

October 2, 2012

Tim R. Cobbold  
Chief Executive & Executive Director  
De La Rue plc  
Jays Close  
Viables, Basingstoke  
Hampshire, UK RG22 4BS

**Re: De La Rue plc, Iran and Rial Printing Supplies and Support**

Dear Mr. Cobbold:

United Against Nuclear Iran (“UANI”) is writing to express its concern about the potential provision of banknote printing machinery or services by De La Rue plc (“DLR”) to the Central Bank of Iran (“CBI”) and its Security Printing and Minting Organization (“SPMO”).

As you should be aware, the international community has united in an effort to adopt measures to economically isolate the Iranian regime. The rationale for this action is based on strong empirical evidence that such measures are having a tangible impact on the Iranian economy and the Iranian regime. Clear evidence of this can be seen in the value of Iran’s currency, the rial, which is presently in free-fall.

The decline in the value of the rial demonstrates that the Iranian leadership’s political decisions and economic mismanagement have degraded the Iranian economy and seriously limited economic opportunities and prosperity for the Iranian people. Furthermore, the growing difference between the official and unofficial exchange rates shows that pressure has caused the regime to increasingly lose control over its economy. Now is the time to sustain existing measures put in place to pressure the Iranian regime and also to adopt additional measures to ensure that Iran faces the most robust sanctions in history.

Accordingly, as part of its Currency Campaign, UANI is targeting companies such as DLR for its provision of goods and services that support the security printing and production of the rial. By manipulating and increasing the printing volume of the rial, the regime can bolster its floundering currency and mask the disastrous impact of its political decisions, economic mismanagement and isolation.

As the value of the Iranian rial continues to plummet to an unofficial rate of about 37,000 rials to the U.S. dollar, and inflation balloons to 25%, the Iranian regime has turned to issuing increasingly large denominations of banknotes. (*BBC*, “[Iran doubles highest banknote amid inflation fears](#),” 5/22/10)

As you know, DLR is the last publically-known printer of Iranian banknotes, with the DLR imprint appearing on the rial as late as 1993. ([Standard Catalogue of World Paper Money](#)) Given the highly complex nature of banknote printing and resultant long-term relationships between printers and central banks, UANI is highly concerned that DLR has continued to provide machinery, materials, technical support, or consulting services to the CBI.

Moreover, in order to produce large numbers of high-security banknotes, the CBI has apparently turned to companies such as DLR for technical expertise, printing machinery and raw materials. The CBI recently released requests-for-tender (“RFTs”) soliciting the supply of printing presses, security fibers, hologram application machines and chemicals and additives crucial to the banknote production process. ([Iran Tender Company](#): Input “Central Bank of I.R. of Iran” OR “Security Printing and Minting Organization”) Please clarify whether or not DLR has acted on any of these RFTs and if it is providing technical expertise, printing machinery and raw materials to the CBI either directly or through a subsidiary or affiliate. UANI strongly believes that the only responsible action for DLR in light of the fact that the CBI is a sanction-designated entity under U.S. and EU law is for DLR to immediately and publicly reject CBI solicitations for DLR services.

UK-based DLR should be aware of European Union sanctions that preclude European firms from supporting Iranian banknote production. In March 23, 2012, the EU enacted Council Regulation No. 267/2012, which prohibits the “delivery of newly printed banknotes and coinage to or for the benefit of the Central Bank of Iran.” ([EU Council Regulation \(EU\) No 267/2012](#)) Please also be advised that UANI will be contacting relevant regulatory officials in the UK and the EU to highlight any activities of DLR and other purveyors of currency printing products and expertise.

Therefore, UANI calls upon DLR and its affiliates and subsidiaries to immediately clarify and, as appropriate, cease its business activities with the CBI and other Iranian controlled entities. As the global community has successfully economically isolated Iran, the rial has fallen precipitously. Tehran’s only method of counteracting the devaluation of the rial is by increasing its money supply and by ensuring the efficacy of the printed banknotes. Without such technology, Iran could not successfully print more and secure rials.

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, private citizens, governments and corporations alike, to take concrete steps to oppose this ongoing and dangerous threat. It is time for DLR to clarify any its business in Iran. To the extent that DLR maintains any goods or machinery in Iran, DLR should reclaim such items and remove them from Iranian soil.

Please let us hear from you by October 11, 2012 as to whether or not you will take action to end your business in Iran. We look forward to your response.

Thank you for your immediate attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Mark Wallace". The signature is fluid and cursive, with the first letters of "Mark" and "Wallace" being capitalized and prominent.

Ambassador Mark D. Wallace

Enclosure:

-- UANI's Iran Business Declaration

cc: Keith Brown  
Managing Director, Currency, De La Rue plc

Ed Peppiatt  
General Counsel & Company Secretary, De La Rue plc