majority of its additional construction costs and has filed its fire loss claim with its insurance company. The Gran Plaza shopping center is located in a high-end suburban community in the outskirts of Guatemala City. This property, which cost a total of $4.9 million to construct, is an entertainment and recreation facility centered around the video lottery parlor, with a stage for music acts, a dance floor, a restaurant and a themed bar.

## Nicaragua (1)

Second quarter 2008 revenue was flat in Nicaragua compared to the same period last year while the first-half revenues increased by 5 percent. Property EBITDA increased significantly quarter over quarter due to the implementation of cost control initiatives.

| | **Second Quarter** | | % | **First six months of** | | % |
|---|---|---|---|---|---|---|
| | **2008** | 2007 | Chg | **2008** | 2007 | Chg |
| Gaming Revenues | **$ 3,453** | $ 3,339 | 2% | **$ 6,568** | $ 6,525 | 1% |
| Food & Beverage Revenues | **64** | 113 | -43% | **356** | 42 | 753% |
| **Revenues** | **3,517** | 3,512 | 0% | **6,924** | 6,567 | 5% |
| Promotional Allowances | **267** | 221 | 21% | **483** | 421 | 15% |
| Property, Marketing and Administration | **1,977** | 2,462 | -20% | **4,109** | 4,411 | -7% |
| **Property EBITDA** | **$ 1,273** | 829 | 54% | **2,332** | 1,735 | 34% |
| **Property EBITDA as a % of Revenues** | **36%** | 24% | | **34%** | 26% | |

(1) The company indirectly owns 55% of the Nicaraguan operation. 100% of the operation is consolidated within the company's financial statements and non-controlling interest is calculated to reflect the portion of net assets attributable to the minority shareholders.

**Nicaragua properties include:**

- Pharaoh's Managua – Managua
- Pharaoh's at Hotel Camino Real – Managua
- Pharaoh's at Hotel Holiday Inn Select – Managua
- Pharaoh's - Masaya
- Pharaoh's at Bello Horizonte – Bello Horizonte Shopping Center, Managua

**Nicaragua Development:**
The Bello Horizonte project previously announced opened in late June 2008 offers 826 square meters, 112 slot machines, 21 table positions and a 65 seat sports-themed restaurant and a sports book. The company is also assessing the development of similar projects like the Zona Pharaohs operation.

## Costa Rica (1)

Second-quarter 2008 revenue gains over the year-ago quarter were attributable to strong results in the Fiesta Garden Court property and the full quarter revenues of the Fiesta Herradura property that opened in late 2007. Property EBIDTA increased as a result of the increased revenues due to the addition of new revenue generating properties to a mature operational infrastructure. First-half increases were driven by increased number of gaming positions.


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| | Second Quarter 2008 | 2007 | % Chg | First six months of 2008 | 2007 | % Chg |
|---|---|---|---|---|---|---|
| Gaming Revenues | **$ 4,149** | $ 2,893 | 43% | **$ 7,989** | $ 5,611 | 42% |
| Food & Beverage Revenues | **276** | 211 | 31% | **558** | 404 | 38% |
| Hospitality and Other Revenues | **4** | - | | **-** | - | |
| **Revenues** | **4,429** | 3,104 | 43% | **8,547** | 6,015 | 42% |
| | | | | | | |
| Promotional Allowances | **140** | 201 | 30% | **268** | 378 | 29% |
| Property, Marketing and Administration | **2,326** | 1,696 | -37% | **4,483** | 3,144 | -43% |
| **Property EBITDA** | **$ 1,963** | 1,207 | 63% | **3,796** | 2,493 | 52% |
| | | | | | | |
| **Property EBITDA as a % of Revenues** | **44%** | 39% | | **44%** | 41% | |

(1) The company owns 50% of the Costa Rica operation and accordingly reports 50% of revenue and expenses. The above table reflects 50% of the results of the operation.

**Costa Rica properties include:**

- Fiesta Casino Garden Court – San Jose
- Fiesta Casino 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) – San Jose
- 2 Slot Routes

**Costa Rica Development:**

The company has "closed" on a stock purchase agreement to acquire a controlling interest in our "flagship property" in Costa Rica. The stock purchase was made from the group of investors that had originally invested in this property in 2004 and had comprised a minority interest in the affiliate that operates this property. The company previously owned a 42 percent interest in the affiliate and now owns 53 percent of this property, "Fiesta Casino-Garden Court". The purchase price for the additional 11 percent acquisition was $1.5 million. The company will seek to acquire an additional 5.5 percent ownership in this affiliate from the minority owners as conditions allow. This casino is located inside the Garden Court Hotel, adjacent to the San Jose international airport. The first multi-entertainment gaming center in the Costa Rican market, this casino offers 339 slot machines, 133 table positions, an exclusive card room and a themed bar and restaurant. The "state of the art entertainment" facility provides our diverse clientele with nightly live entertainment, including professionally choreographed dance shows. This facility has become one of the premier night spots in San Jose. By virtue of this acquisition, the company will now consolidate 100 percent of revenue, costs, assets and liabilities of this subsidiary while recognizing a "non-controlling interest" expense and a liability for the minority interests held by shareholders remaining in the entity. Historically, the company proportionally consolidated 50% of this Costa Rica entity and did not recognize any minority interests. The balance of the Costa Rican operation will continue to be reported as a joint venture with the company proportionally consolidating 50% of the revenues, costs, assets and liabilities.

As previously reported the Company's 22 acre Tres Rios resort project in the suburbs of eastern San Jose received required permits (environmental and construction) . The construction on the 22-acre "Tres Rios"



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resort project has been underway since 2007. Recently, due to a series of events the company will be restructuring its participation in the Tres Rios and Escazu projects in Costa Rica. In Tres Rios, the company and its affiliate, King Lion Network S.A., have invested approximately $12 million as of July 31, 2008, for the acquisition of the land, the infrastructure development costs including roads around and through the property, a highway off-ramp and major entrance bridge, and the eight commercial lots comprising the Tres Rios property. The company and its affiliates had anticipated receiving additional loans to complete the infrastructure, the hotel and the shell for the casino. For financial reasons unrelated to the Tres Rios project, a local government-owned bank that had previously made a conditional financing commitment to the project, has temporarily suspended the granting of new loans of this magnitude. The company and its affiliates are currently pursuing other financing options. Additionally, as previously disclosed the Costa Rica executive branch has issued a decree scheduled to go into effect in December 2008 (barring legal or legislative action) which will limit new casinos to one slot machine per room and one table game per ten rooms at the associated hotel. The Tres Rios hotel will require more rooms for the associated casino to have the number of rooms and tables originally intended. Consequently other financing structures are being pursued, including additional financial investors in the hotel and converting the hotel into a “condo hotel” with the company or its affiliate as manager of the hotel.

The company’s general plan with respect to Costa Rica development is to minimize the amount the company will invest in the hotel and maximize third party investment in the hotel allowing the company to focus on the casino construction. While these options are being pursued the “on-site” construction at Tres Rios could be suspended during the fourth quarter of 2008 until the above described options have been successfully implemented, of which there can be no certainty. Due to these “changed circumstances”, we do not anticipate Tower One of the Tres Rios condo-hotel and the casino to be operational before the third quarter of 2009.

Also, as a result of the new decree mentioned above, the company is developing a structure to advance during the third quarter of 2008, whereby approximately two-thirds of the land owned by Grupo Thunderbird de Costa Rica at Escazu area of San Jose, Costa Rica, will be transferred to a third-party which will financially commit to construct a three hundred room hotel or condo-hotel within a given time frame. Land for the casino will be retained by Thunderbird’s affiliate for the associated casino. Due to these “changed circumstances”, we do not anticipate the Escazu hotel and casino to be operational before the first quarter of 2011.

These developments related to Tres Rios and Escazu will not affect the existing Costa Rica facilities.

### Philippines

Second-quarter revenues increased as a result of new gaming positions added in both Philippines properties along with increased win per position as compared to the previous year’s quarter. Property EBITDA margins declined slightly due to higher marketing costs. First-half revenues increased 45 percent due to the increase in gaming positions and the increase in win per position. Property EBITDA margins for the first half increased slightly due to the increased revenues.


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| | Second Quarter 2008 | 2007 | % Chg | First six months of 2008 | 2007 | % Chg |
|---|---|---|---|---|---|---|
| Gaming Revenues | **$ 10,836** | $ 8,319 | 30% | **$ 21,427** | $ 14,758 | 45% |
| Food & Beverage Revenues | **219** | 279 | -21% | **554** | 469 | 18% |
| Hospitality and Other Revenues | **277** | 130 | 113% | **424** | 232 | 83% |
| **Revenues** | **11,332** | 8,728 | 30% | **22,405** | 15,459 | 45% |
| | | | | | | |
| Promotional Allowances | **121** | 217 | 44% | **240** | 390 | -38% |
| Property, Marketing and Administration | **8,030** | 5,736 | -40% | **15,848** | 10,873 | 46% |
| **Property EBITDA** | **$ 3,181** | $ 2,775 | 15% | **$ 6,317** | $ 4,196 | 51% |
| | | | | | | |
| **Property EBITDA as a % of Revenues** | **28%** | 32% | | **28%** | 27% | |

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

**Philippines Development:**

As previously reported, the expansion in Rizal, on the eastern side of Manila, has commenced. This expansion will include an event center, additional food and beverage areas, and additional gaming areas. We are on schedule to complete the expansion during the first quarter of 2009. The total funding for the expansion is $13.2 million, which is primarily being sourced through private accredited lenders.

In Poro Point, the company was honored by the presence of the Philippine President Gloria Macapagal-Arroyo, members of her cabinet and local government officials in the inauguration ceremony on May 27, 2008 of our 36-room hotel and 9-hole golf course. The hotel and golf course opened in April of 2008 and is building a good clientele base as the property becomes known in the community and the greater Philippines market. The company is soliciting accredited lenders to provide $7.4 million for expansion of its casino to include an additional 1,000 square meters with 120 additional slot machines and 56 additional table positions along with additional food and beverage operations. The opening of the newly expanded section of the casino is planned for the first quarter of 2009.

## Peru

The company acquired six hotels in Peru with a total of 660 rooms on July 27, 2007; therefore, the operation does not have partial comparable data from the second quarter of 2007. Second-quarter 2008 revenues in Peru increased over the first quarter 2008 due to increased room and food and beverage revenues. Property EBITDA for the second-quarter increased as the result of several major events held at the el Pueblo property combined with cost savings initiatives.

| | Second Quarter 2008 | 2007 | % Chg | First six months of 2008 | 2007 | % Chg |
|---|---|---|---|---|---|---|
| Gaming Revenues | **$ -** | - | - | **$ -** | $ - | - |
| Food & Beverage Revenues | **1,270** | - | - | **2,355** | - | - |
| Hospitality and Other Revenues | **3,468** | - | - | **6,360** | - | - |
| **Revenues** | **4,738** | - | - | **8,715** | - | - |
| | | | | | | |
| Promotional Allowances | **-** | - | - | **-** | - | - |
| Property, Marketing and Administration | **2,987** | - | - | **5,998** | - | - |
| **Property EBITDA** | **$ 1,751** | - | - | **$ 2,717** | - | - |
| | | | | | | |
| **Property EBITDA as a % of Revenues** | **37%** | | | **31%** | | |


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**Peru properties include:**

- Hotel Las Americas Miraflores – Lima
- Hotel Las Americas Suites & Casino Miraflores – Lima
- Hotel Las Americas Pardo – Lima
- Hotel Las Americas Bellavista – Lima
- Hotel Las Americas Carrera – Lima
- El Pueblo Resort & Convention Center – Lima
- Luxor Casino – Lima
- Mystic Slot – Cuzco
- El Dorado Slot – Iquitos
- Gold Mountain Slot – La Oroya
- Luxor Casino – Tacna

**Peru Development:**

The company continues the project to upgrade the six hotels for an estimated investment of approximately $10 million. This upgrade of the hotels and completion of the first Thunderbird Spa and health management center is projected to be fully completed by the fourth quarter of 2008. The company's construction of the flagship Fiesta Casino in the Thunderbird Hotel Las Americas Suites is complete and awaits final inspections and licenses, which is expected to be received in September 2008. This flagship Fiesta Casino was constructed at a cost of approximately $23 million, which includes budgeted pre-opening costs and working capital of $4.5 million. Two additional full entertainment casinos in two of our properties (Las Americas Pardo and El Pueblo) are in the design phase with construction scheduled to begin in the fourth quarter of 2008.

On July 9, 2008, Thunderbird's wholly owned subsidiary in Peru purchased 100 percent of the equity interest in each of Sun Nippon Company, S.A.C. and Interstate Gaming Del Peru, S.A. for approximately $12.5 million, which may be adjusted upward or downward in the 60 day period following closing to reflect changes in working capital. Thunderbird has taken possession of the facilities and is managing the operations. The five facilities owned by these two Thunderbird subsidiaries have 537 slot positions in five locations in Peru. There are no table games in these locations. The company intends to upgrade current slots and add additional slot positions as demand warrants. The locations are described as follows:

| | Total Square Meters | Slots |
|---|---|---|
| Lima | 500 | 180 |
| Cuzco | 250 | 81 |
| Tacna | 400 | 140 |
| Iquitos | 200 | 91 |
| La Oroya | 150 | 45 |
| Total: | 1500 | 537 |

**Poland Development:**

As previously reported, the company has commenced operation of a small casino and a slot parlor in Lodz, Poland via its acquisition of the company Centrum Casino. We are now finalizing expansion plans for both properties and initiating the permitting process to be able to complete those expansions. The properties currently have 74 slot machines and 49 table positions. With the expansion, which we project to open in April 2009, we will add an additional 41 slot positions. The number of gaming positions per license in Poland is restricted. Thunderbird's business plan is to acquire new and existing licenses in the country, and has other negotiations that are advancing.



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**Colombia Development:**
The company continues to believe that Colombia is a "gaming friendly" environment with a relatively large population that remains underserved by the type of product offered by the Fiesta and Salsa brands. Currently, the company has offices in the country along with a full development team to assess and evaluate acquisition or development opportunities.

**India Development:**
In March 2008, we entered into a series of agreements with a local Indian group to construct and jointly own a luxury resort in Daman, India, that will include a 177-room five-star hotel, 5,600 square meter casino, a 2,700 person event center and several restaurants and bars. We will operate the event center, restaurant, bars, and hotel under a long-term management contract and will lease space to a third-party casino operator. Under our agreements, our Indian partner contributed over 40,000 square meters of land and in April 2008, we contributed $8.0 million in exchange for 50 percent of the equity in Daman Hospitality Private Limited (DHPL), a company incorporated under the laws of India. DHPL will also build and lease, on a long term basis, facilities to an Indian owned and operated company that is eligible to operate the area's first gaming license under the 1976 Gambling Act of Goa, Daman & Diu. The lease is intended to compensate DHPL for the build-out of the casino structure and the provision of normal and customary non-gaming services. Current Indian gaming law prevents Thunderbird as a non-Indian National from owning or operating a casino in India. The Daman project is now in construction with footings and columns largely finished and work now commencing on the ground floor. The monsoon season in India is nearing its end and was a light season in Daman, so we were able to advance more quickly on construction than initially planned. Our current estimates are that construction should be completed and the first phase of the project will open in the third quarter of 2009.

Daman is a 2-hour drive from Mumbai which, along with its neighboring suburbs of Navi and Thane, has a population exceeding 19 million, making it the world's fifth most populous metropolitan area. Daman also borders Gujarat State, which has the highest average GDP per capita in India. Daman is within a 5-hour drive of 50 million people and within a three-hour flight of one billion people.

***Other Items***

Corporate expenses increased significantly from the 2007 second quarter and first half due to the increased size of the corporate staffing and headquarters costs that has been necessary to expand the operation to its current levels and to also manage the existing operations. In addition, as the company prepares to complete the application for listing on NYSE Euronext it has been necessary to increase staff size and recruit experienced professionals from the United States and other parts of the world to move to the Panama headquarters, thereby increasing costs.

Interest and financing costs increased significantly from the 2007 second quarter and first half due to higher debt levels associated with the company's acquisition of its Peru hotel operation and the consolidation of the Panama operation during the second quarter of 2008 as opposed to the 50 percent consolidation in the same period in the prior year.

Foreign exchange expense also increased significantly from the 2007 second quarter and first half due to the strengthening of the United States Dollar (USD) against the local currencies in Peru, the Philippines and Costa Rica as of June 30, 2008 as the company carries significant debt levels in Peru and the Philippines. During the first quarter of 2008 the company had recorded foreign exchange income as these local currencies had strengthened against the USD, while this trend was reversed during the second


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quarter of 2008. The company is currently investigating currency hedging strategies that it expects to deploy in the near future.

Basic shares outstanding is the weighted average number of shares outstanding for the year as of June 30, 2008. Total basic shares outstanding as of June 30, 2008 was 19,532,020. Total actual shares outstanding as of June 30, 2008 was 19,636,416. June 30, 2007 basic (loss) per share has been adjusted for the one-for-three reverse stock split that occurred in November 2007.

The reconciliation of Property EBITDA to net income (loss) and Adjusted EBITDA to net income (loss) is as follows:

| | **Second Quarter** | | % | **First six months of** | | % |
|---|---|---|---|---|---|---|
| | **2008** | 2007 | Chg | **2008** | 2007 | Chg |
| Property EBITDA | **12,981** | 7,125 | 82% | **24,892** | 12,303 | 102% |
| Corporate Expenses | **2,884** | 1,213 | -138% | **6,006** | 2,443 | 146% |
| **Adjusted EBITDA** | **10,097** | 5,912 | 71% | **18,886** | 9,860 | 92% |
| EBITDA as a % of Revenues | **25%** | 25% | | **24%** | 23% | |
| Depreciation & Amortization | **4,557** | 1,826 | -150% | **8,941** | 3,452 | 159% |
| Interest and Financing Costs, Net | **3,810** | 1,536 | -148% | **6,760** | 3,373 | 100% |
| Non-controlling Interest | **268** | 719 | 63% | **1,094** | 849 | 29% |
| Project Development | **2,364** | 466 | -407% | **3,590** | 541 | 564% |
| Stock-based Compensation | **709** | - | - | **1,367** | - | - |
| Foreign Exchange (gain) | **6,754** | (208) | -3,347% | **2,259** | (249) | -1,007% |
| Other (Gains) Losses | **757** | 92 | 723% | **835** | 158 | 428% |
| Income Taxes | **566** | 982 | 42% | **1,979** | 1,501 | 32% |
| **Net Earnings (Loss)** | **$ (9,688)** | $ 499 | 2041% | **$ (7,939)** | $ 235 | 3478% |

The company will host a conference a call on Thursday, August 28th at 11:00 a.m. eastern standard time to discuss second quarter 2008 financial results, followed by a question and answer session. Thunderbird Resorts Inc. invites all interested parties to listen and participate in its conference call. For U.S. and Canadian callers you may participate by calling (866) 393-4520. For international callers you may participate by calling (660) 422-4768. The conference code for all callers is 60317285. You are also invited to listen through a webcast. The registration page http://audioevent.mshow.com/346716/

***Thunderbird Resorts is focused on being the most successful recreational property developer and operator in each of our markets by creating genuine value for the community, our employees and shareholders. We achieve this mission by offering customers dynamic, themed and integrated resort venues anchored by casinos. Additional information about the company is available on its World Wide Web site at*** *www.thunderbirdresorts.com.*

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**Cautionary Notice**: The second quarter interim financial statements have not been reviewed by the company's outside auditor. This release contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential revenue and future plans and objectives of Thunderbird are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Thunderbird's forward-looking statements include competitive pressures, unfavorable changes in

regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in Thunderbird's documents filed from time-to-time with the CNQ and other regulatory authorities. Included in this press release are certain "non-GAAP financial measures," which are measures of Thunderbird's historical or estimated future performance that are different from measures calculated and presented in accordance with GAAP, within the meaning of applicable CNQ rules, that are useful to investors. These measures include (i) Property EBITDA consists of income from operations before depreciation and amortization, write-downs, reserves and recoveries, project development costs, corporate expenses, corporate management fees, merger and integration costs, income/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure we use to evaluate our country-level operations. (ii) Adjusted EBITDA represents net earnings before interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, and gain on refinancing and discontinued operations. Adjusted EBITDA is a supplemental financial measure we use to evaluate our overall operations. Property EBITDA and Adjusted EBITDA are supplemental financial measures used by management, as well as industry analysts, to evaluate our operations. However, Property and Adjusted EBITDA should not be construed as an alternative to income from operations (as an indicator of our operating performance) or to cash flows from operating activities (as a measure of liquidity) as determined in accordance with generally accepted accounting principles.

**Footnotes (1) and (2) to follow**:

(1) During the first quarter 2008, Thunderbird completed the acquisition of a controlling interest in its Panama operation resulting in the ability to record 100% of revenues and Property EBITDA while recording a minority interest for partner's holdings. Prior period results have been adjusted for the consolidation of 100% of the Panama operation as opposed to the proportional consolidation of 50% of the operation previously reported.

(2) The Company restated its financial statements for the years ended December 31, 2007 and 2006 respectively to the following account balances; amounts receivable, deferred tax asset, and derivative financial instrument. The Company took the position that a warrant instrument was to be classified as a liability due to certain clauses within the contract. This classification was deemed incorrect and the warrant instrument has been reclassified to equity. This correction eliminated the derivative instrument liability of $1,196,000; increased net income by $1,521,000 for period ended June 30, 2007 and decreased the retained deficit by $4,319,000. The deferred tax asset of the Company's Peruvian entity was incorrectly accounted for and the future amortization of capitalized debt issuance costs was not correctly factored into the deferred tax calculation. The correction increased tax expense by $838,000 and reduced noncurrent assets by $856,000. The Company has a joint venture that it proportionally consolidates into its financial statements at 50% in which 100% of an intercompany loan receivable was inadvertently excluded within the financial statements. The restatement corrects this error by increasing the long term loans payable and long term amounts receivable were by $1,240,000 for the non-eliminating portion of inter-company loans receivable.


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