

August 21, 2012

Nick Hayek
CEO & President
Swatch Group
Seevorstadt 6
CH-2501 Biel Bern
Switzerland

Re: Swatch Group, Omega and Luxury Goods in Iran

Dear Mr. Hayek,

UANI is in receipt of The Swatch Group Ltd.'s ("Swatch") letter dated August 17 purporting to clarify the role that Swatch and Omega SA ("Omega") play in Iran. Thank you for the response. United Against Nuclear Iran ("UANI") appreciates the opportunity to respond.

Since its founding in 2008, UANI has yet to read a more blatant and cynical example of naked consumerism than the response of Swatch, one that is wrapped in the cloak of some bizarre, vague and disingenuous notion of false corporate egalitarianism. Let's be serious and clear: selling luxury jewelry timepieces to regime elites in Iran is hardly the equivalent of providing essential medical equipment or foodstuffs to the Iranian people. In Swatch's response, you state that your "customers are people – not regimes." In the case of luxury sales to Iran, however, this is a distinction without a difference. Those with the ability to purchase luxury jewelry items like Omega timepieces are, in fact, the elites of the regime; consequently, the idea that Swatch does not care about the "status" of its customers is both patently and demonstrably false.

Given the nature of Swatch's response, the company clearly does not understand or perhaps does not care about the conduct of the regime elites who are most likely to purchase luxury jewelry timepieces from Swatch and Omega. As documented in UANI's original correspondence, the elites in Iran are closely connected with the regime itself, and often are members of the ruling clergy or members of Iran's Islamic Revolutionary Guard Corps (IRGC). This fact is not in dispute. Regime elites are in a position to reward themselves with luxury goods like Omega jewelry timepieces precisely because of their corrupt control of the country and its economy.

Consider a few facts on the ground in Iran. UANI appreciates, as Swatch notes in its correspondence, that the company does not discriminate on the basis of gender. Is Swatch aware that women are stoned to death in Iran by the regime elites who buy Swatch jewelry products? Swatch also notes in its correspondence that the company does not discriminate on the basis of

sexual orientation. Does Swatch know that homosexuality in Iran is punishable by death, including public execution by hanging? In addition, Swatch notes in its correspondence that the company does not discriminate on the basis of political beliefs. Is Swatch aware that political dissent in Iran is punished with arbitrary imprisonment and torture at the hands of regime elites who buy Swatch jewelry products? Finally, Swatch notes in its correspondence that the company does not discriminate on the basis of religion. Is Swatch aware that religious minorities in Iran including Christians, Jews and Baha'i face discrimination, persecution and in some cases execution for adhering to their beliefs?

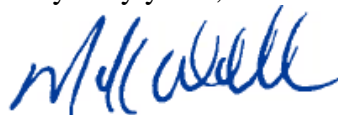
For as much as Swatch attempts to convey in its August 17 letter that it is motivated by humanitarian and egalitarian goals and that its lucrative business with regime elites is justified by some self-righteous corporate neutrality policy, it is apparent that the record of brutality of Swatch's regime elite and IRGC clientele and the status of oppressed dissidents and minorities in Iran has not penetrated the confines of Swatch's offices in Bern. Over the course of the year, the international community, including governments, businesses, human rights groups, and NGOs, have joined together to isolate regime elites in Iran. This growing international coalition has emerged in such force and strength not only because of the egregious human rights situation in Iran, but also in response to Iran's pursuit of an illegal nuclear weapons program, its sponsorship of terrorism worldwide, and most recently, its active support of the Assad regime in Syria in massacring its people—where Swatch embarrassingly maintains a number of stores, including in Damascus, Aleppo and Latakia. (Swatch, "[Store Locator: Syrian Arab Republic](#)")

A number of government officials in both the United States and the European Union have all concluded that this pressure has been instrumental in bringing Iran back to the negotiating table. Apparently, however, given the nature of Swatch's response, the company is content to remain part of the problem and not the solution.

Swatch concludes its correspondence to UANI by stating that it has embarked on a "quest to build bridges through sport" in its capacity as the official timekeeper of the Olympics. This sophistry may resonate in the context of the Olympics, but let us not delude ourselves: The only bridge Swatch is building in Iran is with regime elites who terrorize their own people, sponsor terror, and threaten to spark a nuclear arms race in the region. For Swatch to argue that selling luxury jewelry serves some greater purpose other than enriching the company is highly sanctimonious, disingenuous, and nothing more than a thinly veiled excuse for the pursuit of short-term profits – one that UANI imagines will not be lost on consumers.

Please let us know whether you will reconsider your decision to continue doing business with the Iranian regime by or before August 27, 2012.

Very truly yours,



Ambassador Mark D. Wallace

cc: The Honorable Ileana Ros-Lehtinen
Chairman, United States House Committee on Foreign Affairs

The Honorable Howard Berman
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Mark Kirk
United States Senate

The Honorable Robert Menendez
United States Senate

The Honorable Steve Israel
United States House of Representatives

The Honorable Ted Deutch
United States House of Representatives

The Honorable David S. Cohen
Under Secretary for Terrorism and Financial Intelligence, United States
Department of the Treasury

Gregory Swift
President, Omega USA

Frank Furlan
President, Swatch Group USA

Marc Hayek
President & CEO, Blancpain

Günter Wiegand
CEO, Glashutte Original

Walter von Känel
President, Longines

Matthias Breschan
CEO, Rado

George Clooney
Omega Ambassador

Nicole Kidman
Omega Ambassador

Cindy Crawford
Omega Ambassador

Zhang Ziyi
Omega Ambassador

Daniel Craig
Omega Ambassador

Abhishek Bachchan
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Dr. Buzz Aldrin
Omega Ambassador

Eugene A. Cernan
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Michael Phelps
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Greg Norman
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Sergio Garcia
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Michelle Wie
Omega Ambassador