

August 10, 2012

Stephen Urquhart
President
Omega SA
CH-2502 Biel Bienne
Switzerland

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

Re: Luxury Goods in Iran

Dear Mr. Urquhart and Mr. Hayek:

United Against Nuclear Iran (“UANI”) is writing to express its concern about the ongoing business of Omega SA (“Omega”), the official timekeeper of the 2012 Summer Olympic Games, in Iran. As part of its “Luxury Goods Campaign,” UANI is calling on luxury firms to stop supplying the elite of the Iranian regime with luxury commercial goods and products at a time when the majority of Iranians are languishing under a mismanaged and floundering economy brought about by the regime’s misguided and dangerous pursuit of an illicit nuclear weapons program. Ultimately, UANI believes that the only responsible course of action for corporations like Omega and its parent company Swatch Group is to end all business activities in Iran.

The reasons for our concern regarding Omega’s business activities in Iran are manifold. First, the Iranian regime relies on access to luxury goods to co-opt Iranian elites, and, in turn, maintain power. According to a *Fox News* analysis, “Iran’s ultra-rich reportedly are a mixture of the well-connected. There are the people in the banking sector, as well as the technocrats with talent, valued and rewarded by the regime. Then there are the clergy close to the regime, because not all clergy are in lock-step with the hardliners running the country. The elite is rounded out by a segment of the Revolutionary Guard corps who control trade and smuggling.” (*Fox News*, “[Elite Iranians live in luxury as rest of country feels economic strain of sanctions](#),” 8/3/12) Access to luxury goods, like Omega watches, helps bind the elite to the Iranian regime even as many Iranians call for Iranian government officials to resign amid rising food prices, spiraling inflation and gross inequality. (*The Wall Street Journal*, “[Iranians Squawk at Chicken Prices](#),” 7/23/12)

Ambassador Mark D. Wallace | Chief Executive Officer | MWallace@uani.com

By doing business in Iran, Omega, which lists ten authorized retailers in Tehran (*Omega Website*, "[Store Locator: Tehran, Iran](#)"), and its parent company the Swatch Group, clearly stand outside the consensus reached by the majority of responsible governments and multinational businesses worldwide, to economically isolate the Iranian regime in response to its continued threat to international peace and security. UANI's Luxury Campaign page (<http://www.uani.com/luxury>) shows that several other Swatch Group subsidiaries and brands are active in Iran, including the luxury watchmakers Longines, Blancpain, Breguet, Glashutte Original, Jaquet Droz and Rado. Swatch Group and its subsidiaries, including Omega, must join the international consensus to compel the Iranian regime to alter its unacceptable behavior.

Omega and Swatch Group's ongoing business in Iran also subjects the Swatch Group to significant financial and reputational risk. Omega has dedicated substantial effort and resources to establish its brand worldwide, including by serving as the official timekeeper of the 2012 Summer Olympic Games. Such efforts will be wasted if Omega comes to be viewed as catering to the elite of a notoriously brutal regime that is endangering international peace and repressing the Iranian people.

In short, the Iranian regime is imperiling the long-term stability of the region, the security of the international community and its own citizens as well as the entire nuclear nonproliferation regime. It is incumbent on all of us—governments, private citizens and corporations alike—to take concrete steps to oppose this ongoing and dangerous threat.

Please let us hear from you by August 17, 2012 regarding Omega and Swatch Group's existing and future business plans in Iran.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Mark Wallace', is positioned above the printed name.

Ambassador Mark 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

Mark Hayek
President & CEO, Blancpain

Günter Wiegand
CEO, Glashutte Original

Marc Hayek
President & CEO, Montres Breguet SA

Marc Hayek
CEO, Jaquet Droz

Walter von Känel
President, Longines

Matthias Breschan
CEO, Rado