

L V M H

MOËT HENNESSY . LOUIS VUITTON

2006 COMMUNICATION ON PROGRESS

GLOBAL COMPACT

As a signatory to the United Nations Global Compact in 2003, LVMH is committed to respecting and promoting all ten principles on human rights, labour practices, environment standards and the fight against corruption in all its business activities.

Our main actions and initiatives launched by LVMH to respect the Global Compact Principles are described hereunder:

HUMAN RIGHTS : PRINCIPLES 1, 2

LVMH is committed to support and respect the Universal Declaration of Human Rights and the International Labor Organization (ILO) conventions that establish international human rights and to ensure that business is not complicit in human rights abuses.

LVMH requires suppliers and their subcontractors to comply with the international standards such as SA8000 and to verify compliance by providing information or conducting audits. Several Group companies have developed supplier charter and codes of conduct that address respect for the environment, human rights and fundamental labor standards compliance in order to obtain an official commitment from them.

To facilitate the development of best practices within all Group companies, LVMH has put in place a network of representatives to focus on relations with suppliers. One of its objectives for year 2007 is to establish a Group supplier charter, defining the required social and environmental responsibility of suppliers.

LABOUR STANDARDS : PRINCIPLES 3, 4, 5, 6

Respectful of human rights and equal opportunity in the respect of the ILO Conventions, our social policy encourages all our employees to reach their full career potential and achieve their aspirations, develops the diversity and the wealth of human resources in our companies in all the countries where we operate.

In 2006, LVMH signed the French Diversity Charter making a commitment to develop the diversity at work and to not discriminate in the hiring process.

Reporting of global social responsibility was introduced at a worldwide level using core performance indicators of the GRI in 2006. The first conclusions were presented during a Corporate Social Responsibility seminar organized for the

Group's Human Resources directors. Six working groups have since been formed in order to develop and expand the initiatives and actions in the LVMH companies.

ENVIRONMENT : PRINCIPLES 7, 8, 9

Protecting the environment has been a long-standing priority for LVMH. It became strategic in 2001 when Bernard Arnault signed the "Environmental Charter":

- Aim for a high level of environmental performance,
- Foster a collective purpose,
- Control environmental hazards,
- Follow through on product disposal,
- Make a commitment outside the company.

Each Company in the Group is responsible locally and, pursuant to the LVMH Environmental Charter, must develop and implement its environmental managements system, particularly by defining its own environmental policy and setting objectives.

In order to create excellent products, the Group's companies use noble leathers, rare essences, precious stones, and even the best grapes. These resources come from nature, are intimately tied to nature, and cannot be worked without a concern over protecting their source. Every year, the companies innovate in order to integrate this perspective into the design and production of their products, in accordance with Global Compact principles.

Again in 2006, a number of steps have been taken. Our employees, trained in the challenges, are motivated; progress has been made to protect nature by optimizing the use of natural resources, reducing waste and water and energy consumption. The Group works with suppliers, customers and other players in society to adopt a joint responsible attitude. In 2006, the LVMH teams were mobilized to integrate the environmental perspective into the life of the Group and further progress was made. A very active environmental department ensures the mobilization of each employee and a number of initiatives were launched in the brands to encourage employees to adopt the correct attitude. These actions represented a total of 8,680 hours in 2006. The latest proof of this quest for excellence is the new warehouse in Cergy, which holds Louis Vuitton products and reships them throughout the world, and which was designed to meet High Environmental Quality requirements. Other actions have been implemented in 2006 like the lightening of the weight of champagne bottles, the reducing of waste production (by 10% over 2 years) and energy consumption in Moët & Chandon or the use of river transport by Louis Vuitton.

All progress, objectives and actions are detailed in the 2006 environment report.

The Global Compact's ten principles will continue to play a major role in the daily practice of our business operations and will strengthen LVMH commitment for sustainable development.

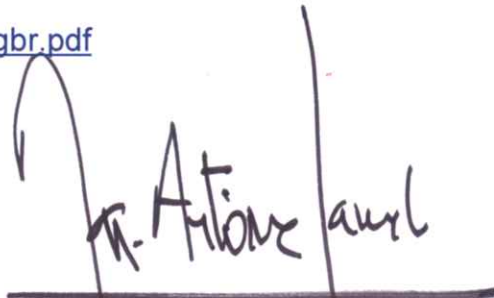
Documents :

The Sustainable Development chapter of the 2006 Annual Report describes our commitments, initiatives and actions that illustrate the progress the company has made in implementing and supporting the Global Compact principles.

http://www.lvmh.com/comfi/pdf_gbr/RA2006-Sustainable-development.pdf

The Environment Report 2006 describes our principal commitments, initiatives and actions that illustrate the progress of the company and the brands have made in preserving environment and implementing environmental best practices in all our business activities.

http://www.lvmh.com/groupe/Donnee_env_2006_gbr.pdf

A handwritten signature in black ink, reading "M. Antoine Jamet", written over a horizontal line. The signature is stylized and includes a large loop at the beginning.

Marc-Antoine Jamet
General secretary
on behalf of M. Bernard Arnault
CEO LVMH