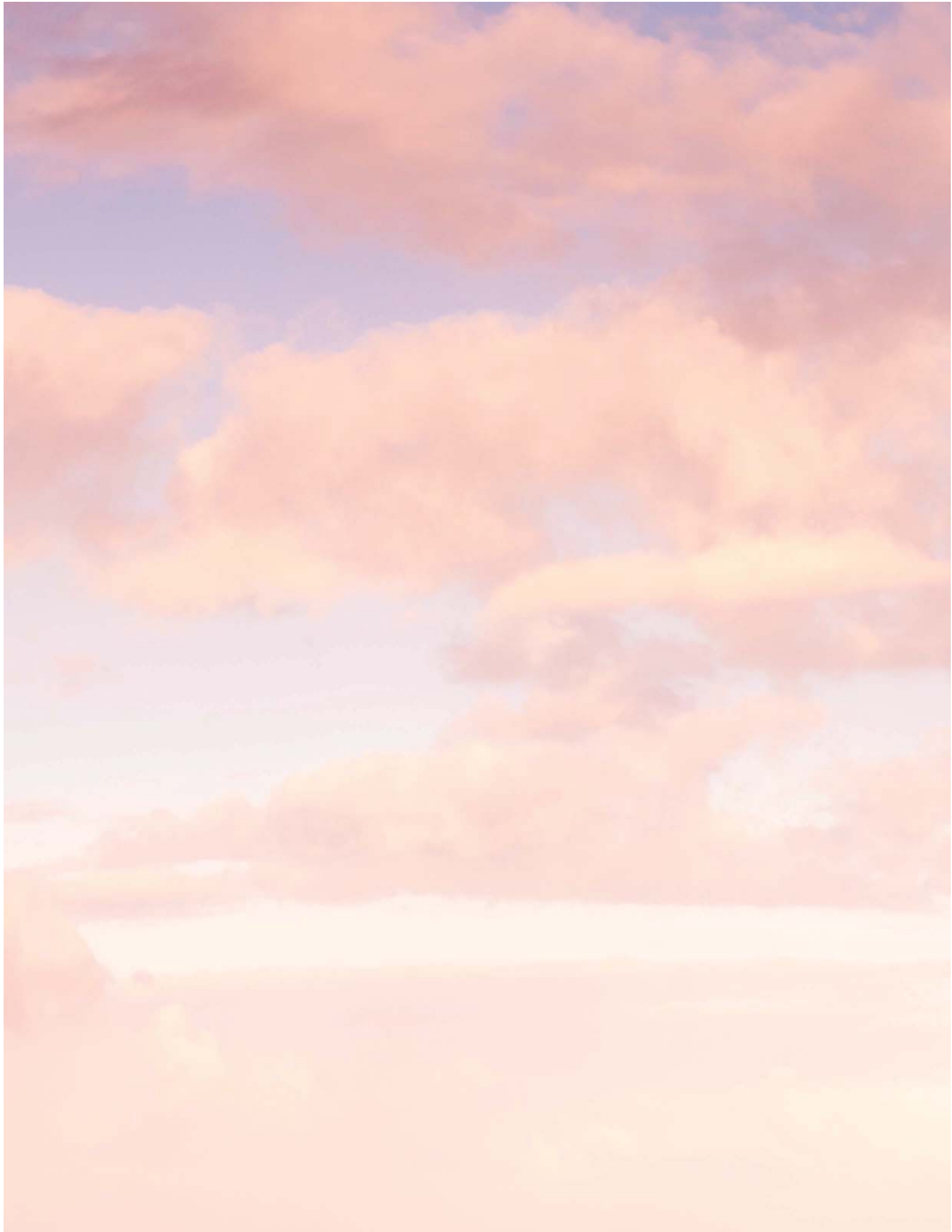




INTEGRATED REPORT

MAY 2015

LUX*
RESORTS & HOTELS



STATEMENT FROM CEO



Dear Stakeholder,

I am delighted to present the first Annual Integrated Report of LUX* Resorts and Hotels for the financial year 2013-2014, which combines our financial and non-financial performance.

Our Annual Report has hence been supplemented with Sustainability Reporting. For this purpose, we have adopted the Global Reporting Initiative (GRI) G4 Guidelines, which is an international framework for sustainability reporting. The report is based on G4 option , and details about these disclosures are found in the Content Index.

LUX* Resorts and Hotels strives to continuously innovate to strengthen its culture of its care for people and for the planet, and the adoption of the GRI reporting framework provides us with a coherent benchmark for communicating our responsiveness

LUX* Resorts and Hotels is a hospitality brand that cares. It cares about its guests and their experience, about the sustainability of the destinations in which it operates and about all the stakeholders with whom it works.

We conduct our business in a way that respects our people, communities and the planet. This takes a poignant dimension in the context of islands that are particularly vulnerable to socio-economic and environmental disturbances that may arise from internal and external shocks.

Our Vision is to make each moment matter. We anchor our approach to sustainability and corporate responsibility in economic, social and environmental development.

Our conviction and commitment to sustainability is to support the economic, the social and the environmental resilience of the destinations within which we operate. However, caring can be meaningless without tangible strategies and actions. For the proper implementation of these strategies, reporting and monitoring is crucial as we cannot manage what we do not measure.

Reporting is also essential to see how the strategies implemented are working and if there are corrective measures to be taken wherever a deviation from the set target or desired result is identified.

Since we operate within the destinations Mauritius, Reunion Is., the Maldives, China and forthcoming UAE, we endeavor to provide a world class service to all our Guests from different market segments, to our 2,758 Team Members from various cultural backgrounds, to our suppliers, to our shareholders, to the local community and all stakeholders involved.

We are very proud of the fact that the people and partners working with us are helping to multiply a positive impact for a better world. Sustainable practices imply workplace diversity and inclusion, ethics, community involvement and environmental protection.

The world is moving towards a low-carbon footprint concept and so is LUX* Resorts and Hotels.

We had at the beginning of the year set a number of sustainability targets using 2013-2014 as a baseline, and which will be monitored and, where necessary, updated on an annual basis.

The targets are:

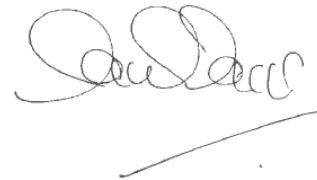
- To reduce our Group CO2 emissions by 10% on Room Nights Sold by 2020
- To increase our Group energy efficiency by 10% on Room Nights Sold by 2020
- To reduce Group waste produced by 10% on Room Nights Sold by 2020
- To increase our Group water usage efficiency by 5% on Room Nights Sold by 2020

During the year, we strengthened our stakeholder engagement by reaching out to more and varied audiences. Our guests are also keen to be part of our energy efficiency programs.

Above all, we strive to make Sustainability at LUX* a clear business imperative. No company can solve problems affecting stakeholders on its own.

It requires multi-stakeholder dialogue. Sustainable practices are designed to protect both the resources and the relationships. Through the Integrated Reporting, LUX* Resorts and Hotels can better identify criteria and indicators that are important to its operations and stakeholders.

We shall continue to endeavour in helping people celebrate life in a sustainable manner through reporting, monitoring and transparency as well as supporting multi-stakeholder dialogues.



Paul Jones
Chief Executive Officer ,
LUX* Resorts and Hotels

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PEOPLE

PASSION

INTEGRITY

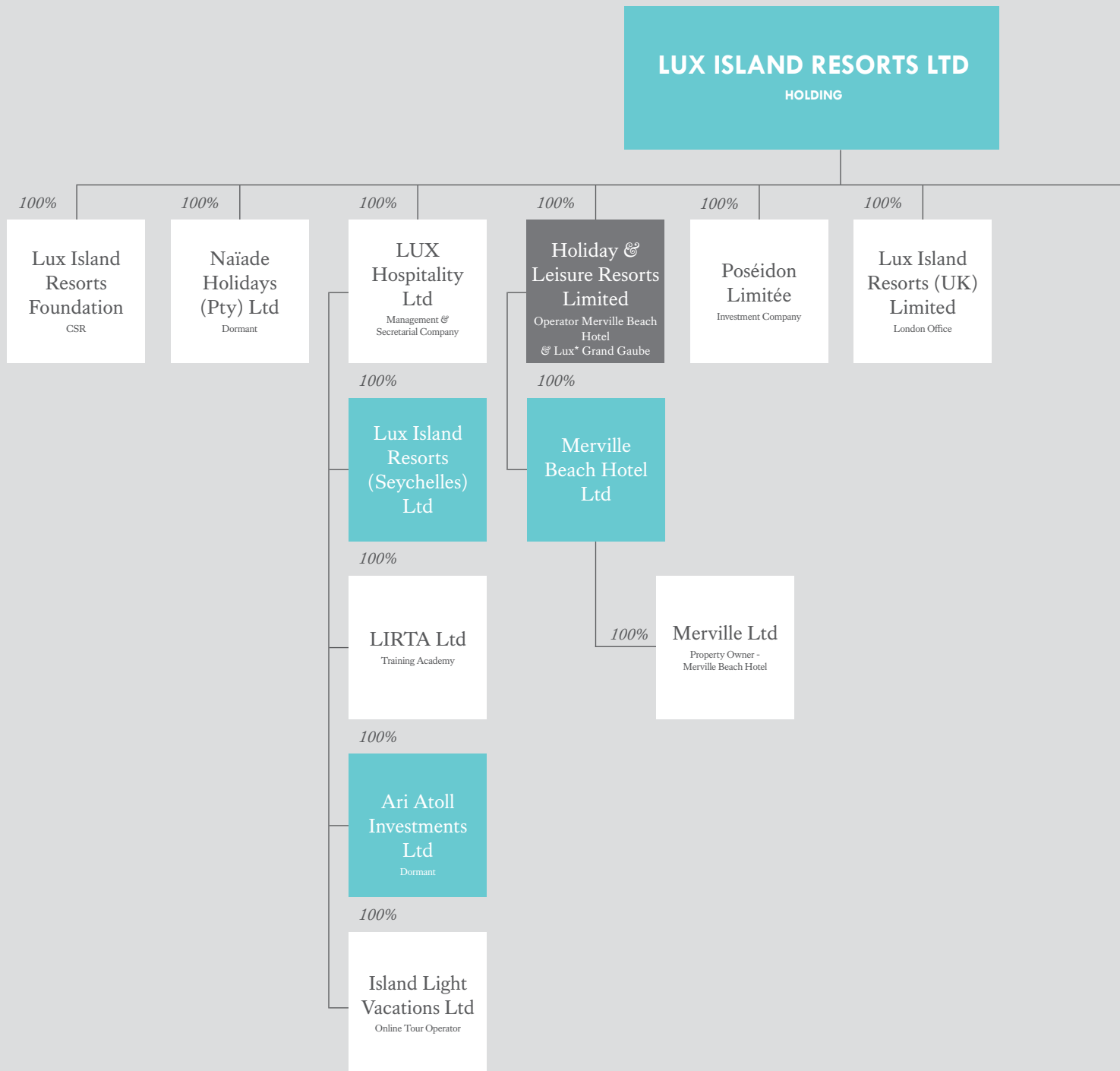
LEADERSHIP

CREATIVITY

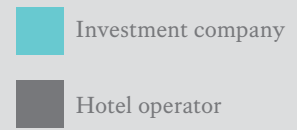
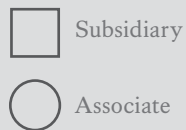
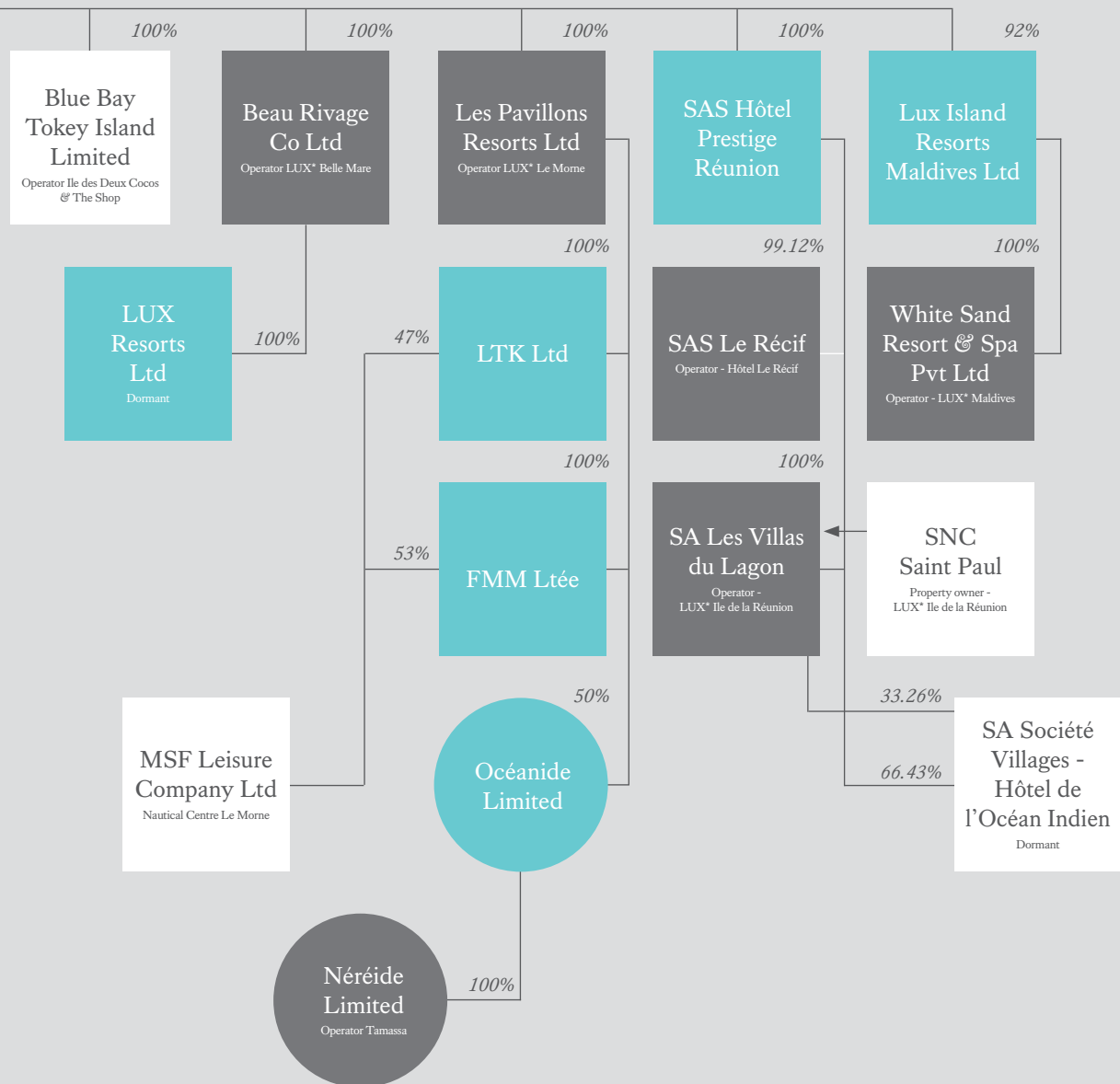
GROUP STRUCTURE

(G4-17)

AS AT 30TH JUNE 2014



(G4-17)



DIRECTORS' PROFILES



ARNAUD LAGESSE

Arnaud Lagesse appointed as Non-Executive Chairman of the Company on 29th October 2003, holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined GML in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and the Chairman of Alteo Limited, Ireland Blyth Limited, BlueLife Ltd, AfrAsia Bank Limited inter alia. Arnaud Lagesse is an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Arnaud Lagesse is also the Chairman of GML Fondation Joseph Lagesse since July 2012.

Directorship in other listed companies: *Alteo Ltd, Forward Investment & Development Enterprises Ltd, Ireland Blyth Limited, Phoenix Beverages Limited, Phoenix Investment Company Ltd, The United Basalt Products Ltd, BlueLife Ltd*



PAUL JONES

With more than 4 decades of international hotel management experience, Paul Jones joined LUX* in 2010, where he quickly established his mark as a charismatic leader, with a unique and passionate approach to hospitality management, centred around People, Culture and Service.

Paul Jones' rich career covers various key leadership positions, having served for almost 20 years as Managing Director of the Sun Resorts Group, and later, as President of One&Only, where he was instrumental in successfully growing the brand on a global basis.

Recognized as a leading figure in the establishment and development of the hotel and tourism industry in Mauritius, Paul Jones was conferred the Dignity of Companion of the Order of St Michael and St George by her Majesty Queen Elizabeth II. He was also awarded one of the highest honours by the President of the Comoros, the Chevalier de l'Etoile d'Anjouan, for his significant contribution to the growth and development of the hotel and tourism sector in the Comoros.

Paul Jones directly oversees the Company's overall strategic direction, spearheading the Group's global development plans. He holds an MBA with distinction from the University of Surrey and followed the Program for Management Development at The Harvard Business School. He is a Fellow of the Institute of Hospitality in the UK.

He was appointed as Chief Executive Officer of the Company on 1st October 2010 and as Director of the Board on 29th September 2011.

Directorship in other listed companies: *None*



ALEXIS HAREL

Born in 1962, Alexis Harel holds a Bachelor of Science Degree in Business Administration-Accounting from Louisiana State University, USA. He started his career in auditing with De Chazal Du Mée, then occupied managerial position in the industrial sector and participated in setting up the first BPO (Business Process Outsourcing) company in Mauritius where he was Managing Director. He joined Grays & Co in 1992 and currently holds the position of Commercial Director. He is an Executive Director of Terra Mauricia and member of the Management Committee. He also serves as Director of Rehm Grinnaker Construction Co Ltd, Terragri and Grays Distilling amongst others.

He was appointed as Director of the Company and as Chairman of the Audit Committee in April 2004 and as Chairman of the Corporate Governance Committee in April 2005.

Directorship in other listed companies: *Terra Mauricia Limited, United Docks Ltd*



DÉSIRÉ ELLIAH

Born in 1964, Désiré Elliah is a Fellow of the Association of Chartered Certified Accountants with 26 years experience in auditing, accounting and corporate finance. Before joining the Group in 2004 as Chief Financial Officer, he was a partner of DCDM, the largest accounting firm in Mauritius. He has extensive experience in feasibility studies, financial restructuring, share valuation and due diligence reviews.

He was appointed as Director of the Company in October 2004.

Directorship in other listed companies: *None*



STÉPHANE LAGESSE

Born in 1959, Stéphane Lagesse holds a degree in Gestion des Entreprises Parix IX Dauphine and joined the Palmair Group in 1983 where he currently holds the position of Managing Director. He participated in the setting up of two garment manufacturing companies in Mauritius.

He was appointed as Director of the Company in March 1999 and as a member of the Audit Committee in October 2003.

Directorship in other listed companies: *None*



JULIAN HAGGER

Born in 1970, Julian Hagger has a rich career of some 20 years in hospitality of which 14 years in senior management and at corporate level in prestigious international groups such as Belmond (Orient-Express), Ritz-Carlton and Marriott.

He is a holder of a Bachelor of Science Degree in Business Administration from Hawaii Pacific University, U.S.A, and holds a diploma in Swiss Hotel Management from the Hotel Institute of Management (H.I.M), Montreux, Switzerland.

Julian Hagger is responsible for driving top-line revenue for LUX* Resorts & Hotels and associated businesses, ensuring the strategic priorities of the discipline are aligned and designed to yield profitable sales, increased market share, and enhanced competitive advantage. He was appointed as Director of the Company in February 2012.

Directorship in other listed companies: *None*



JEAN-CLAUDE BÉGA

Born in 1963 and Fellow of the Association of Chartered Certified Accountants, Jean-Claude Béga joined GML in 1997 and is the Chief Financial Officer of GML Management Ltée. He is a member of the Mauritius Institute of Professional Accountants and a Fellow of the Mauritius Institute of Directors. Jean-Claude Béga is the Chairman of Phoenix Beverages Limited and EllGeo Re. (Mauritius) Ltd and director of a number of companies including Alteo Limited and AfrAsia Bank Limited.

He was appointed as director and member of the Audit Committee in June 2004.

Directorship in other listed companies: *Alteo Limited, Phoenix Beverages Limited, BlueLife Limited (Alternate Director)*



CHRISTOF ZUBER

Swiss, born in 1956, Christof Zuber holds a PhD in economics from University of Zurich. Following a first consulting activity in International Banking, Christof Zuber moved into the world of Fast Moving Consumer Goods. After several positions in Switzerland and abroad in key account management, sales and marketing with Jacobs Suchard, he assumed responsibility as CEO of different companies. Two of them where publicly quoted: Attisholz Holding Ltd. with the Household Brands Hakle and Tela followed by the brewery Feldschlösschen Holding Ltd. as the Swiss market leader. He gained exposure to the travel sector as CEO of the Hotelplan Group, a European multibillion Tour Operator with activities in Hotels and Airline. Today Christof Zuber is a private equity advisor and investor and assumes strategic and occasionally operational responsibilities still in the travel sector and luxury goods.

He was appointed Director of the Company in February 2012 and member of the Remuneration Committee and of the Corporate Governance Committee in September 2012.

Directorship in other listed companies: *None*



J. CYRIL LAGESSE

Born in 1932, J. Cyril Lagesse set up in the early 1970s the 'Compagnie d'Investissement et de Développement Limitée', now GML Investissement Ltée, founder entity of today's well known GML, which has positioned itself as one of the regional leaders. J. Cyril Lagesse sits on the board of several of the country's most prestigious companies, two of which are listed on SEM.

He was appointed as Director of the Company in October 2003.

Directorship in other listed companies: *Ireland Blyth Limited, Phoenix Beverages Limited, Phoenix Investment Company Ltd*



JEAN DE FONDAUMIÈRE

Born in 1953, Jean de Fondaumière is a Chartered Accountant of Scotland. He worked in Australia for eleven years and subsequently in Mauritius for fifteen years until he retired as the CEO of the Swan Group at the end of 2006. He is a past Chairman of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean de Fondaumière holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism.

He was first appointed director of the company in November 2003, resigned in December 2006 and appointed director in March 2008 at which time he became a member of the Remuneration Committee of the Company. He was also appointed as member of the Audit Committee in September 2012.

Directorship in other listed companies: *Alteo Limited, Constance La Gaieté Company Limited, Hotelest Limited*



MAXIME REY

Born in 1952, Maxime Rey started an accounting career in 1973 in Mauritius, first in auditing, and then in the sugar industry. Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992. Back in Mauritius in 1993, he joined the Swan Group, one of the market leaders in the insurance sector in Mauritius, where he is presently holding the position of Senior Manager - Group Finance, while also heading the Loans and Legal Departments of the Group. He serves as Director of a number of companies in the commercial, financial, investment, sugar and tourism sectors, and is a member of various Board Committees.

He was appointed as Director of the Company in September 2012.

Directorship in other listed companies: *Belle Mare Holding Ltd, Constance La Gaieté Company Ltd, Mauritius Freeport Development Company Ltd*



LAURENT DE LA HOGUE

Born in 1975, Laurent de la Hogue holds a Master degree in Management and Finance from the "Ecole Supérieure de Gestion et Finance" in Paris, France. He joined GML in 2001 as Treasurer for the setting up of the central treasury unit before becoming Finance Executive - Corporate & Treasury for GML Management Ltée in April 2011. Laurent de La Hogue is actually the Chairman of GML Trésorerie Ltée and Director of a number of organisations such as Abax Holding Ltd and The United Basalt Products Ltd among others.

He was appointed as Alternate Director in August 2009 and as Director on 15th February 2011.

Directorship in other listed companies: *The United Basalt Products Ltd*

BOARD AND COMMITTEES

BOARD OF DIRECTORS

DIRECTORS

Arnaud Lagesse (Chairman)
Paul Jones (Chief Executive Officer)
Jean-Claude Béga
Laurent de la Hogue
Jean de Fondaumière
Désiré Elliah
Julian Hagger
Alexis Harel
J. Cyril Lagesse
Stéphane Lagesse
Maxime Rey
Christof Zuber

AUDIT COMMITTEE

Alexis Harel (Chairman)
Jean-Claude Béga
Jean de Fondaumière
Stéphane Lagesse

CORPORATE GOVERNANCE COMMITTEE

Alexis Harel (Chairman)
Arnaud Lagesse
Christof Zuber

REMUNERATION COMMITTEE

Arnaud Lagesse (Chairman)
Jean de Fondaumière
Alexis Harel
Christof Zuber

SECRETARY

LUX Hospitality Ltd
Per Désiré Elliah

ALTERNATE DIRECTORS

Jean-Raymond Harel (Alternate to Alexis Harel)
Amaury Lagesse (Alternate to Stéphane Lagesse)
Hugues Lagesse (Alternate to J. Cyril Lagesse)
Dev Poolovadoo (Alternate to Désiré Elliah)

ALTERNATE DIRECTOR'S PROFILE

Jean-Raymond Harel

Born in 1934, Jean-Raymond Harel completed a Bachelor of Science Degree in Chemical Engineering from Louisiana State University in Baton Rouge, Louisiana, USA, in 1957. He had a rich career in the Sugar Industry and relative fields such as design of equipment, general engineering, preliminary studies leading to the implementation of a thermal power plant and setting up of an alcohol distillery. He retired from his executive functions a few years ago.

He was appointed as Director of the Company in July 1998 and as Chairman from October 1998 to November 2002. He resigned as Director and was appointed as Alternate Director to Alexis Harel in April 2004.

Directorship in other listed companies: None

Amaury Lagesse

Born in 1961, Amaury Lagesse has studied Management in South Africa and started working in a clothing company in Durban for one year. He then specialised in textile management in England and Scotland before joining in 1987 the Palmar Group, where he currently holds the position of Production Manager.

He was appointed as Alternate Director to Stéphane Lagesse in December 2003.

Directorship in other listed companies: None

Hugues Lagesse

Born in 1975, Hugues Lagesse holds a diploma in administration and finance from "Ecole Supérieure de Gestion et Finance" in Paris, France. In September 2007, he followed a course on Management at INSEAD in Fontainebleau, France and a course in Real Estate development in Paris and at Harvard Business School in Boston, USA.

He is the Senior Development Executive of BlueLife Ltd, a listed company on the Mauritius Stock Exchange, a member of GML which deals with the promotion and development of land property. He was appointed as Alternate Director to J. Cyril Lagesse in April 2004.

Directorship in other listed companies: None

Deodass Poolovadoo

Born in 1962, Deodass Poolovadoo was one of the first persons to join the Company in 1990. He graduated in Accounting and Finance from the UK and is the Group Financial Controller responsible for the financial management of the Company and of its subsidiaries.

He was appointed as Alternate Director to Désiré Elliah in August 2009.

Directorship in other listed companies: None

MANAGEMENT AND ADMINISTRATION

EXECUTIVE DIRECTORS

Paul Jones – Chief Executive Officer
Désiré Elliah – Chief Financial Officer
Julian Hagger – Chief Sales and Marketing Officer

CHIEF INTERNAL AUDITOR

Pritila Joynathsing-Gayan

SENIOR MANAGERS

Marie-Laure Ah-You – Chief Strategy Officer
Jean Pierre Auriol – Area General Manager,
LUX* Le Morne & Tamassa
Nicolas Autrey – Chief Human Resources Officer
Stephane Baras – Directeur Général,
LUX* Ile de la Réunion & Hôtel Le Récif
Pascal Bertrand – Régional General Manager, LUX* Belle Mare,
LUX*Grand Gaube, LUX* Ile de la Réunion & Ile des Deux Cocos
Jeff Butterworth – Chief Spa & Wellness Officer
Mario de l'Estrac – Manager, Ile des Deux Cocos
Jérémie de Fombelle – General Manager, LUX* Le Morne
Shaun Dunhofen – General Manager, LUX* Maldives
Tony Duval – General Manager, Merville Beach
Tobi Kuhlang – Head of Global Revenue Management
Walter Lanfranchi – Corporate Chef
Brice Lunot – General Manager, LUX* Grand Gaube
Gemma Marsh – Brand Guardianship Manager
Axelle Mazery – Group Press & Public Relation Manager
Ashish Modak – General Manager, LUX* Belle Mare
Smita Modak – Group Training Manager
Nitesh Panday – General Manager, Tamassa
Sydney Pierre – Head of Worldwide Sales
Dev Poolovadoo – Group Financial Controller
Hurrydeo Ramlagun – Financial Reporting Manager
Dominik Ruhl – Regional Director Middle East,
Maldives and Western China
Ruben Thumiah – Regional Financial Controller
Guillaume Valet – Group Head of Legal, Secretarial
and Corporate Affairs

BANKERS

The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd
Bank One Limited
Barclays Bank Plc
Standard Bank (Mauritius) Ltd
State Bank of India (Mauritius) Ltd
AfrAsia Bank Ltd
HSBC Limited (Mauritius, UK, Germany, Maldives)
Bank of Ceylan
Standard Bank of South Africa Limited
Banque Française Commerciale Océan Indien
Banque de la Réunion
MCB Seychelles
Bramer Bank Ltd

LEGAL ADVISORS

Clarel Benoit
André Robert
Hervé Duval

AUDITORS

Ernst & Young
Chartered Accountants

REGISTERED OFFICE

Pierre Simonet Street
Floréal
Mauritius

REGISTRY AND TRANSFER OFFICE

LUX Hospitality Ltd
Pierre Simonet Street
Floréal
Mauritius

NOTARY

Jean Pierre Montocchio

DIRECTORSHIP

AS AT 30TH JUNE 2014

	Lux Island Resorts Ltd	Beau Rivage Co Ltd	Blue Bay Tokey Island Limited	Les Pavillons Resorts Ltd	Poséidon Limitée	LUX Resorts Ltd	FMM Ltee	LTK Ltd	MSF Leisure Company Ltd	LIRTA Ltd	LUX Hospitality Ltd
Ahnee Robert											
Autrey Nicolas										✓	
Baras Stéphane											
Béga Jean-Claude	✓										
Burian Peter											
De Fondaumière Jean	✓										
De la Hogue Laurent	✓										
Elliah Désiré	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Hagger Julian	✓										✓
Harel Alexis	✓	✓	✓	✓	✓	✓					✓
Harel Jean-Raymond (Alternate to Alexis Harel)	✓										
Jones Paul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Julie Bernadette Suzanne (Alternate to Peter Burian and Gemma Mein)											
Lagesse Arnaud	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Lagesse Amaury (Alternate to Stephane Lagesse)	✓										
Lagesse J. Cyril	✓										
Lagesse Hugues (Alternate to J. Cyril Lagesse)	✓										
Lagesse Stéphane	✓										
Liu Leon											
Mein Gemma											
Poolovadoo Dev (Alternate to Désiré Elliah)	✓										
Rey Maxime	✓										
Shimadry Neermal											
Vythilingum Selvinah (Alternate to Neermal Shimadry)											
Zuber Christof	✓										✓

(1) Désiré Elliah (Alternate to Arnaud Lagesse)

	Lux Island Resorts UK Limited	Lux Island Resorts (Seychelles) Ltd	Lux Island Resorts Maldives Ltd	White Sands Resort & Spa Pvt Ltd	Naiade Holidays (Pty) Ltd	Holiday & Leisure Resorts Limited	Island Light Vacations Ltd	Lux Island Resorts Foundation	Merville Beach Hotel Ltd	Merville Limited	Hôtel Prestige Réunion SAS	Les Villas du Lagon SA	SVHOI SA	Le Récif SAS
				✓										
												✓	✓	✓
		✓	✓											
	✓			✓ (1)	✓	✓	✓	✓	✓	✓		✓	✓	
				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓	✓	✓		✓			✓	✓				
		✓	✓	✓										
				✓										
				✓										

FINANCIAL HIGHLIGHTS & RATIOS

STATEMENTS OF PROFIT OR LOSS	(G4-22)				
	Year ended	Year ended	Year ended	Year ended	Six month ended
	June 30, 2014	June 30, 2013 Re-stated	June 30, 2012	June 30, 2011	June 30, 2010
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total revenue	4,212,199	3,771,263	3,714,030	3,095,265	1,130,602
EBITDA	917,367	774,497	667,049	665,479	95,670
Depreciation and amortisation	(328,457)	(313,552)	(309,913)	(244,002)	(107,601)
Operating Profit before finance charges	588,910	460,945	357,136	421,477	(11,931)
Finance charges	(259,382)	(303,443)	(331,489)	(309,158)	(151,295)
Share of results in associated company	263	(12,095)	(11,391)	(66,372)	(61,990)
Profit before taxation	329,791	145,407	14,256	45,947	(225,216)
Taxation	(67,478)	(38,635)	20,731	(32,963)	(29,964)
Profit after taxation	262,313	106,772	34,987	12,984	(255,180)
Result after tax from discontinued operation	22,636	3,487	(1,846)	(1,478)	(1,714)
Non-controlling interests	(13,687)	(6,935)	(6,245)	(4,947)	-
Profit attributable to the Group	271,262	103,322	26,896	6,559	(256,894)
	Rs	Rs	Rs	Rs	Rs
Earnings / (Loss) per share (EPS)	2.38	0.91	0.24	0.07	(2.70)
Dividends per share	0.50	-	-	-	-

STATEMENTS OF FINANCIAL POSITION	Re-stated		Re-stated		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	10,342,196	9,847,589	10,078,596	10,336,220	8,525,274
Interest bearing debt	4,606,325	4,997,687	5,403,286	5,759,881	4,479,307
Borrowing excluding overdraft	4,400,252	4,940,068	5,092,367	5,440,604	3,892,761
Total equity	4,436,734	3,707,444	3,596,254	3,492,707	2,995,537
Net Assets per share	39.01	32.59	31.62	30.71	34.84
Financial Ratios					
EBITDA margin	22%	21%	18%	21%	8%
Interest cover (EBITDA/Interest)	3.54	2.55	2.01	2.15	0.63
Dividend cover	4.77	N/a	N/a	N/a	N/a
Return on equity	6%	3%	1%	0%	-9%
Return on assets	2.6%	1.0%	0.3%	0.1%	-3.0%
Debt to equity	1.04	1.35	1.50	1.65	1.50

FINANCIAL STATUS AT A GLANCE

Consolidated Statement of Cash Flows Year ended 30th June 2014

Rs 000

Net cash flows from operating activities	617,888
Net cash flows from investing activities	(150,130)
Net cash flows from financing activities	(629,584)
Net increase in cash & cash equivalents	(161,826)
<i>Cash and Cash equivalents on 30th June 2013</i>	64,049
<i>Cash and Cash equivalents on 30th June 2014</i>	(97,777)

Statement of Financial Position As at 30th June 2013

Assets	Rs 000
Cash and Cash Equivalents	64,049
Current Assets	696,411
Current assets held for sale	228,406
Investment & Other	1,418,607
Property, Plant and Equipment	7,382,497
Total Assets	9,789,970
Liabilities & Equities	
Cash and Cash Equivalents	-
Current liabilities	1,309,322
Liabilities associated with assets held for sale	31,357
Non-current liabilities	4,741,847
Share Capital, Premium & Reserves	2,851,687
Retained Earnings	754,119
Non-controlling Interest	101,638
	9,789,970

Consolidated Income Statement Year ended 30th June 2014

	Rs 000
Revenue	4,212,199
Profit for the Year	284,949
Non-controlling interest	(13,687)
Profit attributable to the group	271,262

Statement of Financial Position As at 30th June 2014

Assets	Rs 000
Cash and Cash Equivalents	-
Current Assets	(3)
Investment & Other	(4)
Property, Plant and Equipment	(5)
Total Assets	10,233,900
Liabilities & Equities	
Cash and Cash Equivalents	97,777
Current Liabilities	1,456,344
Non-current Liabilities	4,243,045
Share Capital, Premium & Reserves	3,345,540
Retained Earnings	967,722
Non-controlling Interest	123,472
	10,233,900

Retained Earnings As at 30th June 2014

	Rs 000
Balance at 30 th June 2013	754,119
Effect of adopting changes in IAS 19	(785)
Total Earnings for the period	271,262
Dividend	(56,874)
Balance at 30 th June 2014	967,722

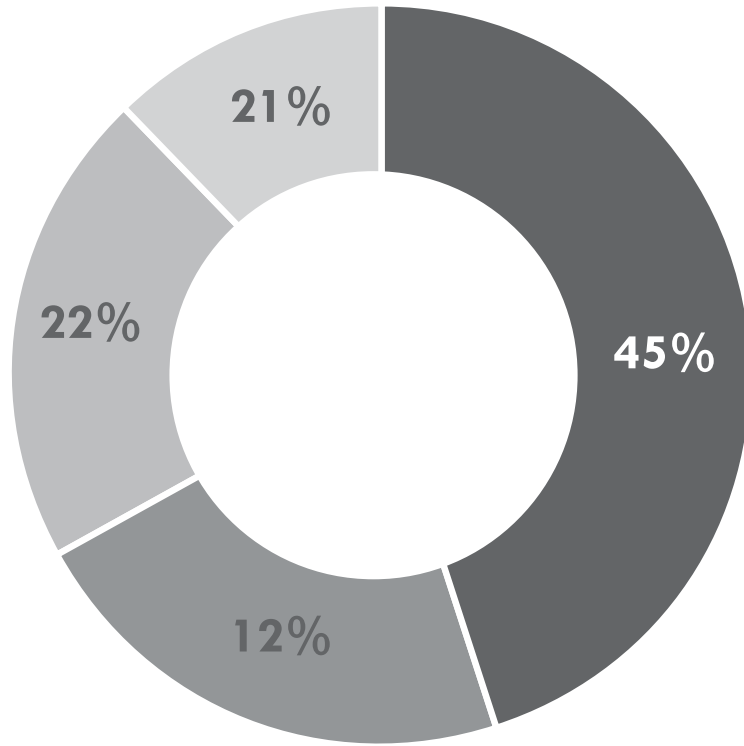
Notes

- Net cash paid for investing activities is mainly in respect of Capital expenditure incurred during the period. The main one being for renovation of LUX* Belle Mare.
- Net cash flow used in financing activities was due to refund of Bank loans and Debentures for an amount Rs 568M and dividends paid of Rs 61m.
- Increase in current assets is explained by movements in Trade and other receivables as a result of increase in activities and proceeds receivable from sales of LUX* Belle Mare Villas for Rs 148m.
- Investment and other decreased by Rs 91m mainly due to amount amortised in respect of intangible assets, whilst movement in investment in associated company was offset by movement in deferred tax assets.
- Property Plant and Equipment increased by 543m mainly due to revaluation adjustment of Rs 600m, additions of Rs 256m and depreciation charge of (Rs 313m).
- Current liabilities increased by Rs 147m mainly due to higher proportion of loans and borrowing repayable within one year (Rs 82m), higher deposit from Tour operators for future reservations and increase in creditors as a result of increased in activities and provisions.
- Non-current liabilities decreased by Rs 499m due to refund of Bank loans and Debentures.
- The main movement in Share Capital, Premium and Reserves is in respect of revaluation of properties net of deferred taxation.

VALUE ADDED STATEMENTS

Year ended 30 June 2014

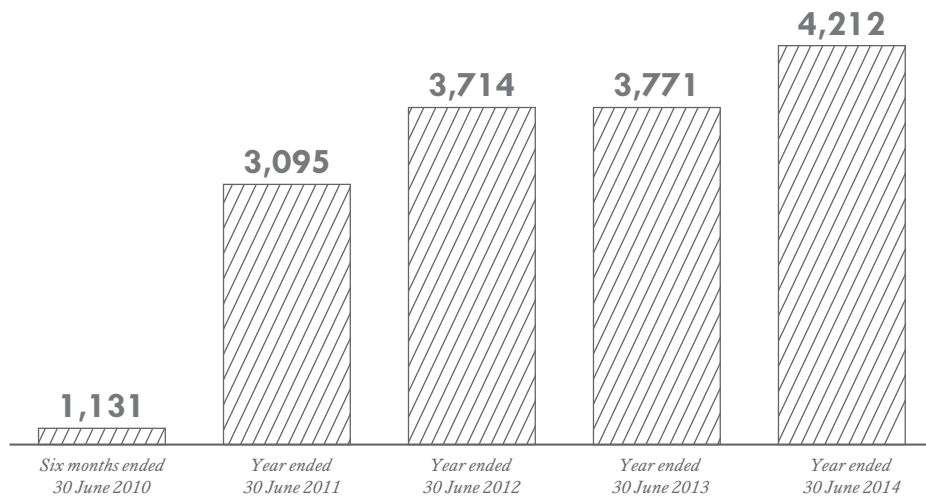
	Year ended 30 June 2014 Rs'000	Year ended 30 June 2013 Rs'000
Revenue	4,212,199	3,771,263
Value Added Tax	372,900	331,668
Total revenue	4,585,099	4,102,931
Paid to suppliers for materials and services	1,959,362	1,857,484
Value added	2,625,737	2,245,448
Share of results of associated company	263	(12,095)
Discontinued operations	22,636	3,487
Total wealth created	2,648,636	2,236,840
Distributed as follows:		
Members of staff		
Salaries and other benefits	1,203,778	1,062,192
Providers of capital		
Dividends to ordinary shareholders	56,874	-
Interest paid on borrowings	259,382	303,443
Profit attributable to non-controlling interests	13,687	6,935
	329,943	310,378
Government and parastatal corporations		
Value Added Tax	372,900	331,668
Income tax (Current and deferred)	67,478	38,635
Environmental Protection fee	11,848	10,559
Licences, permits and levies	3,339	1,918
Lease costs	116,505	64,613
	572,070	447,393
Reinvested in the Group to maintain and develop operations		
Depreciation and amortisation	328,457	313,552
Retained profit	214,388	103,324
	542,845	416,876
Total Wealth Distributed and Retained	2,648,636	2,236,840



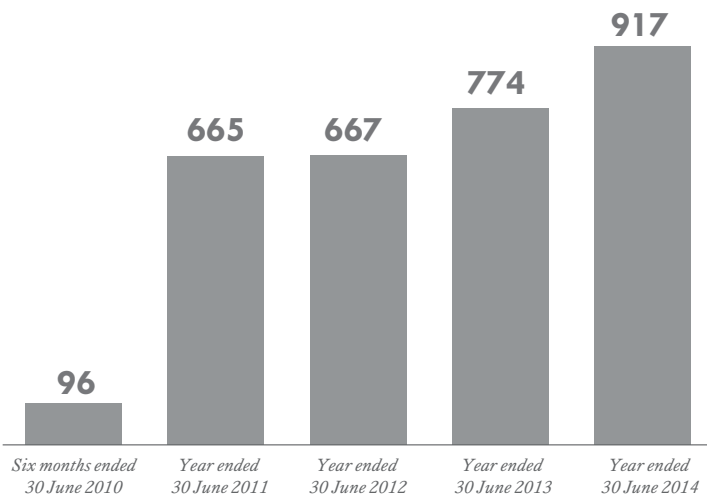
- *Members of staff*
- *Providers of capital*
- *Government and parastatal corporations*
- *Reinvested in the Group to maintain and develop operations*

HIGHLIGHTS

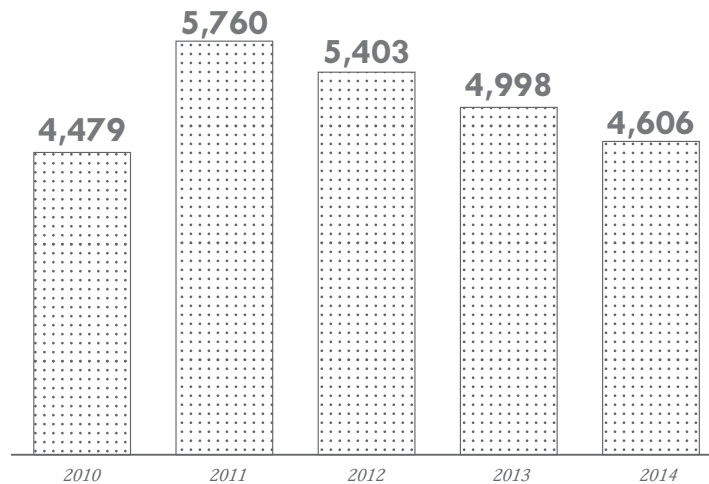
Revenue (Rs m)



EBITDA (Rs m)

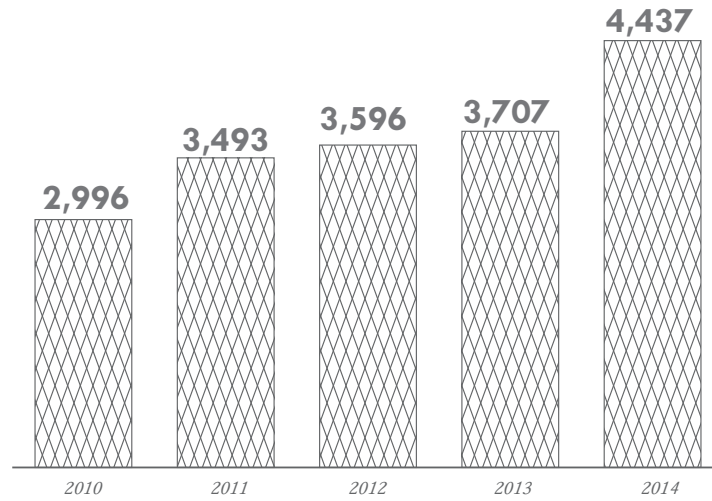


Interest Bearing Debt (Rs m)

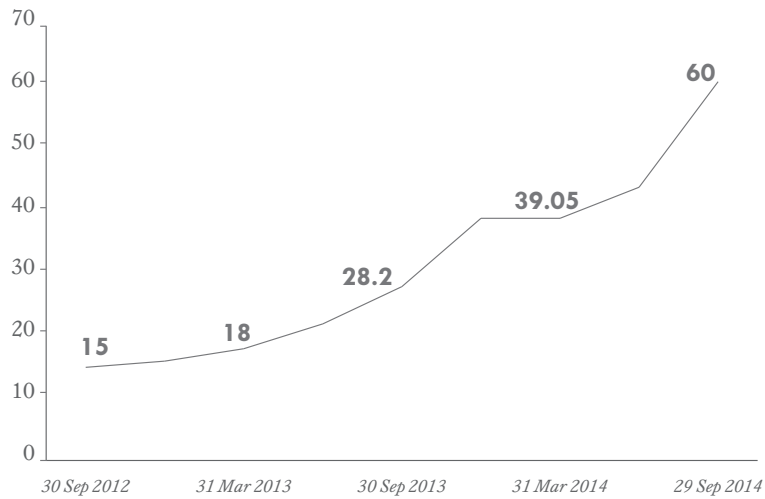


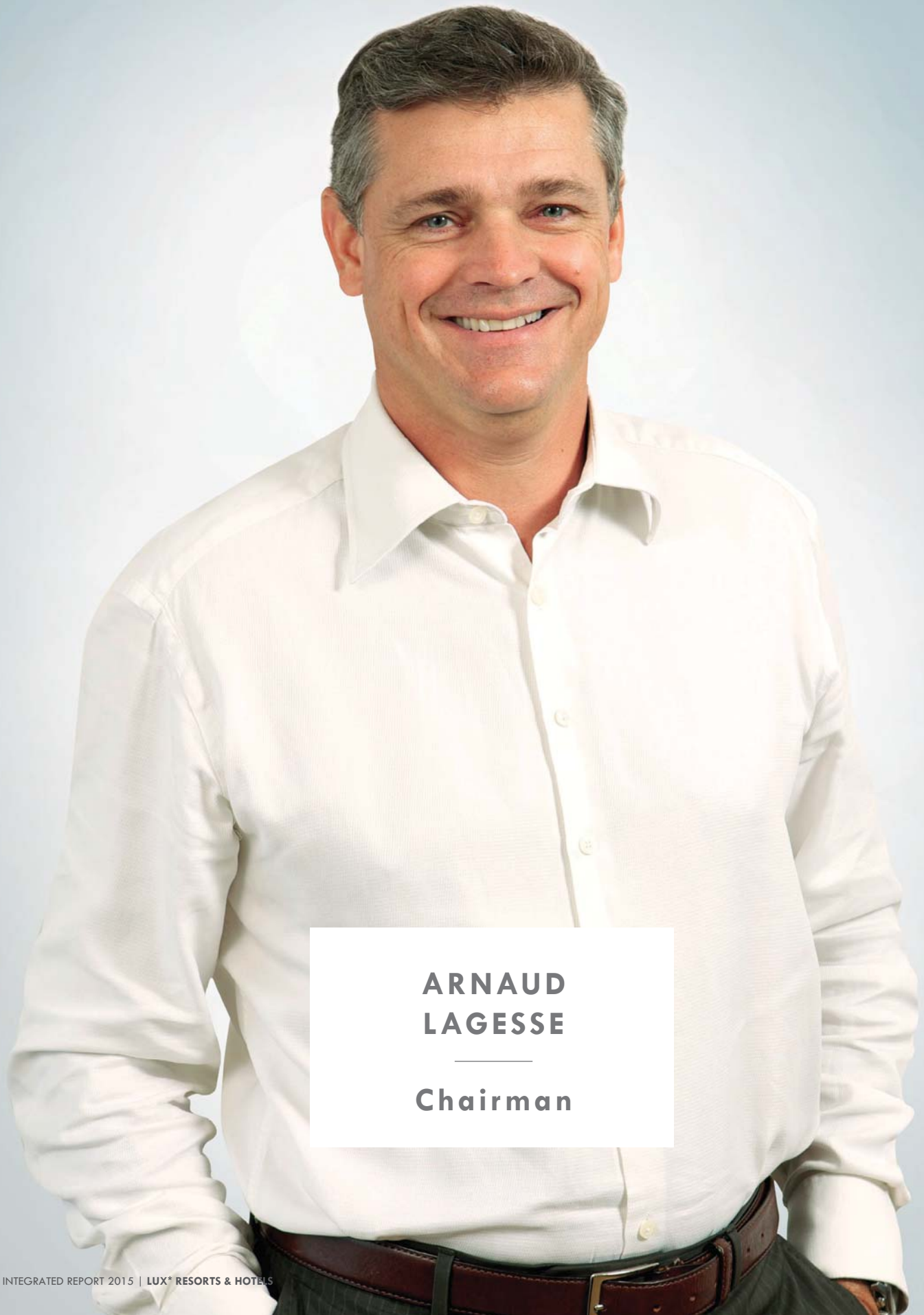
White Sands Resort and SPA, operating LUX Maldives is accounted as a subsidiary since January 2011.

Shareholders Fund (Rs m)



Share Price (Rs)





**ARNAUD
LAGESSE**
—
Chairman

CHAIRMAN'S REPORT

TOTAL REVENUE FOR THE YEAR UNDER REVIEW REACHED RS 4,2 BN

It is with great pleasure that, on behalf of the Board of Directors, I am submitting my report and the Group's audited results for the year ended 30th June 2014.

In last year's annual report, we shared our LUX* 2016 strategic plan which resides in the execution of six strategic pillars, namely Grow Revenues, Reduce Costs, Put People First, Elevate the Experience, Brand Strength & Optimal Distribution and Project Development with the objective to achieve annual double digit growth in EBITDA over the next three years. I am pleased to report that despite the challenges and an economic environment which remains uncertain, we are well on track to attain our objectives with EBITDA for the year under review growing by Rs 143m or 18% to reach Rs 917m. This performance is the result of the skills, dedication and energy of our people, our brand and our relentless focus on delivering on our strategy. On behalf of the Board, I would therefore like to extend my sincere thanks to our 2,854 colleagues who have strived to put our guests at the heart of everything they do with pride and dedication.

During the year under review total revenue reached Rs 4,2bn up by 12% on 2013 and Operating profit grew by 28% from Rs 461m to Rs 589m. Net finance cost for the year which was Rs 303m in 2013 went down by Rs 44m to Rs 259m as a result of reduced borrowing and conversion of a significant portion of our rupee denominated loans into euro at a lower interest rate. Tamassa Resort, which is consolidated as an associate in the financial statements of Lux Island Resorts ltd, continues to improve and posted a profit for the first time since opening in December 2008. The share of profit accruing to Lux Island Resorts Ltd for the financial year ended 30th June 2014 amounted to Rs 263k compared to a loss of Rs 12m last year.

The Group's profit after income tax from continuing operations more than doubled from Rs 106m to Rs 262m whilst Earnings per share improved by almost three times from 88 cents to Rs 2.19.

During the year, the Group disposed of the twelve villas of LUX* Belle Mare which were then leased back to the hotel and the profit on disposal of Rs 17m has been accounted in the result from discontinued operations. Profit for the year (continuing and discontinuing operations) amounted to Rs 285m compared to Rs 110m in 2013 and Earnings per share almost trebled to reach Rs 2.38 compared to 91 cents last year.

In line with its policy to revalue its properties every five years, the Group revalued its properties on the basis of their open market value by reference to recent market transactions at arm's length. The resulting revaluation surpluses net of deferred taxation of Rs 507m have been credited to other comprehensive income.

Total interest bearing debt excluding overdraft as at 30th June 2014 amounted to Rs 4.4bn compared to Rs 5bn last year, a net reduction of Rs 600m. The gearing of the Group which was 57% last year is now down to 50% as a result of loan repayments and the revaluation surplus recognized as equity. The gearing would further reduce to 42% should the Convertible Bonds be fully exchanged for equity.

The share price of LUX* continues its upward trend and has hit a five-year high at Rs 60. I am also pleased to note that LUX* shares was one of the best performers on the stock market during the last financial year. On the back of improved performance and slightly better visibility, the Board declared for the first time since June 2009, a dividend of 50 cents per share in May 2014. I am confident that, providing there is no deterioration in the environment and the positive trend continues and subject to cash flow, the Group should increase the dividend payout in the coming years.

LUX* STRATEGY

As mentioned last year, our business model is focused on managing hotels, rather than owning them, which will enable us to grow at an accelerated pace with limited capital investment. This business model allows us to focus on building our brand based on guests' needs and a key characteristic of the managed business model is that it is highly cash generative, with a high return on capital employed.

To this end, we incorporated last year a wholly owned subsidiary company, namely Lux Hospitality Ltd whose objective is to manage our existing hotels and to enter into management contracts with third party owners. We are pleased to report that construction of LUX* Al Zorah in United Arab Emirates (Ajman), which will be managed by Lux Hospitality under a long-term management contract, has already started and the opening date is scheduled for 2016. Lux Hospitality also signed during the year a Memorandum of Understanding with Lijiang Yulong Tourism Corporation Limited, a Company registered in the People's Republic of China for the development of a series of hotels in the great Shangri-La Region. We are pleased to announce the opening of the first hotel LUX* Lijiang on the 9th September 2014 and a second property in Benzilan is already under construction and scheduled for opening in 2015.

We would like our shareholders to own shares directly in Lux Hospitality Ltd. The strategy in the short term is that once Lux Hospitality Ltd reaches a critical mass in terms of management contracts; the Company will distribute the shares of Lux Hospitality Ltd as dividend in specie. An application will then be made to the Stock Exchange of Mauritius to list the shares of Lux Hospitality Ltd on the main market.

SHARE SCHEME

Recruiting and retaining an outstanding executive leadership team is critical to ensuring that LUX* Resorts and Hotels succeeds over both the short and long term. To this end, the Board has approved through its subsidiary Lux Hospitality Ltd, an Executive Share Scheme (ESS). The ESS is intended to align the interests of key management and executives with the interest of shareholders. It is also intended to enhance the Company's competitiveness in attracting and retaining talented key senior management and executives. The ESS contemplates the award of fully paid shares of Lux Hospitality Ltd, upon meeting prescribed performance targets and or service conditions. Awards granted under the ESS will vest upon the satisfactory achievement of pre-determined operational and financial targets. The total number of shares which may be issued pursuant to awards granted under ESS shall not exceed 15% of the total number of shares issued by Lux Hospitality Ltd.

OUTLOOK

The Global Economic Environment is improving and there is cause for a more optimistic and positive outlook on the future growth of tourism globally. In Mauritius, the increase in arrivals noted from the European markets in August 2014 by 12.8% on last year is very encouraging and France the largest market for Mauritius increased by 11% whilst UK and Germany grew by 20% and 18% respectively.

On the basis of the estimated results for the first quarter of the new financial year that ended 30th September 2014 and the forecast for the second quarter and assuming no deterioration in general economic conditions, we will continue our progression and will improve on the results produced in 2013/2014.

APPRECIATION

I wish to express the Board's and my appreciation for the continuous support shown by all shareholders, customers, bankers and business partners. I should also like to extend once more my sincere thanks to our dedicated team members for their valuable contributions and to our Chief Executive Officer and the management team for delivering these outstanding results.

I also express my gratitude to my Board colleagues for their invaluable assistance and guidance.

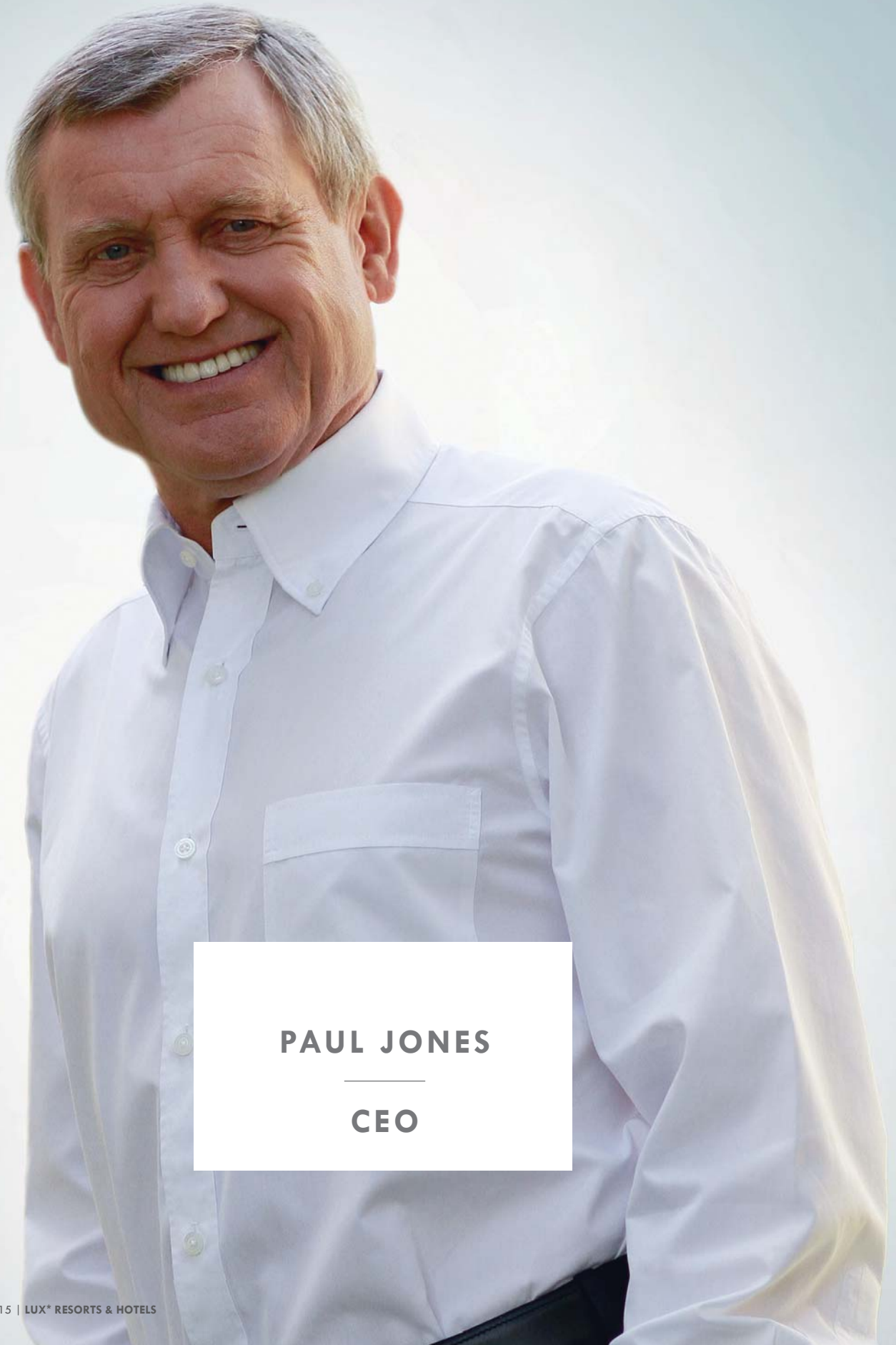


Arnaud Lagesse
Chairman

29th September 2014

LUX* SHARES WERE ONE OF
THE BEST PERFORMERS ON
THE STOCK MARKET DURING
THE LAST FINANCIAL YEAR.





PAUL JONES

CEO

CHIEF EXECUTIVE OFFICER'S REVIEW

The year 2014 was another strong year for LUX* Resorts & Hotels. Despite an environment that continued to be characterized by challenging macro-economic conditions around the world, we delivered on our strategy and reported good growth in our operating profit and earnings per share.

Tourist arrivals to Mauritius for the financial year ended 30th June 2014 increased by 4.35% to reach 1,012,139. Arrivals from Europe, our main market, were similar to last year at 549,171 although France, the number one source market for both Mauritius and Réunion, decreased by 3.8%. However, the fall in the French market was compensated by the increase in arrivals from UK and Germany which grew by 11% and 5.2% respectively. Arrivals from Asia went up by 27.8% to 149,623 mainly due to the increase in arrivals from China which doubled from 28,342 last year to 56,761 this year. India also performed satisfactorily with arrivals improving by 1.6% to reach 58,591.

The Maldives continue to perform very well with a 12% increase in tourist arrivals on last year to reach 1,168,925. The Chinese market, which remains the number one source market for the Maldives with 31% of the total number of arrivals, has increased by 28% to a total of 360,449.

GROUP RESULTS

There are a number of widely recognized key industry metrics that are commonly used to track performance of hotels. These include Room Occupancy, ADR (Average Daily Rate) and Rev PAR (Room Revenue per Available Room) and are amongst the key performance measures actively monitored by LUX* Resorts & Hotels.

I am pleased to report that for the year ended 30th June 2014, all the highlighted key metrics have improved during the year. Group occupancy for the year ended 30th June 2014 was 72%, up by 4% points on last year and the ADR (Average Daily Rate) improved by 7%. The increase in occupancy and ADR resulted in an increase in Rev PAR (Room Revenue per Available Room) of 12%.

Total revenue for the year ended 30th June 2014 increased by 12% to Rs 4.2 billion and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) went up by 18% from Rs 774m to Rs 917m. EBITDA margin improved by 1% point on last year to reach 22%.

As might be anticipated, however, performance varied over the regions and across segments with each facing different economic, social and physical conditions as detailed hereafter.

MAURITIUS RESULTS

Despite the ongoing challenges in some markets and the continuing growth in the room supply in Mauritius failing to match a corresponding growth in arrivals, our hotels in Mauritius delivered strong results for the year ended 30th June 2014 with EBITDA reaching Rs 545m, an improvement of 14% on last year. The occupancy was 74%, up by 4% points on last year and ADR improved by 5%. As a result of the increase in occupancy and ADR, Rev PAR improved by 12%.

Total revenue of our Mauritius operations was Rs 2 billion against Rs 1.8 billion a year ago, which represents an increase of 11%. Operating profit increased by 28% from Rs 272m to Rs 349m.

MALDIVES RESULTS

Overall the industry dynamics remain favourable in the Maldives, with industry demand achieving record highs and supply growth maintained at a minimum. In this environment, our Maldives property did very well in 2014 with total revenue reaching Rs 1.4 billion with an increase of 15% year on year. Chinese nationals were the largest country of origin of visitors to the Maldives, with arrivals from China growing by 28% year on year, outpacing overall arrivals growth in Maldives of 12%. This trend contributed to the strong performance of our Maldives property, with occupancy up by 6% points to 77%. The increase in occupancy, coupled with a 12% increase in ADR, resulted in a strong increase of 21% in RevPAR for the financial year. Operating profit for the year increased by 35%, from Rs 183m to Rs 247m.

RÉUNION ISLAND RESULTS

Due to their dependency on the French market, our hotels in Réunion Island had another difficult year with arrivals to the destination going down from last year. Against this background, the combined occupancy of our hotels was down by 1% point to 63% but still higher than the industry average for the destination. However, RevPAR was at the same level as last year thanks to the growth in ADR which went up by 2%. Total revenue for the two hotels increased marginally by 2% to reach Rs 788m and their operating results showed a loss of Rs 7m compared to a profit of Rs 6m, a year ago. Management continues to work on improving the business and we are working closely with the French Government to promote the diversification strategy with a special focus on the Chinese market.

PROPERTY, PLANT AND EQUIPMENT

The increase in Property Plant and Equipment is mainly due to the revaluation exercise carried out during the year (Rs 600m) and capital expenditure for an amount of Rs 258m offset by depreciation charge for the year of Rs 312m.

LIQUIDITY AND CASH FLOW MANAGEMENT

For the full year ended 30th June 2014, net cash flow from operating activities increased by 27% or Rs 130m, from Rs 489m in 2013 to Rs 619m, as a result of increase in cash generated from operations by Rs 92m, net decrease in interest paid of Rs 44m partially offset by increase in payment of income tax of Rs 7m. Net cash flows used in investing activities was Rs 150m, largely due to ongoing purchases of furniture, fittings and equipment by our resorts for their operations of Rs 239m, deposit in respect of renovation works at LUX* Belle Mare for an amount of Rs 55m and offset by proceeds from sale of LUX* Belle Mare villas of Rs 146m.

The net cash flow financing activities amounted to Rs 630m following loan repayments for an amount of Rs 569m and the payment of a dividend to shareholders totalling Rs 61m.

Interest cover (EBITDA/finance charges) which was at 2.5 last year improved significantly to a healthy 3.5 cover ratio.

OUR BRAND PHILOSOPHY

Please refer to page 26.

HUMAN RESOURCES AND CONTINUOUS LEARNING

I strongly believe that the hospitality industry is all about Our People.

I would like to express my sincere appreciation to all our Team Members for their passion and hard work which enabled the integrity of our Brand through the delivery of our promise of Lighter, Brighter holiday experiences to our Guests across our destinations.

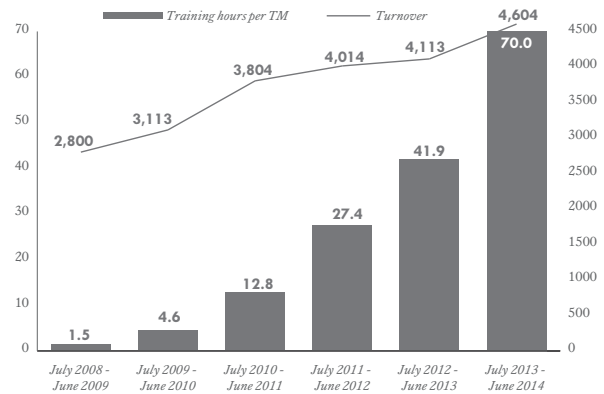
Those remarkable results would not have been a reality without the focus on the Guest experience and the LUX* Hospitality Standards by all our team members, especially those engaged in the delivery of the experience to our guests.

The strategic focus has been and will continue to be the education of our Team Members through continuous learning to give them all the skills they need to serve our Guests. We will continue to substantially invest in management time and partnerships with world class resources to give the best education to our Team Members.

We will also work thoroughly on taking appropriate actions to increase the loyalty of our Team Members by reinforcing the service culture, talent recruitment and management, and our forthcoming hotel openings under management contracts.

I am delighted to report that we have recorded an average of 70.68 training hours per Team Member during the financial year. We therefore outperformed our target of 60 hours per Team Member as set out in our previous annual report, therefore achieving an increase of 68.72 % compared to the previous financial year.

I strongly believe that there is a direct correlation between training hours and revenue as depicted in the graph below for all hotels operated by LUX*.



LUX* INNOVATION CHALLENGE 2014

For the last 2 years the LUX* Innovation Challenge has proved to be a vital force in promoting a forward thinking attitude amongst our teams and has facilitated in strengthening the LUX* Resorts & Hotels brand image.

Our category for the LUX* Innovation Challenge 2014 was “Innovate to Increase Loyalty of Team Members”. All participating teams comprising the resorts and the head office worked on one idea each. All teams were required to test launch the idea to check efficiency and effectiveness and present the findings to the jury. The top 7 ideas contested in the finals which were held at LUX* Grand Gaube on May 27th, 2014 and 3 winners were announced.

The focus of this category was People, and excellent ideas were received from all teams reiterating the importance we place on the well-being of our team members. As part of the Strategic Initiatives for this year, the best ideas will be implemented across all operations.

The best idea contributed by Tamassa Team was “Etiquette and Moral Week” and is also a contestant at the Worldwide Hospitality Awards 2014 under the category “Best Initiative in Human Resources.”

PROJECTS

Three years in the making and two short months in the completion, LUX* Belle Mare, the flagship property of LUX* Resorts & Hotels, reopened on schedule after a 2-month closure. From 1st September, its introduction into the scene puts Mauritius right back on the map and amid its seemingly infinite choice for the luxury traveller, the finished LUX* Belle Mare heralds the beginning of a new era for the island. The total amount spent on this hotel over the last three years amounted to Rs 493m representing Rs 2.65m per key, which is well within industry norms for such a project of five-star luxury level. It is noteworthy to record the increased demand for the property following the reopening with both occupancy and the rate for the month of September, exceeding significantly last year. This trend continues in quarter 2, where we are forecasting good growth in Rev Par.

We are also pleased to announce the opening of LUX* Lijiang, our first boutique hotel in China, on the 9th September 2014. In a comparatively short time, we have built a strong and growing Chinese customer base for our existing operations in the Indian Ocean. We are confident that with LUX* Lijiang we will grow our brand presence in China whilst also opening a window onto one of China's spectacular and untouched wonders: the Tea Horse Road. LUX* Lijiang is the first of several boutique hotels that will be opened along the Tea Horse Road with phase 2 of Lijiang and a second property already under construction in Benzilan that is scheduled for opening in the second half of 2015.

In addition to our 4 sales offices in the major cities, we are pleased to announce the opening of our "Wholly owned foreign enterprise" in China with headquarters in Shanghai. We are confident that we will continue to expand our Chinese operations in the short to medium term.

The development of a LUX* branded hotel in UAE, namely LUX* Al Zorah, is progressing very well with the final design and architectural drawings completed by the world-famous hotel architect Jean-Michel Gathy, the founder of Denniston. Construction works have already started and the opening date is scheduled for 2016.

With regard to the sale of Le Récif in Réunion Island, negotiations with the initial buyer has terminated as the latter has not been able to fulfill the conditions precedent. We are in discussion with another buyer for the sale of the hotel whereby, LUX* will remain as manager.

AWARDS AND ACCOLADES

We are very proud of the large number of industry awards our brand has won during the last financial year and we focused on ensuring that they stay relevant to the changing needs of our guests. To support this, we conduct intensive survey with our guests to ensure that we have the best possible understanding of their actual needs. This unique insight is allowing us to better differentiate our hotel experiences and is a key driver of our ability to grow ahead of the market. All hotels in Mauritius, LUX* Maldives and LUX* Ile de la Réunion have won the "Certificate of Excellence Award" by Trip Advisor in 2014. For other awards received by LUX* Resorts & Hotels during the financial year ended 30th June 2014, please refer to page 24.

OUTLOOK

We remain optimistic that we will maintain our performance throughout 2015. The increase in arrivals from Europe noted lately should improve the performance of our Mauritius properties aided by the continuing increase in arrivals from the Asian market, particularly China. We expect our Maldives property to maintain its strong performance and our hotels in Réunion Island should improve on their results from last year.

Over the next few years, we intend to grow our fee based business. We are constantly looking for growth opportunities and we are working closely with several hotel owners and developers with a view to securing management contracts.

I wish to extend my gratitude to my executive management team who all performed well as a team to deliver the strong results.

To conclude on behalf of the Executive Management team, I would like to express our gratitude to all who contributed to our success in the 2013/2014 financial year, including our customers, our guests, shareholders, business partners, suppliers and the communities in which we operate. To our 2,854 team members across all the countries in which we are present, again a profound thank you for your ongoing dedication, passion and support without which we could not have achieved such stellar results.

I seize this opportunity to thank my fellow Board members, and in particular the Chairman Arnaud Lagesse, for their wise counsel and unflinching support.

Sincerely always



Paul Jones
Chief Executive Officer

29th September 2014





**OUR GROWING
RESORTS & HOTELS
PORTFOLIO**

LUX* BELLE MARE, MAURITIUS

Elegant east-coast sweep of beach, pool and perfection



Fresh in feel, look and style, these mod-colonial suites and private thatched villas are dressed with contemporary panache, slap bang in paradise. A statement swimming pool (the island's largest) at the heart of this five-star resort is overlooked by forward-thinking foodie destination, Mix. Gently buzzing by day, sashaying to Balearic beats by night, Beach Rouge is a restaurant-bar with soul. Expect nothing-is-too-much-trouble service from the skilled baristas in Café LUX* to the experts at our Dive Shop.

The spa is a knockout too: but it's not just a pretty, sweetly scented space; highly qualified therapists want you to leave feeling your best – whether through treatments, yoga or Tai Chi. And we haven't even mentioned that the coastline feels as though you have it to yourselves: crystal-clear water, with a turquoise glint, and sand as soft and white as you'll ever know.

174 suites, including 60 Junior Suites, 27 Pool Junior Suites, 33 Romantic Junior Suites, 10 Beach View Junior Suites, 7 Honeymoon Suites, The LUX Suite, 16 Family Suites. Eight restaurants, bars and cafés.*

Don't miss...

- Time on the tranquil brochure-perfect beach.
- Touring the globe via the Asian, European and African flavours of Mix, with many dishes made before your eyes.
- The world-class spa whether for a little relaxation or for a specialised results-focused LUX* Me programme.
- Trying one of our more exotic ice cream flavours at ICI.
- Fun times in PLAY for little ones, and Studio 17 for teens.

You'll also love...

- Exploring the lagoon by a pirogue, a small traditional flat-bottomed fishing boat.
- Dazzling scuba diving.
- Nature walks and yoga sessions at Domaine de L'Etoile in eastern Mauritius.
- Browsing the market at Centre de Flacq.
- Big-game fishing.
- Golfing at one of three nearby courses.

In the press

'Cool, calming spaces punctuated with colour.'
House & Garden



LUX* BELLE MARE, VILLAS

Refined interiors, rustic thatched charm



Your own fully fitted private luxury villa, with a butler on call around the clock, heated pools and landscaped gardens, with all the added perks of a five-star resort. With interior design by Kelly Hoppen, the bright, elegant and uplifting spaces are soothing and utterly private, with bathrooms alone worth writing home about. Entertain in your villa, or call for a ride to the restaurant – do it all your way. Enjoy your own discreet hideaway or follow the winding path down to the Indian Ocean – knowing that sunloungers are always reserved for you on the beach. At LUX* Belle Mare, we invite you to embrace the best of Mauritius' natural beauty, without having to surrender your need for independence, sophistication and service. Better than a home from home.

12 private villas, all with private pools and butler service. 8 Ocean Villas, 2 Beachfront Villas, 2 Prestige Villas.

Don't miss...

- As well as all of the fun and facilities at LUX* Belle Mare? How's about lunch served by your private butler on a private island? We can arrange an exclusive luxury boat trip, which includes snorkelling, waterfalls and a historic lighthouse.
- Spicing up your stay with an activity such as skydiving – then ease your way back to Earth with an hour-long massage back at your villa.
- There's no better resort for truly bespoke time: let us tailor a day of LUX* Me treatments to your preferences, starting with a healthy breakfast on your terrace, ending with a soothing petal-sprinkled bath in your sunken tub.

In the press

'Try an evening of wine tasting, or – even better – take a cookery class with a chef.'
Sunday Times Travel Magazine



LUX* LE MORNE

Soul-stirring romance on the wilder southwest



Flower-filled gardens, high-drama sunsets – that’s just the start of a stay in one of our lagoon-facing suites at the end of this leafy Unesco-protected peninsula. Even our acclaimed spa enjoys a grandstand view of that rugged and inspiring Le Morne Brabant peak. Take a dip in one of four pools, stroll or ride horses along the seemingly endless stretch of talcum-soft sands, or take it up a gear with tennis, biking and a raft of complimentary watersports. The only challenge? You might not want to shut your eyes and miss a second of this scenery.

149 rooms, including 64 Superior Rooms, 10 Junior Suites, 15 Honeymoon Suites, 45 Prestige Junior Suites and 15 Ocean Junior Suites. Seven restaurants, bars and cafés.

Don't miss...

- Just-caught seafood and New World wines at our beach barbecue.
- Savouring Thai tastes in Nipa, and Creole, Indian and Chinese flavours in the Kitchen.
- Having your photo taken, backdropped by the stunning main pool and the sea beyond.

You'll also love...

- Kitesurfing at one of the world's best spots for this sport in the world, right on our doorstep.
- Swimming with dolphins, a short boat ride away.
- Hiking up Le Morne with the island's only licensed guide, or through Black River Gorges National Park.
- Admiring the natural spectacle that is the Seven Coloured Earths.
- Golfing at two courses nearby.

In the press

'This luscious Indian Ocean beach resort is about healthy living, sure, but you won't be brainwashed by it... Food is omnipresent.' *Tatler*



LUX* GRAND GAUBE

All-singing, all-dancing lagoon-hugging resort



Tiered thatched hideaways overlooking three filao-framed aquamarine bays – Grand Gaube is shamelessly abundant in every tropical-paradise cliché, from palm-tree-strung hammocks to feet-in-the-sand dining under the stars. Add to that chirping tree frogs and singing birds. Take it totally easy or let us entertain you: shuffle from spa to one of five pools or shimmy from a scuba lesson to Séga-music session – watersports, games, and cultural events all come in generous supply. Epicureans, with so much to savour, prepare to loosen your waistbands, especially if you go all-inclusive; and as you'd expect from a fishing community, the grilled seafood is as delicious as just-caught fish, crab and lobster get. Sun-blessed by day and moon-struck at night, there's never a dull moment, whether you're a can't-sit-still family or an eyes-only-for-each-other couple.

198 rooms and suites, including 22 Superior Rooms, 104 Ocean Superior Rooms, 46 Deluxe Rooms, 23 Junior Suites, 2 Senior Suites, 1 Emperor Villa. Six restaurants, bars and cafés.

Don't miss...

- Flopping on beanbags under coconut palms and brightly coloured bougainvilleas.
- A serving of gateaux piment under the banyan trees at our beach shack.
- A scoop or three from our ice-cream-peddling Mini.
- Swaying to the rhythm of a vivacious Séga performance right on the sand.
- A whirl at beach volleyball.

You'll also love...

- The bird's-eye view of the spectacular coral reefs by seaplane.
- Dipping your toes into Grand Baie's buzzing scene of bars and boutiques.
- Trying your hand at – or maybe mastering – big-game fishing.

In the press

'A place for romance and relaxation...

Simple luxury where the focus is on extraordinary and tailor-made experiences.' *The Telegraph*



LUX*

ILE DE LA REUNION

Colonial character, French poise, Creole soul



Adventurers love this far-flung corner of France. And this is the volcanic island's only five-star beach resort – bang on Réunion's best stretch of coral-enhanced sands, fringing a reef-sheltered lagoon. Not fussy or formal, these pine trees and plantation-style porched villas beg you to unwind. Although many guests find there are too many natural attractions on their doorstep to linger long after breakfast, you might find yourself torn about whether to stray further than the sunlounger. As well as showcasing the island's largest swimming pool, there are power-plate and Pilates classes, tennis, snorkelling and volleyball on tap – plus pétanque too. Naturellement. The French accent is also deliciously evident in the elegant eateries, suited to every mood, from relaxed beachside seafood platter brunches to dressy landmark celebrations in Orangine.

174 sea-facing rooms and suites, 85 Superior Rooms, 61 Deluxe Rooms, 8 Junior Suites, 10 Family Rooms. Five restaurants, bars and cafés.

Don't miss...

- Lunch *à deux* in the lovingly labelled herb garden.
- Learning to make zingy Creole curries at Carry's Bar at La Plage.
- Birdwatching from your balcony.
- Borrowing snorkels and flippers to get up close and personal with tropical fish a few feet from shore in these boat-free waters.

You'll also love...

- An awe-inspiring tour of the pitons and cirques – best admired from a helicopter.
- Following a speleologist through the lava tunnels or hiking through lush national parks.
- Exploring the Unesco-approved terrain by a 4x4, whale-watching and waterfall canyoning – the hotel's speciality is arranging just the right excursions on land and sea.

In the press

'An impressive property with direct access to L'Hermitage beach, a 6km strip blessed with a lagoon rich in marine life.'

The Independent

Ile de la Réunion

Distance to Roland Garros Airport: 49km (0h45)

Distance to Pierrefonds Airport: 27km (0h35)



LUX* MALDIVES

Fantasy-island stilted villas and a divers' dreamworld



Thatched over-the-water villas jutting out from pure white sands – no wonder it's so often said that this stylish sanctuary is as soothing as resorts get. Dhidhoofinolhu is our private-island paradise in South Ari Atoll, a 25-minute seaplane hop from Malé. Life is sweet in our surf and on our turf: the sheltered lagoon provides unbeatable viewings of stingrays, coral fish and dolphins, and the five-star PADI diving centre exhilarates pros and novices alike. On land, follow secret zigzagging pathways through orchid-touting tropical gardens and seek out tennis, swimming pools, spa time and specialist fitness sessions. You won't have to mosey far to discover one of the many excellent eateries and atmospheric bars. Whether a honeymooning couple or a family of any ages, you're assured barefoot luxury at its best.

193 pavilions, suites and villas, including 36 Beach Pavilions, 12 Sunset Junior Suites, 45 Beach Villas, 46 Water Villas, 12 Beach Pool Villas, 38 Prestige Water Villas, 3 Family Water Villas, 1 Presidential Villa. Nine restaurants, bars and cafés.

Don't miss...

- Snorkelling in our house reef amid ridiculously clear waters.
- Touring global cuisine from street food to fine dining.
- Luxuriating in our award-winning spa with views out to sea.

You'll also love...

- A boat tour of our stunning turquoise lagoon.
- A brush with whale sharks – join our safaris to spy the world's largest fish.
- Bike rides and walking tours treat culturally curious visitors to a taste of local life care of coral-stone houses and craft stalls.

In the press

'The views from the spa cabins – both through the glass floor, window, and out to sea – are special.'
The Times

Maldives

25 min seaplane journey from Malé Intl. Airport during daylight hours

20 min domestic flight and 10 min speedboat option, also available late evening



LUX* LIJIANG

Culture and character along China's ancient tea trail



The Shangri-La region's age-old traditions and unspoiled landscapes are lure enough to this history-steeped area in western China. Now our luxury boutique hotel in the heart of this Unesco World Heritage site gives discerning travellers every reason to visit this extraordinary destination.

Our Chamadao library invites you to absorb more about this fascinating part of the world, while all the expected perks of our hotels make a holiday here as rejuvenating as it is edifying. The opening of LUX* Lijiang marks the start of an exciting new circuit of distinctive stays in the provinces of Yunnan and Szechuan, up towards Tibet, and the completed range of these regional properties is set to provide bespoke experiences that will be collectively known as the LUX* Tea Horse Road. Consider this a taster.

10 rooms, 6 Superior Rooms, 2 Deluxe Rooms, 2 Junior Suites. 1 restaurant, 1 bar, 1 library.

Don't miss...

- Having a Naxi cooking class.
- Sipping world-class brews in our specialist tea room.
- Learning about the ancient art of Dongba pictographs.
- Indulging in high-performance spa treatments inspired by Chinese medicine.

You'll also love...

- Horseback riding through stunning scenery.
- Guided hikes for every level of fitness.
- Open-air concerts and festivals in Lijiang.
- Bike rides to the ancient town of Shuhe.

Lijiang

Distance to Lijiang Sanyi Intl. Airport: 28km (0h30)



LUX* AL ZORAH

Designer beachside luxury, a short drive from Dubai



Amid luminescent lagoons and creeks, here in Ajman, the smallest of the seven Emirate sheikdoms, this sleek destination resort is a snappy 40 minutes by car from Dubai International Airport and a breezy 10 minutes from Sharjah. Styled by Jean-Michel Gathy, the architect commended for high-end hotels from Bora Bora to Mexico – the 202 rooms, suites, apartments and private villas guarantee contemporary glamour here on the Persian Gulf. Add to the full gamut of state-of-the-art wellness facilities two dazzling kilometres of silky sandy beach, and natural mangroves within reach, plus a year-round sunny climate, and you're assured of hospitality fit for sybarites.

Phase 1: 193 pavilions, suites and villas, including 36 Beach Pavilions, 12 Sunset Junior Suites, 45 Beach Villas, 46 Water Villas, 12 Beach Pool Villas, 38 Prestige Water Villas, 3 Family Water Villas, 1 Presidential Villa. Nine restaurants, bars and cafés. Phase 2 (Opening mid 2016): Additional 20 rooms.

Don't miss...

- Apart from every five-star hotel amenity? Diving, boating, kitesurfing and everything else that's fun in the water.
- Ticking off the birds you've spotted is a doddle thanks to almost 60 species living in the surrounding forest.

You'll also love...

- Strolling a boardwalk that promises you a parade of restaurants, cafés and shops galore.
- A whirl in the world-class marina with beach club.
- Teeing up at the Jack Niklaus signature 18-hole golf courses.

Al Zorah

Distance to Dubai Intl.
Airport: 30km (0h40)

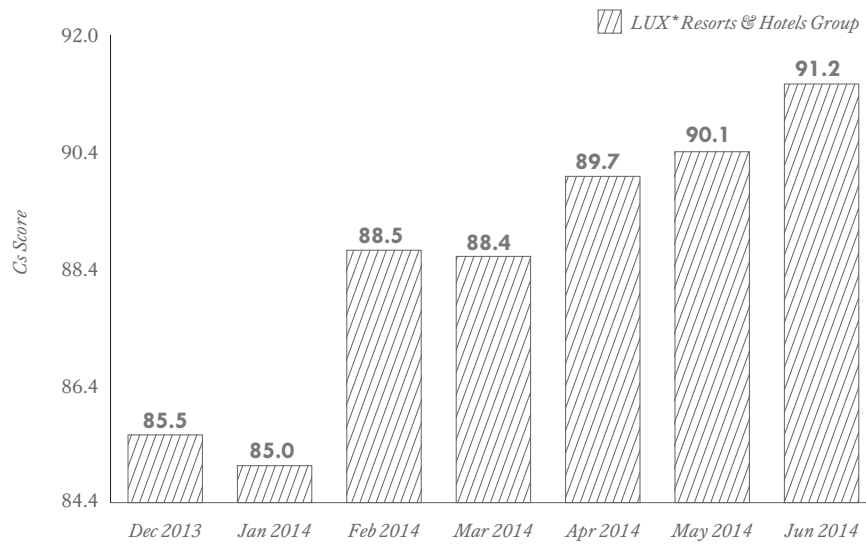


GUEST SATISFACTION AT LUX* RESORTS & HOTELS

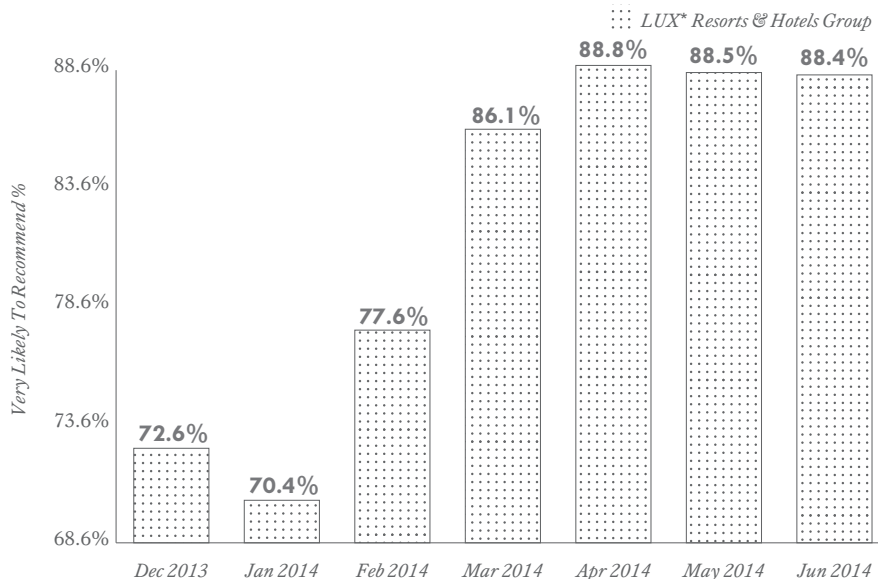
In line with our commitment to continuously improve Guest Experience and Satisfaction, we introduced in December 2013 a new cutting-edge Guest Satisfaction Measurement system, which allows us to engage and understand our guests better, by receiving feedback in real time and converting the latter into immediate operational response across the organization.

We are pleased to report significant improvements on every Key Performance Measure: Overall Guest Satisfaction Score improved for several months in a row to reach 91.2% in June 2014, Guests' Intention to Recommend LUX* to others grew at a fast pace by a significant 16 points, and scores for perceived 'Value for Money' increased over consecutive months, ending at 84.1%.

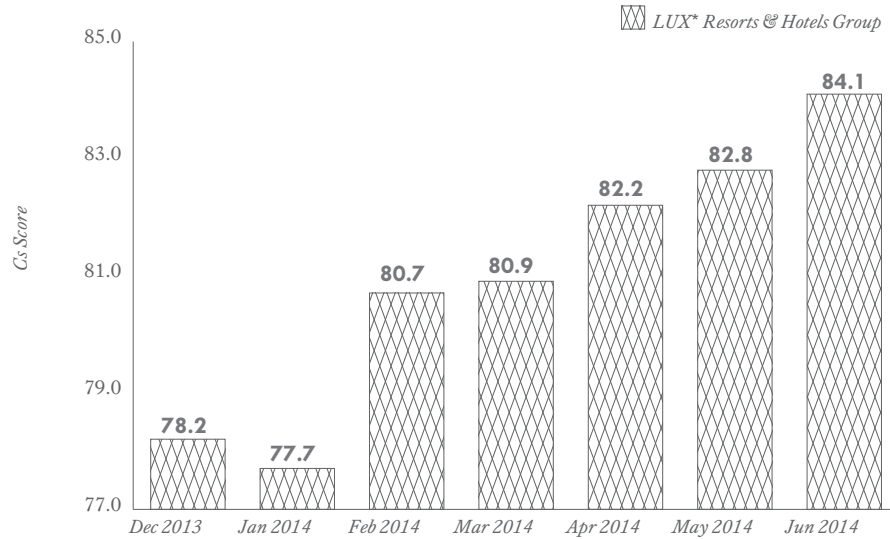
Guest Satisfaction Overall Score



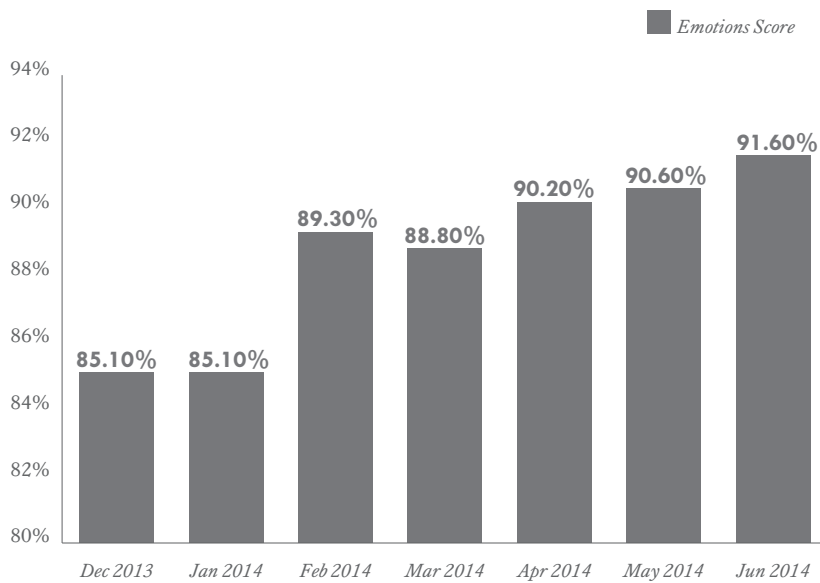
Recommend %



Value For Money



As we aim to continuously deliver simple, fresh and sensory experiences, thoughtfully designed to surprise and delight our guests, we have endeavoured to measure our guests' sentiment by capturing their responses on 9 emotional dimensions: Feeling Welcome, Comfortable, Important, Pampered, Entertained, Relaxed, Content, Secure, and Respected. We are pleased to report continuous improvement over several months, with an overall score reaching 91.6% in June 2014.



Knowing which levers drive guest loyalty allows us to accurately target and continue implementing various initiatives aimed at enhancing the entire guest experience, and progress towards our vision and purpose of "Helping People Celebrate Life by Making each Moment Matter".

We are confident that with the continued efforts and commitment of all Team Members, we will be able to maintain this upward trend.

A photograph of a person's legs sticking out of the water at sunset. The sun is low on the horizon, creating a golden glow across the sky and water. The person's legs are positioned in the center of the frame, with their feet pointing upwards. The water is calm, with gentle ripples around the legs. The sky is a mix of orange, yellow, and blue, with a few wispy clouds. The overall mood is peaceful and serene.

**PEOPLE
PASSION
INTEGRITY
LEADERSHIP
CREATIVITY**



CORPORATE GOVERNANCE REPORT

STATEMENT OF CORPORATE GOVERNANCE

The Group is engaged in adhering to the Code of Corporate Governance issued by the National Committee on Corporate Governance. The Board is fully committed to attaining and sustaining the highest standards of Corporate Governance with the aim of long-term value creation for the shareholders. This is achieved through group-wide awareness of business ethics and the stewardship and supervision of the management of the Group by the Board of Directors and the various Committees of the Board.

COMPANY CONSTITUTION

A copy of the Constitution is available at the registered office of the Company and on its website www.luxresorts.com

There are no clauses of the constitution deemed material for special disclosure.

SHAREHOLDING

At 30th June 2014, the Company's share capital was Rs 1,140,346,510 (114,034,651 shares of Rs 10 each) and there were 3,277 shareholders (30.06.13: 3,270) on the registry.

The directors regard GML Investissement Ltée (GMLIL) as the ultimate holding company and as at 30th June 2014, two directors were common to the Company and GML Investissement Ltée (GMLIL), namely Messrs Arnaud Lagesse and J. Cyril Lagesse.

Shareholding of more than 5% of the Company at 30th June 2014 were:

GML Investissement Ltée	39.21%
The Mauritius Commercial Bank Ltd	6.59%
The Anglo-Mauritius Assurance Society Ltd	5.85%
Other shareholders	48.35%
Total	100.00%

The Company's shareholding profile as at 30th June 2014 was as follows:

Defined Brackets	Number of Shareholders	Number of Shares Owned	Percentage %
1-500	1,085	199,611	0.175
501-1,000	375	306,939	0.269
1,001-5,000	910	2,294,906	2.012
5,001-10,000	318	2,356,007	2.066
10,001-50,000	413	9,132,693	8.009
50,001-100,000	79	5,732,793	5.027
100,001-250,000	53	7,793,933	6.835
250,001-1,000,000	36	17,584,318	15.42
1,000,001-1,500,000	2	2,421,516	2.123
Over 1,500,000	6	66,211,935	58.063
	3,277	114,034,651	100.00

SUMMARY OF SHAREHOLDER CATEGORY

Category of Shareholders	Number of Shareholders	Number of Shares Owned	% of Total Issued Shares
Individuals	2,935	24,144,293	21.173
Insurance and assurance companies	24	9,075,531	7.959
Pension and provident funds	19	1,617,409	1.418
Investment and trust companies	2	48,476,757	42.511
Other corporate bodies	297	30,720,661	26.94
	3,277	114,034,651	100.00

SHARE PRICE INFORMATION

At the time of reporting, the share price of the Company is around Rs 60/- compared to Rs 28/- at the same period for the previous financial statements.

SHAREHOLDERS' AGREEMENT

The Company is aware of the existence of a shareholders' agreement, signed in September 2007 between GMLIL, Forward Investment and Development Enterprises Limited and the Anglo-Mauritius Assurance Society Limited, which together hold 48.36% of the share capital of the Company.

This agreement, which is mainly a working arrangement among the shareholders mentioned above, takes into account the interest of all shareholders under the Companies Act 2001 and the principles of good Corporate Governance. It makes provision for the management of Lux Island Resorts Ltd and lays down procedures for key decisions, the administration and constitution of the Board and committees of the Board, dividend policy, retention and disposal of shares, and pre-emption rights.

DIVIDEND POLICY

Subject to internal cash-flow requirements and the need for future capital investments, it is the Company's policy to declare 50% dividends out of profits available for distribution, in accordance with the Companies Act 2001. The Audit Committee and the Board ensure that the Company satisfies the solvency test at each dividend declaration.

The Board declared a final dividend of Rs 0.50 with respect to the year ended 30th June 2014.

Summary of dividend per share paid over the past five years in MUR:

Period	Interim	Final	Total
Year ended 31 st December 2009	0.50	nil	0.50
Six months ended 30 th June 2010	nil	nil	nil
Year ended 30 th June 2011	nil	nil	nil
Year ended 30 th June 2012	nil	nil	nil
Year ended 30 th June 2013	nil	nil	nil
Year ended 30 th June 2014	nil	0.50	0.50

BOARD OF DIRECTORS

There has been no change in the Board of Directors of the Company as at 30th June 2014.

The re-appointment as directors of Messrs Arnaud Lagesse and Jean de Fondaumière who retired by rotation shall be submitted to the approval of the shareholders at the forthcoming Annual Meeting of Shareholders, together with the re-election of Mr J. Cyril Lagesse as Director under Section 138(6) of the Companies Act in line with the recommendations of the Corporate Governance Committee, which also serves as Nomination Committee.

All new directors are given a Directors Induction pack to get acquainted with the Company and its subsidiaries. They are also encouraged to meet with the Company's senior officers to gain a better insight into the operations.

The table below sets out the directors' respective category, direct and indirect interests and number of other directorships in listed companies as at 30th June 2014:

Directors	Category	Direct Interest		Indirect Interest %	Number of Other Directorships in Listed Companies
		Shares	%		
Jean-Claude Béga	NED	239,253	0.21	-	3
Jean de Fondaumière	INED	-	-	-	3
Laurent de la Hogue	NED	25,000	0.02	-	1
Désiré Elliah	ED	855,766	0.75	-	-
Julian Hagger	ED	92,000	0.08	-	-
Alexis Harel	INED	21,538	0.02	-	2
Paul Jones	ED	100,000	0.08	-	-
Arnaud Lagesse	NICB	49,881	0.04	0.57	7
J. Cyril Lagesse	NED	90,570	0.07	-	3
Stéphane Lagesse	NED	107,564	0.09	-	-
Maxime Rey	NED	-	-	-	3
Christof Zuber	INED	-	-	-	-
Alternate Directors					
Jean-Raymond Harel	-	23,600	0.02	-	-
Amaury Lagesse	-	20,933	0.01	-	-
Hugues Lagesse	-	11,642	0.01	0.10	-
Dev Poolovadoo	-	486,947	0.43	-	-

ED Executive director
 INED Independent non-executive director
 NED Non-executive director
 NICB Non-independent Chairperson of the Board

None of the directors hold any direct interest in the subsidiaries of the Company.

During the year under review, share dealings by directors (including alternate directors) were as follows:

	Number of Shares Purchased/(Sold) Directly	Number of Shares Purchased/(Sold) Indirectly
Jean-Claude Béga	3,375	-
Arnaud Lagesse	9,939	-
Dev Poolovadoo	20,000	-

The directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules 2000, and disclose any transaction in the shares of the Company as applicable.

The Company keeps an Interests Register in accordance with the Companies Act 2001 and an Insiders Register pursuant to the Securities Act 2005, and the registers are regularly updated with the information submitted by the directors and/or other insiders as applicable.

COMMUNICATION

The Chairman and the Management of the Company regularly meet fund managers, institutional investors and investment analysts to discuss the state of affairs of the Company and that of the industry in general, within the parameters of the Listing Rules and other applicable regulations. Any figures or information presented to those panels are simultaneously posted on the Company's website.

The Company communicates with the broader investment community and stakeholders via press releases and its quarterly results, which is published on the website.

BOARD APPRAISAL

The Board appraisal is conducted annually by means of a questionnaire filled in by each director. The questions asked were categorised as follows:

- Company's relationship and communication with its shareholders
- Board's responsibilities and relationship with Executive Management
- Size, composition and independence of the Board
- Board meetings and Chairman's appraisal
- Board's committees
- Director's self-assessment

The results were analysed and discussed in the Corporate Governance Committee and improvement actions were considered for implementation. For the year under review, the evaluation process confirmed that a majority of directors consider the Board to be effective and well balanced.

Attendance Report (Year ended 30th June 2014)

	Board	Committees		
		Audit	Remuneration	Corporate Governance
Number of meetings held	5	5	2	1
Jean-Claude Béga	4	5		
Laurent de la Hogue	5			
Jean de Fondaumière	4	5	1	
Désiré Elliah	5			
Julian Hagger	5			
Alexis Harel	4	5	2	1
Paul Jones	5			
Arnaud Lagesse	5		2	1
J. Cyril Lagesse	4			
Stéphane Lagesse	5	4		
Maxime Rey	5			
Christof Zuber	5		2	1
In attendance				
Chief Executive Officer		5		1
Chief Financial Officer		5		
Chief Internal Auditor		2		
External auditors		1		

BOARD ACTIVITY DURING THE YEAR

The Board met five times between 1st July 2013 and 30th June 2014 - the individual attendance by directors is detailed below - for the purpose of considering and approving, amongst other things:

- The audited financial statements for the year ended 30th June 2013 and relevant publications
- Approval of Q1 results
- Approval of Q2 results
- Approval of Q3 results
- Budget for the financial year ending 30th June 2015

Decisions were also taken by way of written resolutions signed by all the directors.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee is governed by a Charter which is in line with the provisions of the Code of Corporate Governance for Mauritius (“the Code”).

The overall objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. In so doing, the committee will review the financial reporting process, the system of internal control and management of risks, the audit process, the ethical behaviour of the Company, its executives and senior officials, and the Company’s process for monitoring compliance with laws and regulations and its own code of business conduct.

In performing its duties, the committee maintains an effective working relationship with the board of directors, management, and the internal and external auditors. The committee mainly makes recommendations to the board for its approval or final decision.

To perform his or her role effectively, each Committee member is encouraged to obtain an understanding of the detailed responsibilities of Committee membership as well as the Company’s business, operations, and risks.

The Audit Committee met five times during the year and has, amongst other things considered the following:

- Approval of the financial statements as at 30th June 2013
- Review of the budget for 2014/15
- Audit Plan for 2014/2015
- Taken cognizance of the internal and external audit reports issued.

The members of the Audit Committee are as follows:

Alexis Harel – Chairman
Jean-Claude Béga
Jean de Fondaumière
Stéphane Lagesse

Remuneration Committee

The Remuneration Committee has as its main aim to determine the basic salary and other benefits attributable to the Senior Officers of the Company and that of the Directors. In this exercise the Committee takes into account prevailing market conditions and the job profile and responsibilities of the Officers and Directors.

The Remuneration Committee met two times during the year and its members comprised:

Arnaud Lagesse – Chairman
Jean de Fondaumière
Alexis Harel
Christof Zuber

Corporate Governance Committee

The Corporate Governance Committee, which also acts as the Nomination Committee, is governed by a charter which determines the objects and functions of the Committee.

The main role of the Committee is to advise and make recommendations to the Board on all aspects of corporate governance which should be followed by the Company, so that the Board remains effective while complying with sound and recommended corporate practices and principles.

The members of the Committee are :

Alexis Harel – Chairman
Arnaud Lagesse
Christof Zuber

Company Secretary

All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Independent Professional Advice

The directors may also seek independent professional advice at the Company’s expense as and when required.

Statement of Remuneration Philosophy

All directors receive a fixed fee and an additional fee for each board meeting attended. In addition, members of the Audit Committee and Corporate Governance Committee receive an extra fee for each committee meeting attended. No additional fees are paid to the members of the Remuneration Committee.

For the year ended 30th June 2014, there was no change to the fee structure of directors, which was as follows:

Board	
Annual director's fees	<i>Rs100,000</i>
Attendance fee	<i>Rs10,000</i>
Audit Committee	
Chairman's Attendance fee	<i>Rs75,000</i>
Member's Attendance fee	<i>Rs50,000</i>
Corporate Governance Committee	
Attendance fee	<i>Rs25,000</i>

Calendar of Important Events

Publication of 1 st -quarter results	<i>November 2014</i>
Annual Meeting of Shareholders	<i>December 2014</i>
Declaration/payment of interim dividend (if applicable)	<i>November/December 2014</i>
Publication of half-yearly results	<i>February 2015</i>
Publication of 3 rd -quarter results	<i>April/May 2015</i>
Declaration/payment of final dividend (if applicable)	<i>June/July 2015</i>
Financial year-end	<i>June 2015</i>
Publication of abridged end-of-year results	<i>September 2015</i>

Internal Control and Risk Management

The directors are responsible for ensuring that the system of controls that is in place is sufficient and appropriate in order to enable the Company to mitigate the risks which may impact its objectives. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

Remuneration paid to each executive director has not been disclosed individually as the Board considers this information as very sensitive in this very competitive environment. However, remuneration is set by the Remuneration Committee based on prevailing market rates.

Related Party Transactions

Please refer to page 120, Note 39 to the Financial Statements.

Executive Share Scheme

Please refer to Note 33 of the Financial Statements.

Donations

The Company has a policy of channelling all requests for donations (excluding political donations, which are dealt with directly by the Board) and other forms of social assistance through its Corporate Social Responsibility function, duly incorporated under Lux Island Resorts Foundation since December 2009. Please refer to page 53, in Other Statutory Disclosures, for information regarding political and other donations.

Internal Audit

The Company has an established internal audit function which reviews internal controls on an ongoing basis. The function is headed by a Chief Internal Auditor who reports administratively to the CEO and functionally to the Audit Committee. A risk-based audit plan, which provides assurance over key business processes and business risks facing the Company, is approved by the Audit Committee annually.

Risk Management

The Group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The Board has overall responsibility for setting the risk management strategy and the audit Committee reviews, monitors and assesses the process to ensure adequacy and effectiveness of the risk management system. All risks are documented in a Risk Register and this is reviewed at least yearly to identify new and emerging risks. All mitigating measures taken to manage those risks are subject to review at least annually and reported to the Audit Committee.

The main risks faced by the Group are listed below.

- **Industry or sector risk**

The volume of tourist arrivals in Mauritius and the other destinations where the Group operates may not grow to match with the expansion in room capacity brought about by the construction of new hotels. This imbalance may create competitive pressure on Lux Island Resorts Ltd.

The Group is however well experienced and positioned in the market and is able to compete effectively in the main markets.

- **Political risk**

The role of Government is crucial in the development of the tourism industry. Political stability, allocation of adequate funds for the promotion of this sector and a well balanced approach to the opening of air access are very important factors to be considered.

The Company, through its affiliation with 'Association des Hoteliers et Restaurateurs – Ile Maurice' (AHRIM) and equivalent associations in Maldives and Réunion, takes part in discussions which affect the policies regarding air access and tourism.

- **Market Risk**

The economic recession or downturn in Europe which remains the Group's main market could adversely and materially affect the Group's operations and financial condition.

Management's strategy is to diversify its client base so as to be less dependent on one market.

- **Information System Risk**

The Company relies on critical information systems to handle its operations. A breakdown in any of these systems will cause disruptions in operations and may affect the financial results. Regular backups of all systems are kept to mitigate the risk of information loss. An IT audit was conducted in the financial year to identify any weaknesses in our systems and measures were taken to address those weaknesses.

- **Human Resource Risk**

The hospitality industry, in the countries in which the Group operates, is very competitive and with the limited workforce available in these countries, finding the right people and retaining them are the challenges that the Group face.

The Group conducts regular salary benchmarking across the industry to ensure that its people receive salaries and benefits which are in line with industry norms. Moreover, the Company has a well-defined training programme to ensure the continuous development of its staff. The Company has also joined forces with Ron Kaufman, founder of UP! Your Service College and one of the world's most sought-after educators, consultants, and thought-leaders in achieving superior service.

- **Health, Safety and Environmental Risks**

The health and well-being of our guests and staff is a high priority for the Group. Intensive training is provided to staff, and the highest standards of care are applied to the services and products provided to our guests.

- **Insurable Risk Review**

In order to protect itself against any liability falling outside the scope of coverage or against any inadequate coverage, the Group reviews its insurance policies on a yearly basis with expert advisors.

- **Financial Risks**

The Group's activities expose it to a variety of financial risks. A description of the significant risk factors is given below.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to clients with an appropriate credit history. Adequate insurance cover has also been taken against this risk.

Interest rate risk

The Group is exposed to interest rate risk as it borrows at variable rates (PLR, LIBOR, EURIBOR and OAT) + a margin. Any increase in these rates may negatively affect its results.

Foreign Exchange risk

It is the practice in the hospitality industry to fix tariffs yearly in advance. In order to achieve stability of tariffs in the overseas markets and as a hedge against a fall in the value of the Mauritian Rupee, contracts with tour operators are denominated in the major international currencies of the markets to which the foreign tour operators belong.

A significant number of contracts are therefore denominated in Euros, Pounds Sterling and US Dollars and invoices are raised in these currencies. While protecting the Group against any fall in the parity of the Mauritian Rupee, it exposes it to a fall in revenue should the Rupee appreciate against one or more of the international currencies.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

• **Ethics**

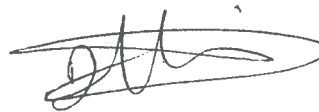
The Group's whistleblowing policy, which is an extension to the Group's Code of Ethics, gives details of the telephone hotline in place to report any areas of malpractices, fraud or non-compliance to law or Company's policies. The hotline is operated by an independent third party to ensure confidentiality of matters reported. All cases are investigated and reported to the Corporate Governance Committee.

• **Corporate Social Responsibility**

Please refer to the Sustainable Development Practices on pages 55 to 58.

• **Green Initiatives**

Please refer to pages 55 to 58.



Désiré Elliah
LUX Hospitality Ltd
Secretary

29th September 2014



LUX*

RESORTS & HOTELS

SUSTAINABLE DEVELOPMENT PRACTICES

(G4-20; G4-21)

SUSTAINABILITY STRATEGY

At LUX* Resorts and Hotels, our sustainable practices are multiple and include workplace diversity and inclusion, ethics, community involvement as well as environmental protection. We do our best to translate our corporate responsibility into economic, social and environmental development.

Our strategy is also in line with the overall LUX* Group Sustainability Approach. LUX* Resorts and Hotels is also a part of the GML Group of companies, which has at heart the protection of the environment for the benefit of present and future generations. The Group has adopted an Environment Charter, and has also set up an Environment Committee, which includes representatives from all subsidiaries and associate companies. Above all, the GML Think Green strategy seeks to 'encourage an integrated social, economic and environmental approach to the activities of all Group companies, and to minimise any ecological impact'.

For its first Sustainability Report, LUX* Resorts and Hotels has adopted the Global Reporting Initiative (GRI) G4 Guidelines. The GRI's aim is to help reporting companies prepare sustainability reports containing valuable information about the organization's most critical sustainability issues using a standardized framework. LUX* Resorts and Hotels seeks to meet the requirements of the 'in accordance' core option of the G4. It will soon subscribe to the Mauritius Stock Exchange's forthcoming sustainability Index that has been aligned with the G4.

The material Aspects of the organization that are covered in this report are: Economic Performance (Economy); Energy, Water, Emissions, Effluents and Waste (Environment); Non-discrimination (Human Rights); Occupational Health and Safety, Employment, Training & Education (Labour Practices & Decent Work); Product and services labelling (Product Responsibility). The methodology and processes used to determine materiality are summarized in Annex 1. The relevant Disclosures on Management Approach (DMA) and Aspect-specific DMAs are also reported. The GRI Content Index is found on page 72

The major sustainability highlights of LUX* Resorts and Hotels over the fiscal period 2013-2014 :

- **ENERGY:** Energy consumed was 199 Terajoules in 2014, 532 Megajoules per RNS (Room Night Sold).
- **ELECTRICITY:** Overall electricity consumption was 45 Terajoules, 120 Megajoules per RNS.
- **WATER:** Three hotels operate a desalination plant.
- **WASTE WATER:** All hotels have a Waste Water Plant
- **RECYCLING:** All waste water is recycled for irrigation. All PET bottles and cans are segregated from general waste for recycling.
- **WASTE:** Solid waste generation was 6,124 tonnes in 2014, 16 kg per RNS.
- **EMISSIONS:** Scopes 1 and 2 emissions are estimated at 33,045 t CO₂e, 88.1 kg CO₂e per RNS.
- **EMPLOYMENT:** There were 2,758 team members as at 30 June 2014 (including 822 new hires), up from 2,592 as at June 2013
- **TRAINING:** The number of hours of training per team member averaged 70.68 hours in 2014, up from 41.89 hours in 2013.
- **LOCAL COMMUNITIES:** An amount of Rs 2.18 million was allocated to CSR projects in 2013, compared to Rs 837,000 in 2013.
- **CUSTOMER SATISFACTION:** The overall satisfaction level for the Group stands at 88.9% for the past year.

OUR MARKETS

Our first Sustainability report covers the operations of 8 hotels, namely LUX Belle Mare, LUX Le Morne, LUX Grand Gaube, LUX Maldives, LUX Ile de la Reunion as well as Tamassa, Merville and Hotel Le Récif. Our leading markets, in order of importance, in terms of number of tourist arrivals for the year ending 30th June 2014 are: France, UK, Reunion, Germany, China, Switzerland, India, Russia, Mauritius and Italy. The profile of tourists is varied and includes couples, honeymooners, families, repeaters as well as business people attending meetings, incentives, conferences, and exhibitions (MICE).

OUR ECONOMIC IMPACT

Our engagement process with our stakeholders revealed that the most material Aspect within the Economic Category was Economic Performance.

Our aim to integrate sustainability considerations into our business decisions, values and operations for the benefit of all of our stakeholders provides the driver for us to:

- comply with relevant legislations;
- develop and maintain an ethical climate and culture based on the pillars of respect, honesty, accountability, transparency and fairness;
- engage with all stakeholders, taking into account their legitimate expectations and interests in our decision making processes;
- implement management systems that are aligned with international best practice;
- promote environmental and social responsibility and responsiveness amongst our guests, employees ,suppliers, contractors and concessionaires; and
- apply social and environmental criteria in the sourcing of goods and services wherever practical.

We create value for our stakeholders in many different ways, generating and distributing direct economic value generated and distributed among our key stakeholders, as described below.

• Customers

For the financial year ended 30th June 2014, the total revenue of LUX* Resorts and Hotels amounted to Rs 4.6 billion of which 48.6%, 32.7% and 18.7% were generated from our operations in Mauritius, Maldives and Reunion Island, respectively.

• Suppliers

Payment to suppliers for materials and services amounted to Rs 1.96 billion. This represents a significant contribution in the turnover of many of our suppliers and contractors. The value created during the financial year 2014 amounted to Rs 2.6 billion and has been distributed among employees, providers of capital, government and parastatal corporations as well as being reinvested in the company.

• Employees

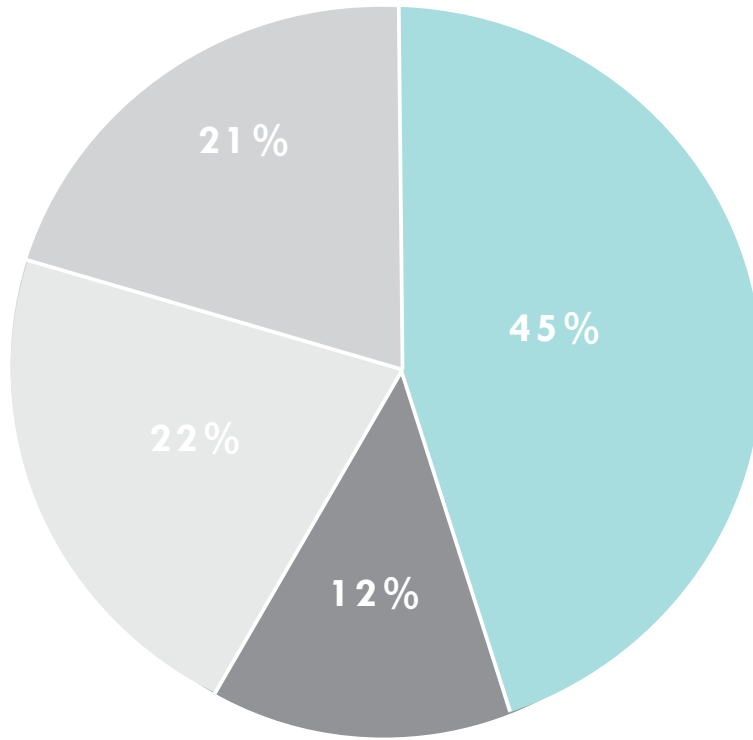
LUX* Resorts and Hotels offers direct employment for 2,758 people in the countries we operate. In the financial year ended 30th June 2014, total staff cost amounted to Rs 1.2 billion representing 45% of the value created during the year. Remuneration paid by LUX* Resorts and Hotels to its team members has a direct effect on their purchasing power and consequently also on the wider economic vitality of Mauritius, Reunion and Maldives.

<http://www.gov.mu/portal/sites/legaldb/legislation/epa.htm>. Accessed on 16 September 2014.

http://epa.gov.mv/index.php?option=com_content&view=article&id=30:environment-protection-and-preservation-act-law-no-493&catid=9:environmental-laws&Itemid=19. Accessed on 16 September 2014.

<http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT00000551804&categorieLien=id> Accessed on 16 September 2014.

SUSTAINABLE DEVELOPMENT PRACTICES



- MEMBERS OF STAFF
- PROVIDERS OF CAPITAL
- GOVERNEMENT AND PARASTATAL
- CORPORATIONS REINVENTED IN THE GROUP

<http://www.sids2014.org/content/documents/68Energy%20Strategy.pdf>. Accessed on 16 September 2014.

<http://publicutilities.gov.mu/English/DOCUMENTS/NEC%20FINAL%20REPORT.PDF>. Accessed on 16 September 2014.

<http://www.environment.gov.mv/v1/download/623>. Accessed on 16 September 2014.

<http://www.arer.org/L-agence-regionale-energie-Reunion.html>. Accessed on 16 September 2014.

<http://www.arer.org/L-agence-regionale-energie-Reunion.html>. Accessed on 16 September 2014.

PROVIDERS OF CAPITAL

- **Shareholders**

At 30th June 2014, LUX* Resorts and Hotels had 3,277 shareholders registered on the Stock Exchange of Mauritius. The shareholders are rewarded through dividends and share appreciation. The share price of LUX* Resorts and Hotels is among the best performers on the market since January 2014 with an appreciation of 55% from 31 December 2013 to 30 September 2014. The dividend policy of LUX* Resorts and Hotels is to distribute 50% of the profit after tax subject to internal cash flow requirements.

- **Banks**

During the year ended 30th June 2014, LUX* Resorts and Hotels has paid an amount of Rs -259.3 million as finance charges on its borrowings.

- **Payment to Government and Parastatal bodies**

LUX* Resorts and Hotels paid during the financial year ended 30th June 2014 an amount of Rs 572 million as taxes and levies to Government and Parastatal bodies. This amount represents 22% of the value created by the Group in 2014.

- **Reinvested in the Group to maintain and develop operations**

An amount of Rs 542.8 million has been reinvested in the Group to maintain and develop operations.

The Value Added Statement on page 12 summarises the value created by LUX* Resorts and Hotels during the financial year ended 30th June 2014 and its distribution among the different stakeholders.

COMMUNITY INVESTMENTS

In 2014, LUX* Resorts and Hotels contributed Rs 1,091,500 to GML's Fondation Joseph Lagesse on various projects driven by the Foundation. An equivalent sum was additionally spent on Corporate Social Responsibility (CSR) projects within the vicinity of the hotels and resorts in Mauritius (please see page 61).

OUR ENVIRONMENTAL FOOTPRINT

LUX* Resorts and Hotels is a leading group of hotels that strongly believes in sustainable tourism development. While tourism is seen as a way of improving an island's economic and social wellbeing, it can also impact on the environment in ways that cannot be ignored. The level of acceptance of these impacts is largely dependent on the perceptions of the benefits the sector provides to the population. Nevertheless, the hotel sector has many opportunities to mitigate these impacts through their involvement in enhancing the wellbeing of the population and by investing in environmental protection.

LUX* Resorts and Hotels is committed to comply with all relevant national laws and regulations. These include the Environmental Protection Act 2002 and its Regulations and Standards (Mauritius), The Environmental Protection and Preservation Act 1993 (Maldives), La loi n° 95-101 du 2 février 1995 (Reunion-France). All the hotels in Mauritius pay an Environment Protection Fee at a rate of 0.85 % of turnover. In 2014, the amount stood at Rs 11.8 million, rising up compared to the Rs 10.6 million paid in 2013.

Beyond mere compliance with legislations, we voluntarily improve our environmental responsiveness continuously by enhancing our environmental management system and the prevention of pollution. Our commitment to mainstream good environmental practices in our operations emanates from our values that are exemplified by the company's top management and reproduced at all levels of responsibility within the organisation. Since measurements are key to monitoring and reporting our environmental performance, LUX* Resorts and Hotels will develop and monitor its annual environmental objectives and targets to assist in meeting its commitments. LUX* Resorts and Hotels firmly believes in making sustainable tourism development a reality in order to meet the needs of present tourists and local communities while protecting and enhancing opportunities for the future. It is hence committed to managing resources in such a way that the economic, social and aesthetic needs can be fulfilled for both present and future generations while maintaining cultural integrity and essential ecological processes, including biological diversity and life support systems.

LUX* Resorts and Hotels also believes that the participation of its team members is essential in increasing resources efficiency. It has set up a Green Committee, composed of employees, that oversees all actions and implementation pertaining to resources management. By involving employees, it raises their interests in the workplace and takes actions towards meeting the company's objectives. Our targets for increasing resources efficiency by 2020 relative to the 2013-2014 baseline are based on Room Nights Sold (RNS), that is our main performance figure allowing us to measure our resource intensity. Our sustainability goals, which will be monitored and, if needed, updated on an annual basis are:

- To reduce our Group CO2 emissions by 10% on RNS by 2020
- To increase our Group energy efficiency by 10% on RNS by 2020
- To reduce Group waste produced by 10% on RNS by 2020
- To increase our Group water usage efficiency by 5% on RNS by 2020

As from the next fiscal year, the Green Committee will be known as the 'Sustainability Committee' and will meet regularly to establish general policies and actions to meet these challenging sustainability objectives, as well as to monitor environmental sustainability for all our operations.

ENERGY

The bulk of electricity in Mauritius originates from imported petroleum products (55%) and coal (30%) with only 15% coming from locally available sources namely "bagasse", hydro, wind, landfill gas, and photovoltaic. Our hotels are connected to the national electricity grid. The current energy policy in Mauritius is driven by the Government's Long-Term Energy Strategy (2009-2025) approved in 2009. However recent debates include the National Energy Commission's (2013) recommendations for more renewable energy in its report entitled "Making the right choice for a sustainable energy future: the emergence of a Green Economy".

In the Maldives, there are abundant renewable energy (RE) resources but their use is minimal beyond solar water heating in resort islands. The Maldives National Energy Policy & Strategy (2010) seeks to provide secure and affordable energy supply; introduce more renewable resources by 2020; promote energy conservation and energy efficiency. In Réunion, two policies related to energy development are the Programme Régional de Maîtrise de l'Énergie (PRME) and the Programme Régional d'Exploration et d'Exploitation des Énergies Renouvelables et d'Utilisation Rationnelle de l'Énergie (PRERURE).

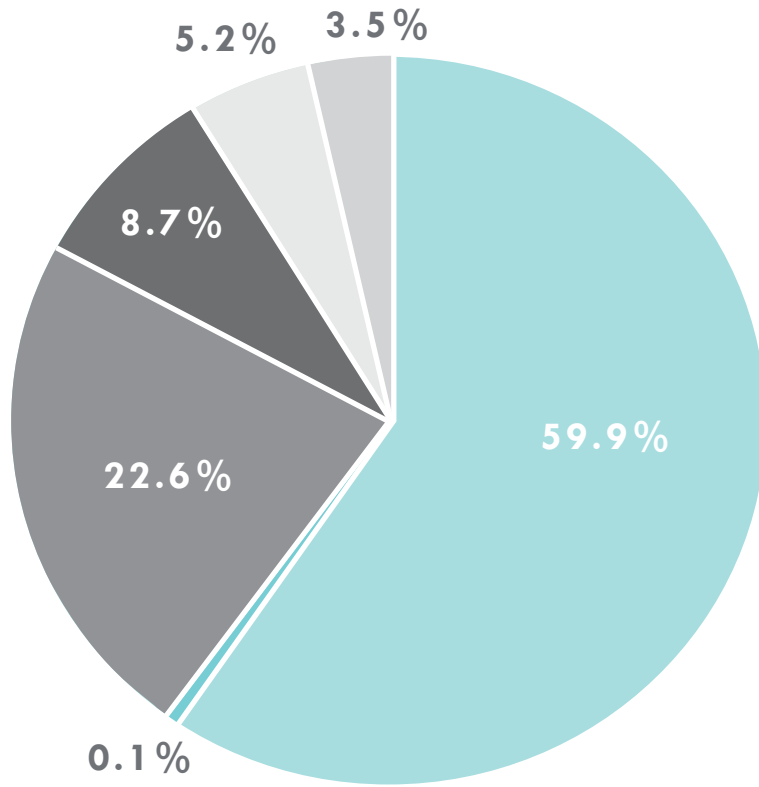
The expenditure on energy (electricity and fuel) represents 8% of our operating costs. This explains why the company has long focused on cutting energy consumption and increasing the energy efficiency in our operations. The double dividend of this business strategy is its support to the national energy policies and strategies. Other important reasons are that the overuse of limited and non-renewable resources does bring negative impacts on the global environment in terms of greenhouse gas (GHG) emissions. Energy efficiency measures are cost effective means to decrease operating costs and GHG emissions simultaneously.

Over the past years, LUX* Resorts and Hotels has taken initiatives to bring continuous improvements in energy efficiency. It has implemented a Carbon/Energy Management Plan which involves different actions to be undertaken. Energy performance is monitored on a weekly and quarterly basis. Since the cost of energy, and hence the benefits of energy efficiency, are crucial in investment decisions, LUX* Resorts and Hotels will continue to invest in new technologies and initiatives so as to enhance optimization of energy usage.

ENERGY CONSUMED

Total energy consumed by LUX* Resorts and Hotels was estimated at 199,296,954 MJ (i.e. ~199 TJ) in 2013-14, which represents 532 MJ/RNS in 2013-14. Fuel and Electricity respectively represented 60% and 23% of total energy consumption. Please see Table A.1 in Annex 2 for details. The highest amount of energy consumption is attributed to Maldives, while in Mauritius the hotels and resorts constituting the largest users of energy are LUX* Grand Gaube, LUX* Belle Mare and Tamassa. In one hotel (LUX* Grand Gaube, Mauritius), cooking oil is being recycled into a biofuel (~147 GJ) to substitute for diesel in a hotel vehicle.

SUSTAINABLE DEVELOPMENT PRACTICES



- FUEL
- RECYCLED OIL
- ELECTRICITY
- HEATING
- COOLING
- STEAM

Several energy saving measures including conservation and efficiency improvements have been introduced to reduce the energy consumption, and hence the energy bill. An Energy Management System (EMS) has been introduced in all hotels. Key cards control in all rooms ensures that lighting, air conditioners and other electronic appliances are switched off whenever the rooms are unoccupied. External lighting is timer-controlled, while fuel consumption in standalone generators is monitored on a daily basis. Preventive and regular maintenance contribute towards energy conservation, and investments have also been made to replace halogen bulbs with LED lighting.

WATER

The objective of LUX* Resorts and Hotels is to optimise the use of fresh water by consuming it in the most efficient way and by preventing negative impacts on the quality of surface water in the regions and destinations where our resorts operate. We, therefore, comply with all the legislative requirements for water quality, and regular measuring is performed. It makes use of ozone friendly cleaning agents. In some locations (LUX* Maldives, LUX* Grand Gaube and LUX* Le Morne), water is supplied by desalination plants thus reducing the water stress on local supplies. Water desalination is very costly thereby limiting its larger scale adoption.

Guests are sensitized on water efficiency through in room collaterals and the “Laundry Asterix” with messages to reduce laundry. Less laundry provides the co-benefits of reduced water and energy consumption, lower GHG emissions and operating costs. Optimizing the use of water is also part of our strategy to adapt to climate change and climate variability in the locations where we operate. Climate change is expected to reduce precipitation in the future, while climate variability is increasing the incidence of extreme weather events such as droughts and severe flooding. This makes the monitoring and evaluation of water usage a critical activity in our efforts to reduce water consumption by RNS by 10% in 2020.

Total water abstracted amounted to 1,314,902 m³ in 2013-14. The water intensity was 3.5 m³/RNS in 2013-14. About 46% of all water is supplied by the national utilities. In Maldives, fresh water is obtained exclusively from desalination and constitutes 90% of all desalinated water (see Table A.2 in Annex 2). Rainwater harvesting totaling 95 m³ is carried out in three of our operations in Mauritius.

Our resorts and hotels are able to recycle and reuse up to 50% of their water consumed. In the hotels that operate a desalination plant, about 40% of pumped water is converted to fresh water through reverse osmosis while the brine which represents the rest is injected back into boreholes.

WASTE

Waste can be very harmful, especially in small islands where waste disposal areas are very limited. During the process of new product development, consideration is given to avoiding waste during production and to the possibility of recycling the finished product. Waste is segregated at all plants to facilitate the logistics for optimal recycling. A proportion of the waste produced is first of all reused (especially glass bottles of water) while other waste products such as plastic bottles, paper or used oil are recycled. LUX* Resorts and Hotels works with the company Bioil which collects around 2 tonnes of used oil per year and converts it into biofuel. It also makes use of its food and organic waste to produce compost for its herb gardens that also comprise worm farms.

LUX* Resorts and Hotels aims to generate less waste through awareness and sensitization among its team members and guests. It is working towards the further implementation of an Online Management System to reduce paper use.

Solid waste generated at our resorts and hotels amounted to 6,124 tonnes in 2013-2014. Most of the waste (90%) is channeled to the landfill. LUX* Maldives for its part incinerates most of its waste, namely some 300 kg per day.

CARBON FOOTPRINT

We recognise that Tourism development can contribute significantly to increasing energy use and emissions. At LUX* Resorts and Hotels, we have opted for the reduction of its carbon footprint in our hotels. Tread Lightly, an initiative adopted in July 2011 and re-launched in July 2013 - aims to offset the carbon emissions of each guest. Tread Lightly is our flagship initiative for climate change mitigation, and it forms a significant contribution to our commitment to tackling the main cause of climate change that is already having adverse socio-economic and environmental impacts onto the islands within which we operate.

Climate change and the necessity to reduce the level of greenhouse gas emissions (GHGs) are important concerns for the three islands where LUX* Resorts and Hotels operates. The Environment Protection (Standards for Air) Regulations in Mauritius makes provisions for standards on air emissions. Major pollutants monitored are: sulphur dioxide, oxides of nitrogen, carbon monoxide, ozone, particulate lead and respirable suspended particles (PM10). In Reunion, the GERRI project (Green Energy Revolution) has been implemented since 2007 with a view to introduce low carbon innovations in all sectors of the economy and of society, including tourism. Pollutants monitored in the Maldives by the Ministry of 'Environment, Energy and Water' include: CO₂, NO₂, SO₂, O₃.

The emission of GHGs has negative impacts on the global environment, with islands being most vulnerable to climate change. To address this concern, LUX* Resorts and Hotels has embarked on a journey towards a carbon clean future through its project "Tread Lightly". It aims to offset 100% of the carbon emitted during guest stays. Through "Tread Lightly", LUX* Resorts and Hotels intends to further invest in technologies towards reduction of carbon emissions for a clean future. We invite you to join us in this great initiative.

LUX* has embarked on a journey towards a carbon clean future through its project "Tread Lightly", which is the offsetting of 100% of the carbon emitted during guest stays. LUX* is working in partnership with ImpactChoice (www.impactchoice.com), a leading market provider of environmental sustainability solutions.

We provide our guests with the opportunity to offset the total CO₂ emissions by contributing to the Sofala Community Carbon Project in Mozambique, which involves the rehabilitation of forest areas. This project has been validated by Envirotrade (http://www.envirotrade.co.uk/html/projects_gorongosa.php). Under the project, farmers situated in the previously war-torn area of Sofala have become the contracted guardians of new forests and receive an income from the sale of carbon offsets. Such carbon finance has brought food security and economic development while making possible the realization of community projects such as schools and other businesses like honey production, poultry farming and furniture-making.

An amount of one euro per room night is charged for tourist stays. While 35% of the offsetting fees go to the Sofala Project, the rest is invested in local projects in all three countries in which LUX* operates, with a view to reduce carbon. It is estimated that one tourist night represents 88 kg CO₂.

Guests can participate actively in the project. Guests who contribute towards the project receive an offset certificate from the Sofala Community against the planting of trees. Euros 141,920 have been collected through this project in 2013-2014 and 49,672 are being invested back in Mozambique to offset carbon emissions.

Euros 92,248 are being invested in the three countries to enhance the positive environmental, economic and socio-cultural impacts of LUX* Resorts and Hotels.

<http://www.luxresorts.com/en/tread-lightly> - accessed 8 September 2014.

<http://environment.gov.mu/English/Pages/Legislations/Standards/Air.aspx>. Accessed on 16 September 2014.

<http://www.developpement-durable.gouv.fr/Le-projet-Reunion-2030-GERRI.html>. Accessed on 16 September 2014.

Through "Tread Lightly", LUX* intends to further invest in technologies towards reduction of carbon emissions for a carbon clean future. Initiatives implemented in LUX hotels so far include:

- An energy management system, to reduce energy consumed by heating and air-conditioning
- Locally-bottled water, to reduce its carbon footprint
- A laundry reduction programme
- Recycling of glass, paper and used oil
- Composting
- Reuse of waste water for irrigation
- Tree and coral planting
- Participation in events such as Earth Hour and the World Environment Day
- Regular awareness and education exercises in the various hotels, targeting team members and guests.

Why the Sofala Community Project?

It is above all a certified carbon-offsetting project. The community is based in central Mozambique and has suffered a lot both during and after the civil war. Agriculture had virtually collapsed; there was little or no access to medical help, education, employment, capital or markets. Food shortages accelerated the spread of disease and malnutrition. Envirotrade joined up with the European Commission, the University of Edinburgh and the Edinburgh Centre for Carbon Management to help rebuild the local economy by establishing environmentally-responsible farming and food production in a pilot 865,000-acre area located in the buffer zones around Gorongosa and Marromeu National Parks in the central Sofala province of Mozambique. Land-use change in the buffer zones takes pressure off the protected areas and their natural resources, and assists in the rehabilitation of the park lands.

The project works with communities to rehabilitate the forests on their land and introduce new, sustainable farming practices, such as planting new crops alongside nitrogen-fixing trees. These new practices have had a dramatic effect on the yields of cash crops such as cashews and fruit, and now provide healthy livelihoods for well over 1,000 families. Hundreds of other farmers have been employed as guardians of new forests. All in all, it is an excellent project that has transformed lives and the people's land and environment. The project is certified by Plan Vivo who retire all credits sold on the public Markit registry.

SUSTAINABLE DEVELOPMENT PRACTICES

The Sofala Carbon Community Project operates under an authorisation issued by the Land and Forest Department of the Ministry of Agriculture (MIAG) for carbon sequestration and REDD+ based on a formal agreement with the Government of the Republic of Mozambique, and consists of the following 3 sub-projects:

1. The Gorongosa Agroforestry sub-project
2. The Zambezi Delta Agroforestry sub-project
3. The REDD+ Gorongosa sub-project

The mitigation actions are as follows:

A total of 28 groups comprised of 1,695 men and 1,104 women implement a number of environmental technical specifications as follows:

ACTIVITY NAME	DESCRIPTION	TECHNICAL SPECIFICATION
Faidherbia	Dispersed inter-planting of nitrogen fixing tree	MOZ-TS-DIP var. Faidherbia albida v.2
Cashew	Planting cashew orchards	MOZ-TS-FO-cashew
Homestead	Planting fruit and shade trees around homesteads	MOZ-TS-HP
Mango	Planting mango orchards	MOZ-TS-FO-mango
Woodlot	Planting woodlot of indigenous tree species for fire wood	MOZ-TS-WL
Boundary	Planting tree borders around fields / machambas / indigenous tree species to reforest the area	MOZ-TS-BOU v.2
Gliricidia	Dispersed inter-planting of nitrogen fixing tree	MOZ-TS-DIP var.Gliricidia
No-burning of agri-residues	Non-burning of agri-residues	MOZ-TS-NBA v.4
REDD+	Conservation and protection of zones from deforestation and degradation	Conservation of miombo woodland in Mozambique ver 2.2

SUSTAINABLE DEVELOPMENT PRACTICES

The project operates in accordance with the activities listed above based on the following project areas:

ACTIVITY	AREA (ha)
Boundary	2,594
Cashew	210
Gliricidia	54
Homestead	138
Faidherbia	1,107
Mango	56
No Burn	2,805
Woodlot	276
REDD+	9,105

Note: These are not absolute areas but rather the area that the activity covers which may overlap with other activities

For the Financial Year ending 30 June 2014, LUX* Hotels & Resorts conducted its GHG Assessment and drafted its Carbon Footprint Report (http://www.luxresorts.com/media/2552755/GHG_Audit-Report_LUX-Resorts_FYE-2014_web.pdf), based on the 'GHG Protocol Corporate Accounting and Reporting Standard' and the 'Hotel Carbon Measurement Initiative'. In the absence of direct measurement and monitoring equipment, the assessment was based on 'emission factors' applied to the amount of resources consumed. Figures reported here constitute the baseline, and will be used as a reference for monitoring and implementing improvements. All nine operations across the three islands have been taken into account.

The total emissions of LUX* Hotels & Resorts were estimated at 621,832 t CO₂e, the highest share being attributed to Scope 3 emissions (94.69%). Scope 1 emissions are direct emissions from LUX* Resorts and Hotels' operations that are owned or controlled by the organization. In the present case, Scope 2 emissions (Indirect Energy) result from the generation of purchased or acquired electricity within the organization. Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur outside of the organization, including both upstream and downstream emissions. Please see Table A.3 in Annex 2 for details. Scopes 1 & 2 emissions alone represent a total of 33,045.41 tCO₂e, which is equivalent to 88.1 Kg of CO₂e / RNS.

Total GHG Emissions by Scope

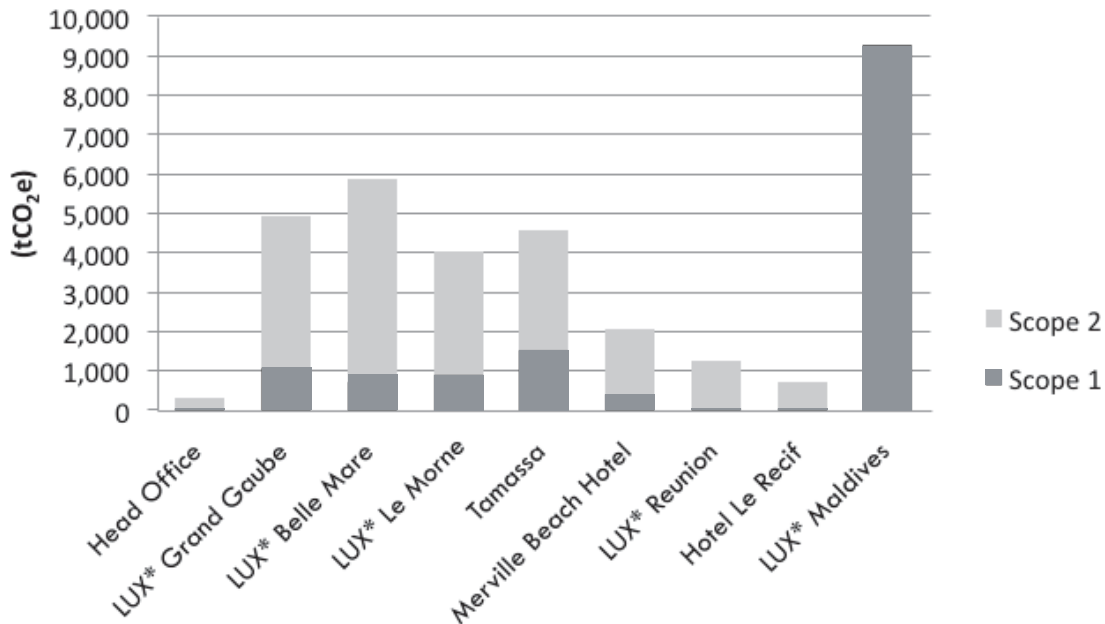
GHG Inventory 2013/2014	Scope 1	Scope 2	Scope 3	Total
Metric tonnes of CO ₂ e (tCO ₂ e)	13,998.33	19,047.08	588,787.41	621,832.82
Percentage of total (%)	2.25	3.06	94.69	100.00

The total emissions can be represented in relative terms using emissions per team member (~212 tCO₂e/team member) or emissions per unit area of hotel infrastructures (~4 tCO₂e/m²). These are summarised in the figure below.



The hotels and resorts that account for the highest levels of emissions (Scope 1 and 2) are LUX* Maldives, LUX* Belle Mare, LUX* Grand Gaube, Tamassa and LUX* Le Morne. With respect to Scope 1, the source of emissions comprised stationary combustion (81%), fugitive emissions (10%) and mobile combustion (9%).

Carbon/GHG emissions by operation (Scopes 1 and 2)



The Scopes 1 and 2 GHGs are being offset through the Sofala Carbon Offsetting project. LUX* Resorts and Hotels will moreover take additional measures, through various energy efficiency projects, during the coming years to further reduce its emissions with an aim to reduce its emissions by 10% by 2020.

<http://www.wri.org/publication/greenhouse-gas-protocol>. - accessed on 3 October 2014.

<http://www.tourismpartnership.org/what-we-do/products-programmes/hotel-carbon-measurement-initiative> - accessed on 3 October 2014.

EFFLUENTS

All hotels and resorts dispose of their wastewater in a sustainable manner. Hotels are equipped with secondary treatment plants to treat their wastewater and the totality is used for irrigation of lawns and gardens. The volume of water treated stood at 378,444 m³ in 2013-2014. Sewerage treatment plants (STPs) that are based on the activated sludge process are able to dry the sludge and recycle it for use in the nursery for plants. The treated water is tested every month by an accredited laboratory (namely SGS), and, in Mauritius, the results are sent to WMA and MoESD. The treated water is as per the 'Standards of effluent for use in Irrigation Regulations' - Government Notice No.46 of 2003 . Resorts and hotels that do not have activated sludge and are not able to dry their sludge pump and send their sludge to an approved sludge disposal site.

In addition, the brine that is obtained from desalination plants is injected back into approved boreholes in a manner that does not impact adversely on the environment. In Mauritius, desalination plants are in fact used only to compensate for water supply shortfall from the utility. Brine is diluted before discharge, in line with the best environmental practices and regulations.

BIODIVERSITY

Maldives is well known for its rich marine biodiversity and its turquoise lagoon. The clear waters of the ocean are home to an infinite variety of species, multi-coloured coral fish and other marine fauna. A number of legislations in the country ensure that the marine environment is carefully protected. In addition to the Environmental Protection and Preservation Act 1993 which provides the overarching structure for the protection and preservation of the environment in the Maldives, the Maldives Tourism Act 1999 stipulates the conditions under which tourism can be developed in the islands and requires that an Environmental Impact Assessment be carried out prior to any new development. The Regulation on the Protection and Conservation of Environment in the Tourism Industry 1999 additionally stipulates the standards for the protection and conservation of environment in the tourism industry. The development of tourism by LUX* Maldives is totally in line with the Government's policy to pursue the sustainable development of tourism.

Guests continuously have the opportunity to explore the cultural and ecological wonders of the Maldives' marine environment. One major initiative implemented by LUX* Maldives is the opening of a Marine Biology Centre dedicated to research the presence and conservation of whale sharks in the South Ari Atoll Marine Protected Area. The team works with marine biologists to collect data on the shark population, observing their migration patterns and feeding habits for instance. The whale sharks are listed as vulnerable on the IUCN (International Union for Conservation of Nature) Red List. All guests are requested to participate in the project by contributing to a conservation fund which goes to the project. The Centre also organizes regular "Whale Shark Education Days" to raise awareness about whale sharks within the local community.

Our People

EMPLOYMENT

There was a total of 2,758 team members employed as at 30 June 2014 across all locations. LUX* Resorts and Hotels is committed to making its hotels and resorts a Great Place to Work for its Team Members, who through, hard work and dedication are able to bring exceptional results. The majority of the recruited staff (that is an average of 82% for all locations) comes from within the same geographical region as the hotels. Recruiting locally certainly has an important impact socially while allowing to Team Members quick commuting between their place of work and their places of residence.

Total number and rates of new employee hires

Male	Female	Total	Within same Region
580	269	849	82%

We recruit, train and retain Team Members and ascertain that LUX* Resorts and Hotels is a great place to work. Our expectations from our Team Members and our commitments to them are reflected in the 'Beliefs and Pledges' where emphasis is placed on showing Consideration for people.

During the stakeholder engagement process for the preparation of the sustainability report, all stakeholders indicated employment as a main concern. LUX* Resorts and Hotels has moreover implemented since 2005 the "Team Member Engagement Survey" to measure among others our team members' loyalty and leadership and to take actions to improve it. This makes LUX* Resorts and Hotels a pioneer in the Tourism industry for consistently listening to its Team Members. The survey measures the Team Members' perception of the work environment, their engagement with LUX* Resorts and Hotels as well as the leadership support.

The different indicators include, among others, the Team Member Morale; Personal and Professional Accomplishment; Interrelationships, Sense of Belonging and Recognition; Physical Comfort at Work, Ergonomics, Salary, Benefits, Fun and Excitement. As a result, three indices have been established, namely the Global Index, the Leadership Index and the Loyalty Index. We are glad to note that the Loyalty Index progressed from 65 to 73 for LUX* Resorts and Hotels, while the Global Index and the Leadership Index progressed from 62 to 69 and 64 to 69 respectively. This positive trend is noted in most operations.

The Tourism Industry in general suffers from a high turnover: 770 staff members left the group in 2013-2014. The highest turnover was in the age group under 30 years and at LUX* Grand Gaube. There were 3 other resorts and hotels where turnover exceeded 100 staff members. At LUX* Resorts and Hotels, we are conscious that young people wish to build on their skills and experience and grow their careers. Tourism is a world where dedication, passion and support count significantly. This is why we strive to provide our Team Members incentives to grow their careers within LUX* Resorts and Hotels, and also to encourage loyalty.

TURNOVER BY AGE GROUP AND GENDER

Male	Female	Total	Under 30 Years	Between 30-50 Years	More than 50 Years
515	232	749	502	260	13

<http://www.bluepeace.maldives.org/pdfs1/The%20Tourism%20Act%20of%20Maldives%201999.pdf>. Accessed 3 October 2014.

<http://www.tourism.gov.mv/downloads/unofficial-translation.pdf>. Accessed 3 October 2014.

DIVERSITY AND EQUAL OPPORTUNITY

LUX* Resorts and Hotels is also an employer that adheres to diversity and equal opportunity. It makes no discrimination against gender, age or ethnic origin. We have at LUX* Resorts and Hotels a mosaic of faces and smiles and welcome all with equality. The same diversity and equal opportunity approach is extended to our guests, business partners, suppliers or community neighbours. The Group counts three women in senior management positions out of eleven senior managers.

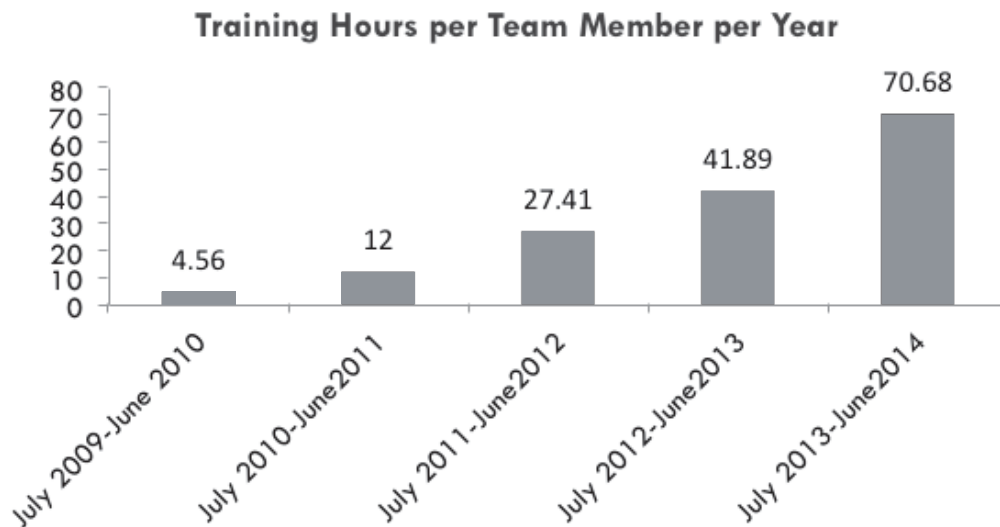
We make no distinction between men and women, offering equal pay for equal work in all locations. In addition, the salary paid to our Team Members in most locations is superior to the minimum salary paid, with namely 1.05:1 in Reunion and 1.1:1 in Mauritius.

Anti-discrimination policy is a key requirement of international conventions and national legislation and guidelines. Non discrimination is also major concern for most of our stakeholders. We see to it that at all times, no Team Member is discriminated against. Following the recent set up of an Equal Opportunity Commission in Mauritius, any aggrieved person may approach the National Commission to report any discrimination in the work place and ask for corrective action. There has been no reported incident of discrimination in our resorts and hotels in 2013-2014.

TALENT MANAGEMENT

Our greatest asset and the central pillar of our brand are our People. We strongly believe that putting our People first significantly contributes in delivering world-class service to our guests. Training and education also plays a vital role in talent management. LUX* Resorts and Hotels has a well-defined training program to ensure the development, continuous learning and career enhancement of all its Team Members in line with the Group's Vision, Purpose and Values. LUX* Resorts & Hotels encourages all Team Members to develop to their full potential and sees continuous training and coaching as a vital dimension to facilitate progress of all individual Team Members. The complete satisfaction of our guests depends on the united efforts of all Team Members. This is why at LUX* Resorts & Hotels, each learning activity aims to further enhance the guest experience in addition to supporting and strengthening the company culture.

LUX* Resorts & Hotels continues to perform strongly in the area of training and development of Team Members and is on a steady and successful path. Significant investment has been made over the last five years in increasing the number of training man hours for our Team Members. The number of hours of training per Team Member averaged 70.68 hours.



<http://eoc.gov.mu/English/Pages/default.aspx> - accessed on 16 September 2014.

LUX* Resorts Training Academy (LRTA) manages all trainings including cross-exposure requirements across all levels for the Group. With our proficient in-house Trainers, LRTA is also responsible to meet the training requirements of our Team Members in operations. In addition, LUX* Resorts & Hotels has partnered with international experts such as 'The John Maxwell Company' and 'UP! Your Service' by Ron Kaufman to help us strengthen our leadership teams, as well as to bring up-to-date service culture training to ensure continuous learning and development throughout the Group.

Three of our hotels and resorts each achieved over 30,000 hours of training during the last reporting year. LUX* Maldives had the highest number of hours of training. In Mauritius, the total number of hours of training was higher for LUX* Grand Gaube and LUX* Le Morne. The highest average was for LUX* Maldives. Team Members at both LUX* Réunion and Hotel le Récif received on average 3 hours of training per month. Please see Table A.7 in Annex 2 for more details.

The performance and career development of Team Members is reviewed periodically, and this provides the opportunity for identifying training needs on a continuous basis. Depending on locations, 60% to 80% of our team members in Mauritius and in the Maldives participated in at least one annual review and appraisal.

HEALTH AND SAFETY

LUX* Resorts and Hotels invests continuously in Team Member health and wellness. Training sessions on safety are regularly held in the hotels to raise awareness among Team Members. Safety metrics have also been put in place to monitor and track safety on a monthly basis. Health and Safety Officers are employed in all our operations as per legal requirement. Our commitment to the health and wellness of our Team Members goes beyond compliance with

occupational health and safety legislation. The Health and Safety Committee in each of the hotels meets every 2 months to discuss about the various safety issues at the hotel. A Group Health & Safety Audit Committee has also been set up at the group level and meets at least twice a year. It is composed of representatives from all operations and it is mandated to help monitor and to advise on occupational health and safety programmes.

The health and well-being of our guests is also a high priority for the Group. We ensure that our standards of care contribute to the highest safety levels for our guests. The number of lost days due to injury ranged from 0 to 419 days per resort/hotel. Absenteeism on the other hand ranged between 2.2 % and 16.2%. Please see Table A.8 in Annex 2 for a breakdown of absenteeism by location.

HUMAN RIGHTS

The Hospitality Industry is above all a caring industry and as such shows high respects to the human rights of its guests and its Team Members. It adheres to all national laws in the three countries and there has been no reported grievance related to human rights from any of its stakeholders. The Training Academy of LUX* Resorts and Hotels will launch a Human Rights training for its Team Members across all functions in the next reporting cycle so that they better sensitized about the various aspects of Human Rights. Human rights extend beyond the rights of team members in the workplace. It is also relevant for screening our suppliers and providing the highest levels of care to our guests.

SOCIETY

LUX* Resorts and Hotels is proud to have contributed financially to the implementation of numerous social and community projects during the year 2013-2014. In Mauritius, all companies are mandated (according to the Income Tax Act 1995, with amendments up to 2003) to contribute 2% of their book profits towards programmes that contribute to the social and environmental development of the country. About half of the contributions is earmarked for various projects overseen directly by LUX* Resorts and Hotels, and the rest is channeled to the GML Fondation Joseph Lagesse.

The sectors that we have prioritized for CSR include the health for the needy, the alleviation of poverty, the re-establishment of human dignity and the importance of education and training at different levels. Requests for donations (excluding political donations, which are dealt with directly by the Board) and other forms of social assistance are managed by our Sustainability and CSR Manager.

During this financial year, the Company has budgeted an amount of Rs 2,183,000/- for CSR activities in Mauritius. Each of our resorts and hotels in Mauritius as well as the Head Office individually support a local community project, working in close collaboration with a NGO. Our 7 operations in Mauritius have each allocated an amount of Rs 155,928 to one of the following NGOs:

- Thalassemia Society Ltd (LUX* Belle Mare)
- Ecole Pailles en Queue (LUX* Grand Gaube)
- Atelier Joie de Vivre (LUX* Le Morne)
- Centre d'Eveil de Souillac (Tamassa)
- Ecole de la Vie de Baie du Tombeau (Merville Beach)
- Ecosud / Mahebourg Espoir (Ile des Deux Cocos)
- Centre d'Eveil de Mangalkhan (Head Office)

We also partner with Pack for a Purpose, an NGO that encourages travelers to fill any available space in their luggage with supplies for children in need. This brings a positive impact on the communities around our hotels and resorts. A bundle of pencils or a solitary stethoscope can have a huge impact on a small local community and we encourage our guests to Pack for a Purpose!

In the Maldives, LUX* Resorts and Hotels has initiated a major conservation project by opening a Marine Biology Centre dedicated to researching the presence and conservation of whale sharks in the South Ari Atoll waters. LUX* Maldives also partners with the 'Youth Foundation Movement of Dhigurah' and Dhigurah School on several community projects (education, society development, island infrastructure and community peace) as well as supporting them through donations.

In Reunion, LUX* Ile de La Réunion is partner to the NGO '1000 sourires' which fosters underprivileged, handicapped or sick children from Reunion and offers them opportunities to discover, escape and dream through activities and travels. Activities organised for the children include awareness on civic values, cooking classes for kids, science workshops and also shows with local comedians.

PRODUCT RESPONSIBILITY

"LUX* Resorts and Hotels naturally cares about its audience and their experience, but it also cares about the sustainability of the islands in which it operates". It hence has a responsibility towards its stakeholders in terms of product. In fact, all hotels are already implementing customer satisfaction surveys to measure the level of satisfaction with respect to several facilities and services, including Emotions, Evening Entertainment, Beach, Food and Beverages, Fitness, Front Office, Housekeeping, IT, Kids Club, Kitchen, Laundry, Pool and Reservations.

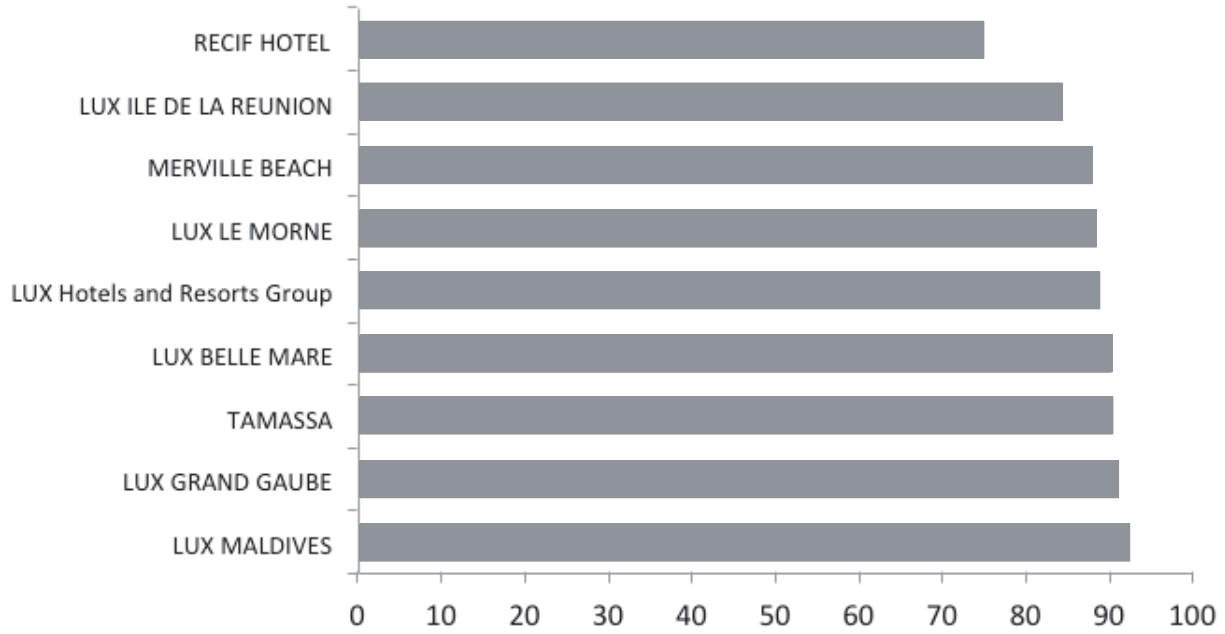
The overall satisfaction level for the Group stands at 88.9% with four out of the eight hotels scoring above 90%. The period surveyed was December 2013 to June 2014. Surveys are continuously carried out among guests and are compiled for analysis on a monthly basis. A mix of tools is used for that purpose including direct contacts during their stay, electronic email or social media. The weaknesses and the causes of fluctuations are thereafter channeled to respective departments and addressed at the level of each hotel.

<http://www.mra.mu/download/ITA1995asAt28Feb2013.pdf>. Accessed on 16 September 2014.

<http://www.gmltogether.com/en/developpement-durable.php?contenu=fondation> – accessed 8 September 2014.

For an example, such as LUX* Le Morne, please see: <http://www.packforapurpose.org/destinations/africa/mauritius/lux-le-morne> - accessed 8 September 2014.

OVERALL SATISFACTION SCORE FOR LUX* RESORTS AND HOTELS
(01 DEC 2013 - 30 JUNE 2014)



An underwater photograph showing sunlight rays filtering through the water surface, creating a bright, shimmering effect. The water is a deep teal color, and the sun is visible as a bright, glowing orb near the top center. The rays of light create a dramatic, ethereal atmosphere. In the lower right corner, a school of small fish is visible, swimming in the dark water.

ANNEXES

ANNEX 1 - REPORT BOUNDARY AND CONTENT

(G4-18)

The activities of LUX* Resorts and Hotels covers three destinations (Maldives, Mauritius, and La Réunion), and eight resorts and hotels. In addition to GRI's Sustainability Reporting Guidelines (GRI G4), this Integrated Report also follows the mandatory International Financial Reporting Standards (IFRS) for financial reporting, and the Code of Corporate Governance of Mauritius 2004. The boundaries for non-financial data collection are commensurable with those of our financial reporting, thus allowing the integration of the economic, environmental and social dimensions of our operations. Since stakeholder inclusiveness is a cross-cutting issue in determining the content and scope of reporting, we have taken into consideration the expectations of our stakeholders. Our stakeholder engagement processes is discussed below. Based on the process to determine materiality, the impacts of our activities have been quantified. Actions to either enhance our positive impacts and to mitigate any impacts within the scope of our Sustainability Strategy are also highlighted.

DETERMINING REPORT CONTENT

Guided by the G4 reporting guidelines and principles, and technical protocols, the following criteria have been observed in preparing this report:

SUSTAINABILITY CONTEXT

The sustainability context informs our Sustainability Strategy (page 11). The Integrated Sustainability Report of LUX* Resorts and Hotels is also aligned with the recently adopted Maurice Ile Durable (MID) Policy, Strategy and Action Plan of Mauritius,

especially concerning 'enhancing the corporate environment, social responsibility and accountability'. The sectoral MID Strategy for employment/economy specifically refers to the use of GRI as a benchmark for developing a Sustainability Index for publicly listed companies on the Stock Exchange of Mauritius (SEM). LUX* Resorts and Hotels is one of the companies that is participating in the trial phase of the SEM Sustainability Index. Similarly, this integrated report fully reflects our efforts to support the implementation of the Maldives National Strategy for Sustainable Development (NSSD) through harmonized tourism development. The NSSD defines the vision for sustainable development as "development achieved through progress in the three pillars of sustainable development - economic growth, environmental conservation and social integration - and good governance." The policy for sustainable development in Reunion Island rests on the 'Green Energy Revolution - Reunion Island' or GERRI which comprises the implementation of several sectoral strategies including Energy Production, Energy Storage, Transportation, Urbanism, Tourism as well as urban development. One key objective is for the island to become completely autonomous in energy production by 2030. The vision of LUX* Resorts and Hotels to invest in energy efficiency and renewable energies directly supports the GERRI initiative. In a more global context, our adoption of corporate sustainability reporting is squarely aligned with Paragraph 47 of the Rio+20 Outcome Document - The Future We Want.

COMPLETENESS

We have ensured that all the material topics and indicators covered in this report reflect the significant economic, environmental, and social impacts of our activities and enable our stakeholders to assess our performance for the FY 2013-14 effectively.

BALANCE

We have attempted to present an unbiased picture of our performance by avoiding selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence the reader's decision or judgment. The report provides both favourable and unfavourable results, as well as results that can influence the decisions of stakeholders in proportion to their materiality. This is a commitment to our transparency.

COMPARABILITY

Since this is the first integrated sustainability report, results present the baseline data and information against which comparative performance analysis will be carried out in the future.

www.mid.mu - accessed 12 July 2013.

<http://www.rrcap.ait.asia/nsds/uploadedfiles/file/sa/md/maldives%20april%202009.pdf> - accessed 4 September 2014.

<http://www.regionreunion.com/fr/spip/-Highlights-of-the-Climate-Energy-.html> - accessed 5 September 2014.

<http://www.uncsd2012.org/content/documents/727The%20Future%20We%20Want%2019%20June%201230pm.pdf> - accessed 4 September 2014.

(G4-18; G4-24; G4-25; G4-26; G4-27)**ACCURACY**

Both qualitative and quantitative data have been reported. The DMA and Aspect-specific DMA have ensured openness in measurement methodologies, and the collection of data has been carried out with the view that the data have to be verifiable. While the non-financial components of the present report have not been subject to an independent third party audit, the processes, methodologies and tools for generating and analyzing quantitative and qualitative data were adopted because they lend themselves to such audits.

TIMELINESS

This report integrates the substantive economic and financial, social, and environmental performances of LUX* Resorts and Hotels for the FY 2013-2014 using the GRI G4 reporting framework. Sustainability reporting will enable our stakeholders to assess our performance on all the dimensions of sustainable development. It will also provide us with relevant feedback for future reporting. Developing this integrated report has also offered us with an opportunity to build internal capacity to mainstream the GRI reporting framework and guideline.

CLARITY

This report has been presented in a manner that is understandable, accessible and usable by our stakeholders. As far as practicable, graphics and data tables have been used to present information in an accessible way.

RELIABILITY

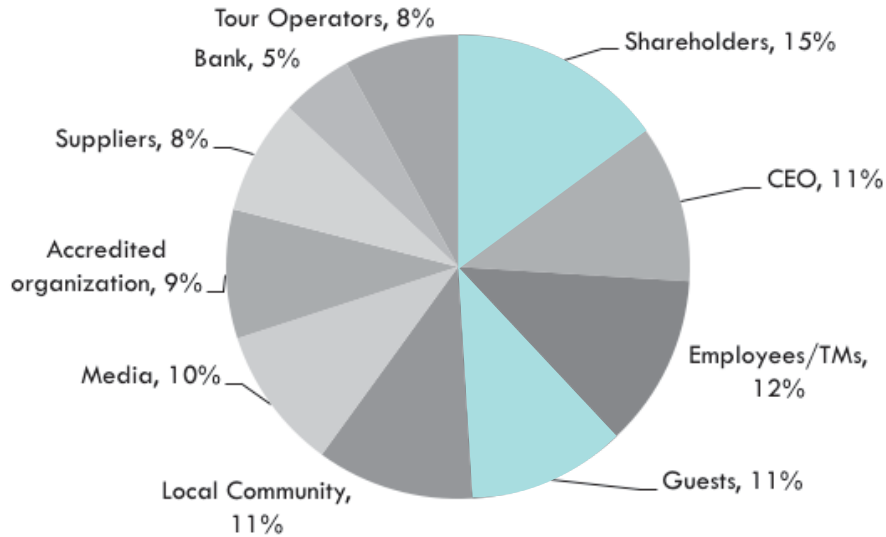
Information and processes used in the preparation of this report have been gathered, recorded, compiled, analyzed, and disclosed in a way that has been subject to constant examination by a competent internal team. The assistance of an external consultancy firm with experience in integrated sustainability reporting using the GRI Reporting Guidelines and Principles has been sought to develop our first integrated report.

STAKEHOLDER INCLUSIVENESS

The identification of stakeholders was carried out in two stages. First, consultations with the senior leadership team of our hotels have helped to draw a list of all our stakeholders, the key ones being: guests, team members, shareholders (including senior managers), as well as the local communities and the local media. The stakeholders of LUX*Resorts and Hotels were identified through two questions: (1) Is this group of stakeholders significantly influenced by LUX* Resorts and Hotels' activities? and (2) Does this group of stakeholders have a significance influence on LUX* Resorts and Hotels' activities? The ten stakeholders thus identified, including their importance in terms of the percentage of Team Members who identified each stakeholder, are shown in the pie chart. Except for banks (5%) and shareholders (15%), the weights given to all other stakeholders ranged between 8% and 12%. Based on the expert judgement of our senior leadership team, coupled with constraints of time and human resources, it was decided to involve only three groups of stakeholders in consultations, namely: team members (Team Member and Executive Committee), guests, and shareholders (Directors including CEO). The local community and the media will be included in the process during the next reporting cycle.

(G4-18; G4-24; G4-25; G4-26; G4-27)

List of Stakeholders



For team members (one hundred in total) and guests of all hotels, a representative sample was carefully selected, while all board members (twelve in total), including the CEO and the chairman, represented the CEO and shareholders group. After identifying the stakeholders of LUX* Resorts and Hotels, the three groups were also tasked with rating (or giving a weight to) the importance of relationships between each stakeholder group and LUX* Resorts and Hotels.

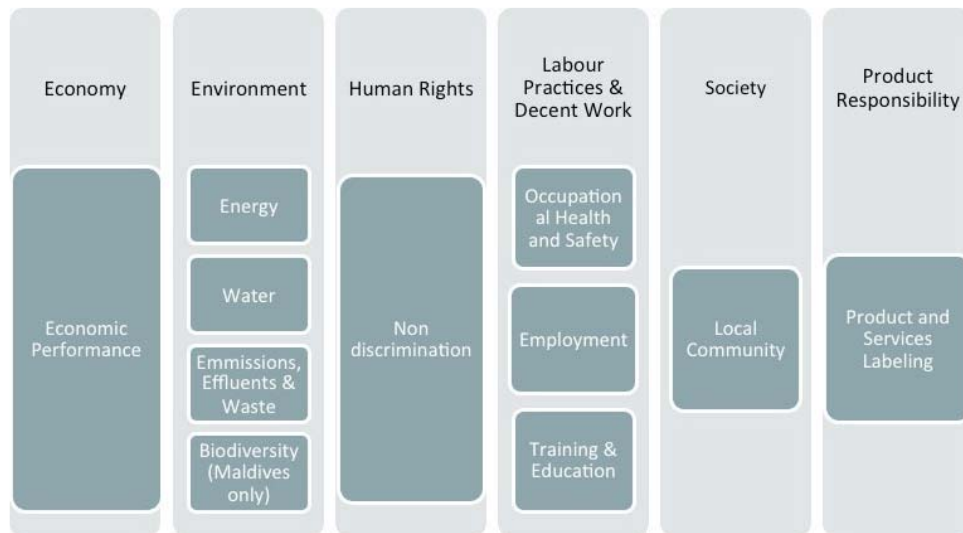
The concerns and priorities of our customers, team members and shareholders (including the CEO) were identified over a period of engagement that lasted two weeks. Further, other concerns were identified by the Executive Committee and Project Consultant. There are also a limited number of suppliers that can meet our requirements.

The stakeholder engagement also served to identify the indicators that would be retained for each material Aspect. A decision was made to include, where relevant, indicators that were already measured at LUX* Resorts and Hotels. These dialogues were initiated at the beginning of the year (2013) for the purpose of reporting, and were kept open throughout the year to provide a communication channel to raise any emerging concerns. In the next reporting cycle, the concerns of remaining seven groups of stakeholders identified above will be analysed.

(G4-18; G4-19)**MATERIALITY**

A materiality assessment has been carried out where all potential issues that could result from our activities were identified and then assessed based on how significant they are to our business and to our stakeholders. We have engaged with our stakeholders (see stakeholder inclusiveness above), both internal and external, to know more about their concerns and their perceptions on sustainability issues that are relevant to the operations of LUX* Resorts and Hotels.

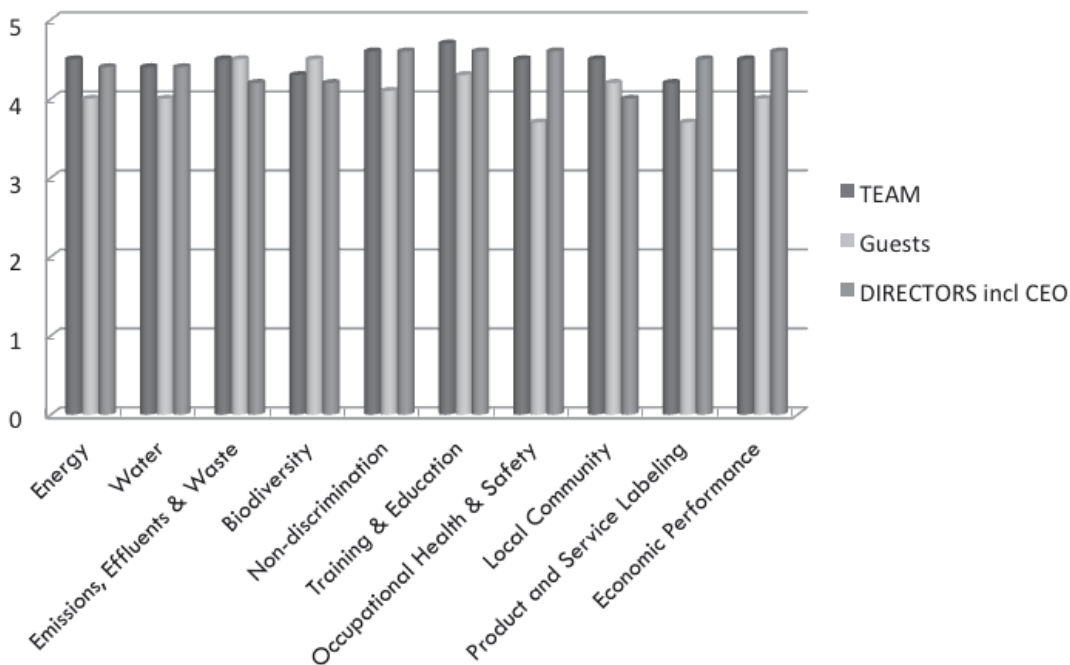
Initially (February to June 2013), the GRI G3.1 reporting guidelines were followed but we migrated to the G4 when it was launched later in 2013. The G4 Guidelines have helped us focus our reporting on the issues that matter most for our business and our stakeholders. Care has been exercised to comply as much as practicable with the G4 Guidelines. The material Aspects that were retained after conducting internal discussions with our directors and employees, as well as surveys and dialogues with our external stakeholders are summarized below. In this case, the GRI G3.1 was used as seen in the use of the Aspect 'Emissions, Effluents & Waste', which in the G4 has been separated into 'Emissions' and 'Effluents & Waste'. The material Aspects were identified through a two-step process, namely: (1) selection of Aspects in terms of importance according to Team Members (100 persons in total) and board members (12 persons in total), and (2) scoring of the Aspects deemed important by three groups of stakeholders (see Materiality Matrix below). Since team members form the foundation of LUX* Resorts and Hotels, Employment was added to the list of material Aspects.



(G4-18)**MATERIALITY MATRIX**

The procedure that LUX* Resorts and Hotels adopted to determine materiality sheds light on the combination of material Aspects that reflect our organization's significant economic, social and environmental impact AND that substantively influence the assessments and decisions of the stakeholders who were surveyed. Our materiality testing procedure will be enlarged in the next financial year's sustainability report to identify any additional material Aspects that reflect our significant sustainability impacts OR that substantively influence the decision of our stakeholders. While our materiality framework is still evolving, we are confident that the results presented here are sufficiently robust to instill confidence in the quality of the report. The integrated sustainability report should be read in conjunction with other online resources.

The outreach with main stakeholders enabled discussions on key topics and concerns, and provided recommendations as to how the organization can respond to those key topics and concerns, including through its reporting. The following diagrams report the importance given by the three stakeholder groups to key topics and concerns on a scale of 1 to 5 (G4-27). All the aspects listed here were scored above 3.7 by the various stakeholders. The material Aspects for Team Members (Employees), Guests (Tourists) and Directors (Shareholders) are shown below.



Validation is currently essentially an internally orientated process, with authorization by the CEO and Executive Secretary and approval of the integrated report by the Board of Directors. The company stakeholders are given the opportunity to seek clarifications about the scope and content of the report and validate it at the Annual General Meeting.

Performance indicators related to material Aspects have been chosen for reporting purposes based on two main factors, namely (1) our ability or maturity to respond; and (2) the opportunity for LUX* Resorts and Hotels to grow and gain advantage from its impacts.

The measurement and calculation of indicators has followed the GRI G4 Implementation Manual.

Re-statements of information are not applicable to this first integrated sustainability report.

<https://www.globalreporting.org/resource/library/GRI-G4-Part2-Implementation-Manual.pdf> - accessed 8 September 2014.

ANNEX 2 - PERFORMANCE DATA FOR 2013 - 2014

A. ENVIRONMENT

A.1 ENERGY CONSUMPTION

Location/Operation	Total fuel (diesel and petrol) (MJ)	Recycled oil (MJ)	Electricity (MJ)	Heating (MJ)	Cooling (MJ)	Steam (MJ)	Total
LUX* Belle Mare	2,323,662		8,286,390	5,590,001	2,475,878		18,675,931
Tamassa	2,825,216		11,640,107	1,536,429		2,415,422	18,417,174
Merville Beach Hotel	246,829		6,396,278	3,716,315			10,359,422
LUX* Grand Gaube	3,645,540	147,060	6,480,000	1,060,000	7,900,000	4,600,000	23,832,600
LUX* Le Morne	782,901		1,102,133	5,393,210			7,278,244
Ile Des Deux Cocos	836,849						836,849
Head Office	293,927		696,999				990,926
Hotel Le Récif			3,495,845				3,495,845
LUX* Reunion	121,136		6,944,170				7,065,306
LUX* Maldives	108,341,261				3,396		108,344,657
TOTAL	119,417,321	147,060	45,041,922	17,295,955	10,379,274	7,015,422	199,296,954

A.2 WATER USE

Water Use (m3)	Desalination	Rainwater	Water (utility)	Total
LUX* Belle Mare			200,750	200,750
Tamassa			72,380	72,380
Merville Beach Hotel		25	93,059	93,084
LUX* Grand Gaube	1,250		98,580	99,830
LUX* Le Morne	69,658		60,223	129,881
Ile Des Deux Cocos	328	45		373
Head Office		25	841	866
Hotel Le Récif			33,662	33,662
LUX* Reunion			44,716	44,716
LUX* Maldives	639,360			639,360
TOTAL	710,596	95	604,211	1,314,902

A.3 GREENHOUSE GASES INVENTORY

GHGs (tCO2e)	Scope 1	Scope 2	Scope 3	Total
Head Office	35	281	754	1,070
LUX* Grand Gaube	1,082	3,851	48,660	53,592
LUX* Belle Mare	701	5,168	44,957	50,825
LUX* Le Morne	885	3,137	101,027	105,049
Tamassa	1,515	3,072	55,276	59,863
Merville Beach Hotel	415	1,625	51,424	53,464
LUX* Reunion	45	1,230	20,911	22,186
Hotel Le Récif	41	685	10,339	11,064
LUX* Maldives	9,278	-	255,441	264,719
TOTAL	13,998	19,047	588,787	621,833

A.4 TOTAL VOLUME OF WATER RECYCLED AND REUSED

	m3
LUX* Belle Mare	52,968
TAMASSA	71,516
Merville Beach Hotel	0
LUX* Grand Gaube	62,500
LUX* Le Morne	31,620
Ile Des Deux Cocos	0
HEAD OFFICE	0
Hotel Le Récif	0
LUX* REUNION	0
LUX* MALDIVES	159,840
<i>Total</i>	<i>378,444</i>

SOCIAL**A.5 TOTAL NUMBER OF NEW TEAM MEMBER HIRES**

	Male	Female	Total	Within same Region
LUX* MALDIVES	101	41	142	n.a
LUX* GRAND GAUBE	131	54	185	85%
TAMASSA	68	36	104	72%
LUX* BELLE MARE	78	33	111	68%
LUX* LE MORNE	101	41	142	n.a
MERVILLE BEACH	49	20	69	87%
LUX* ILE DE LA REUNION	24	22	46	91%
HOTEL LE RECIF	15	8	23	90%
HEAD OFFICE	13	14	27	59%
<i>TOTAL</i>	<i>580</i>	<i>269</i>	<i>849</i>	

A.6 TEAM MEMBER TURNOVER BY AGE GROUP, GENDER, AND REGION

Turnover by Age Group	Total	Male	Female	Under 30 Years	Between 30-50 Years	More than 50 Years
LUX* MALDIVES	124	91	33	60	64	
LUX* GRAND GAUBE	168	127	41	135	78	4
TAMASSA	87	68	19	58	28	1
LUX* BELLE MARE	101	70	29	72	29	
LUX* LE MORNE	152	83	69	91	35	3
MERVILLE BEACH	52	42	10	37	11	4
LUX* ILE DE LA REUNION	46	27	19	37	9	
HOTEL LE RECIF	19	7	12	12	6	1
HEAD OFFICE	21	8	13	11	9	1
<i>Total</i>	<i>770</i>	<i>523</i>	<i>245</i>	<i>513</i>	<i>269</i>	<i>14</i>

A.7 TOTAL HOURS OF TRAINING PER YEAR PER TEAM MEMBER

	Total Hours	Number of team members	Monthly Training Hours per TM (YTD)
LUX* MALDIVES	55,004	570	9
LUX* GRAND GAUBE	35,392	408	7
TAMASSA	11,370	339	3
LUX* BELLE MARE	29,077	452	5
LUX* LE MORNE	30,965	379	7
MERVILLE BEACH	16,454	260	5
LUX* ILE DE LA REUNION	4,032	121	3
HOTEL LE RECIF	1,703	54	3
HEAD OFFICE	4,635	123	3

A.8 LOST DAYS, AND ABSENTEEISM BY REGION

	Lost Days due to Injury (number)	Absenteeism (Average %)
LUX* MALDIVES	n.a	2.2
LUX* GRAND GAUBE	348	10.5
TAMASSA	419	8.4
LUX* BELLE MARE	165	9.7
LUX* LE MORNE	412	16.2
MERVILLE BEACH	272	9.4
LUX* ILE DE LA REUNION	0	5.7
HOTEL LE RECIF	0	13.6
LUX* Head Office	16	5.6

A.9 OVERALL SATISFACTION SCORE FOR LUX* RESORTS AND HOTELS (01 / DEC /2013 - 30/ JUNE /2014)

	% Satisfaction
LUX* MALDIVES	92.4
LUX* GRAND GAUBE	91.2
TAMASSA	90.5
LUX* BELLE MARE	90.3
LUX* Hotels and Resorts Group	88.9
LUX* LE MORNE	88.4
MERVILLE BEACH	88
LUX* ILE DE LA REUNION	84.3
HOTEL LE RECIF	75

ANNEX 3: G4 CONTENT INDEX



Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance (N.B)
1. GENERAL STANDARD DISCLOSURES ("Core" in accordance option)				
Strategy and Analysis:	G4-1	Statement from the most senior decision-maker about the relevance of sustainability and organisation's strategy	Yes - at the beginning of report	No
Organizational Profile	G4-3	Name of the organization	Cover page & page 2	No
	G4-4	Primary brands, products, and services.	pages 2-3 & 25-33	No
	G4-5	Location of the organization's headquarters.	page 7	No
	G4-6	Number of countries where the organization operates	pages 7, 21	No
	G4-7	Nature of ownership and legal form	pages 2-3	No
	G4-8	Markets served, and types of customers and beneficiaries	pages 21, 26-33	No
	G4-9	Scale of the organisation	CEO Review: pages 21-23	No
	G4-10	Total number of employees by employment contract, gender and region	page 58	No
	G4-11	Percentage of total employees covered by collective bargaining agreements	None	No
	G4-12	Description of supply chain	pages 21,46: tourist arrivals by source	No
	G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	page 17	No
	G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	pages 52-53: Tread Lightly	No
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	page 53: Earth Hour, World Environment	No
	G4-16	Memberships in associations and national/ international advocacy organisations	page 42: AHRIM	No

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance (N.B)
Identified Material Aspects and Boundaries	G4-17	All entities included in the organisation's consolidated financial statements or equivalent documents	pages 2	No
	G4-18	Process for defining the report content and the Aspect Boundaries; and how the organisation has implemented the Reporting Principles for Defining Report Content	pages 64-68: Annex 1	No
	G4.19	All the material aspects identified in the process for defining report content.	page 67	No
	G4.20	The aspect boundary for each material aspect within the organisation and whether the aspect is material for all entities within the organisation	page 45	No
	G4.21	Whether the aspect boundary for each material aspect outside the organisation	pages 45	No
	G4.22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	First Sustainability reporting, Restatement of financial results of 2013 (page10)	No
	G4.23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	First Sustainability reporting	No
Stakeholder Engagement	G4.24	List of stakeholder groups engaged by the organisation	pages 65-66	No
	G4.25	Basis for identification and selection of stakeholders with whom to engage	pages 65-66	No
	G4.26	Organisation's approach to stakeholder engagement	pages 65-66	No
	G4.27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	pages 65-66	No

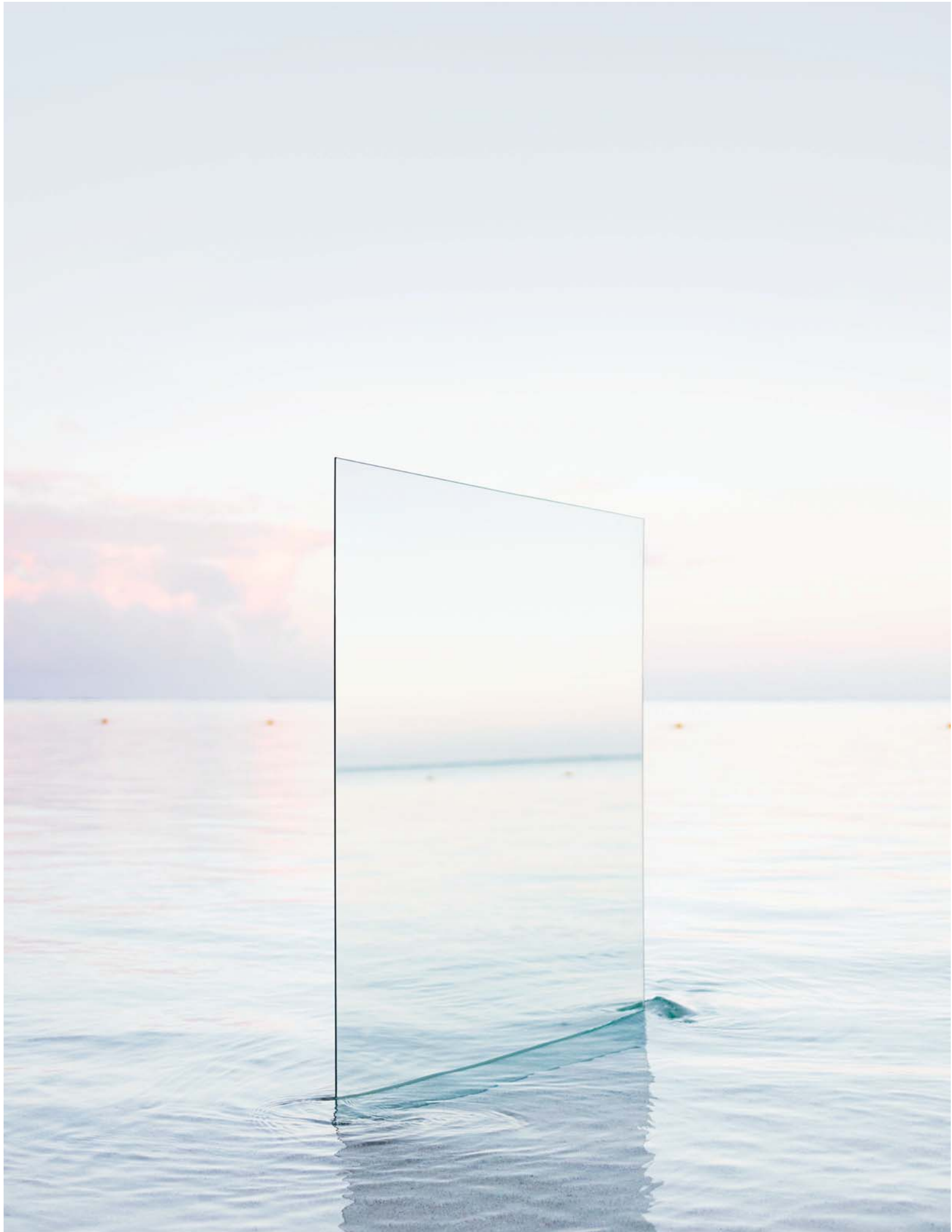
Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance (N.B)
Report Profile	G4.28	Reporting period for information provided	page 10	No
	G4.29	Date of most recent previous report	page 17, first sustainability report	No
	G4.30	Reporting cycle	page 17	No
	G4.31	Contact point for questions regarding the report or its contents	End of Report	No
	G4.32	GRI Index with "in accordance" option chosen and references to External Assurance Reports	Core Option chosen. No External Assurance	No
	G4.33	Organisation's policy and current practice with regard to seeking external assurance for the report	Mauritius Sustainability Index in line with G4 and External Auditors Ernst & Young	No
Governance	G4.34	Governance structure of the organisation, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	pages 36-43, 46 (Green Committee - now sustainability Committee)	No
Ethics and Integrity	G4.56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	pages 35, 43, 59 (Green Committee - now sustainability Committee)	No
SPECIFIC STANDARD DISCLOSURES				
ENVIRONMENT				
Energy	G4EN3	Energy consumption within the organization	pages 49-50	No
	G4EN4	Energy consumption outside of the organization	None	No
	G4EN5	Energy intensity	page 49	No
	G4EN6	Reduction of energy consumption	page 51	No
	G4EN7	Reductions in energy requirements of products and services	page 51	No
Water	G4EN8	Total water withdrawal by source	pages 51, 69	No
	G4EN9	Water sources significantly affected by withdrawal of water	page 51	No
	G4EN10	Percentage and total volume of water recycled and reused	pages 51,70	No
Emission	G4EN15	Direct greenhouse gas (GHG) emissions (Scope 1)in metric tons of CO2 equivalent	pages 55-56	No
	G4EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2):	pages 55-56	No
	G4EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	pages 55-56	No
	G4EN18	Greenhouse gas (GHG) emissions intensity intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).	pages 55-56	No
	G4EN19	Reduction of greenhouse gas (GHG) emissions	pages 52-53	No
Effluent & Waste	G4EN22	Total water discharge by quality and destination	page 57	No
	G4EN23	Total weight of waste by type and disposal method	page 57	No

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance (N.B)
SOCIAL				
HUMAN RIGHTS				
Investment	G4HR2	Total hours of employee training on human rights policies or procedures	page 71	No
Non-discrimination	G4HR3	Total number of incidents of discrimination and corrective actions taken	None	No
LABOR PRACTICES & DECENT WORK				
Employment	G4LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	pages 58,70	No
Occupational Health and Safety	G4LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	page 71	No
Training & Education	G4LA9	Average hours of training per year per employee by gender, and by employee category	pages 59,60,71	No
	G4LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	page 60	No
Diversity & Equal Opportunity	G4LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group	page 59	No
Equal Remuneration for Men & Women	G4LA13	Ratio of basic salary and remuneration of women to men by employee category	page 59	No
SOCIETY				
Local Community	G4SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	pages 60,61	No
PRODUCT RESPONSIBILITY				
Product and Service Labelling	G4PR5	Results of surveys measuring customer satisfaction	pages 61,62, 71	No
ECONOMIC				
Economic Performance	G4 EC1	Direct economic value generated and distributed	pages 12-13	No
	G4 EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	page 52	No
Market Presence	G4 EC5	Ratios of standard entry level wage by gender compared to local minimum wage	None	No
	G4 EC6	Proportion of senior management hired from the local community	None	No

N.B Sustainability at LUX* Resorts & Hotels has been externally audited by Ernst & Young through Stock Exchange of Mauritius.

ANNEX 4 - ACRONYMS

AHRIM	Association des Hôteliers et Restaurateurs de l'Île Maurice
COTRI	China Outbound Tourism Research Institute
CO2	Carbon dioxide
CSR	Corporate Social Responsibility
EMS	Energy Management System
EPA	Environment Protection Act
FY	Fiscal Year
GERRI	Green Energy Revolution Reunion Island
GJ	Gigajoules
GRI	Global Reporting Initiative
IUCN	International Union for Conservation of Nature
LRTA	LUX* Resorts Training Academy
MICE	Meetings, incentives, conferences, and exhibitions
MID	Maurice Île Durable
MJ	Megajoules
MOESD	Ministry of Environment and Sustainable Development
NO2	Nitrogen dioxide
NSSSD	National Strategy for Sustainable Development (Maldives)
O3	Ozone
PRERURE	Programme Régional d'Exploration et d'Exploitation des Energies Renouvelables et d'Utilisation Rationnelle de l'Énergie
PRME	Programme Régional de Maîtrise de l'Énergie
RNS	Room Nights Sold
SEM	Stock Exchange of Mauritius
SO2	Sulfur dioxide
TJ	Terajoules
WMA	Wastewater Management Authority



***LIGHTER. BRIGHTER.**

Vishnee Payen
Sustainability & CSR Manager
T +230 698 98 00