

Press release

The Swatch Group Ltd.: Expansion and new building projects at the Omega Ltd. and Swatch Ltd. sites in Biel/Bienne

Biel/Bienne, 28 March 2008 – At its meeting of 10 March 2008, the Board of Directors of the Swatch Group AG decided to further strengthen the group's presence in the City of Biel/Bienne and to extend the key activities of its biggest brands Omega and Swatch on the existing Omega site and in its vicinity. To enable these plans to be implemented, the City of Biel/Bienne and the Swatch Group companies Omega and Swatch signed a preliminary agreement containing the following provisions:

- Omega Ltd. proposes to partially replace the existing buildings at J.-Stämpflistrasse 96 in Biel/Bienne and erect new buildings on previously vacant parts of the site.
In addition, Omega Ltd. is to acquire the plot of land covering around 1,200 m², which will be created by the City of Biel/Bienne on the Omega site after the planned leveling of Gottstattstrasse. The purchase price for this new part of the plot is CHF 1.5 million.
- Swatch Ltd. wishes to build a complex of buildings for its administrative headquarters with representation and exhibition premises in the immediate vicinity of its headquarters, currently located in the Omega buildings. It submitted an application to Biel/Bienne Municipal Council to acquire the "Gygax Site", opposite the existing Omega site. This land covers an area of around 19,200 m² with frontage on Gottstattstrasse/Jakob-Stämpflistrasse. The purchase price for the "Gygax Site" is CHF 12.75 million.

At present, the Wyss Samen und Pflanzen AG Company is located on the site. Swatch Ltd. will take over the rental agreement of Messrs Wyss AG which runs until 30 June 2012, together with the rental agreements for the two buildings at J.-Stämpflistrasse 108 and 110. The City of Biel/Bienne will use its best endeavors to offer the tenant an alternative location enabling to terminate the rental relationship with the Wyss Garden Center at an early date.

The future town planning integration of the Omega Ltd. site likewise provides for an area along the Schüss to be left vacant for public use. However, the land will still be owned by Omega Ltd.

The plans adopted by the Omega AG and Swatch AG companies and the City of Biel/Bienne require, in particular, an amendment of the underlying rules for the two sites under building law. This will necessitate several procedural steps by the City of Biel. The latter will conduct the various verification and authorization procedures within the next few months.

The citizens of Biel/Bienne will vote on the subject on 30 November 2008 thus taking the final decision. If the proposal is also accepted by the population of Biel/Bienne, it will take definitive effect on completion of the authorization procedure by the cantonal authorities.

The decision by the Swatch Group represents a long-term commitment to the City of Biel/Bienne. On a land area which will shortly cover some 100,000 m² in Biel/Bienne, the Swatch Group expects to create several hundred additional jobs compared to the situation prevailing today. This will require investments well in excess of CHF 100 million.

Considering the other Swatch Group companies that have also been set up in Biel/Bienne in the last twenty years in addition to the Swatch Group headquarters, the total value of the Swatch Group investments in Biel/Bienne exceed one billion Swiss francs. They include Swatch Group companies such as the Group's European Logistics Headquarters, cK Watch & Jewelry Co. Ltd. and the recently acquired headquarters of Tiffany Watch Co. Ltd. at Seevorstadt, besides the key activities of the Group's IT center or the foundation of Belenos Clean Power AG by the Swatch Group Ltd. and its partners – to mention just some of the developments.

At the place where the world's biggest watch group has its historical roots, infrastructures are being created which will add value and generate new employment opportunities; they also hold out tourism potential for the City of Biel/Bienne. The current project ideas for the future buildings make provision for structures which go well beyond their technical functions - through architectonic design features and the provision of opportunities for visitors to view watch production.

Swatch Group companies in Biel/Bienne:

Swatch Group Headquarters; cK Watch & Jewelry Co. Ltd.; Endura Ltd.; Flik Flak Ltd.; Groupe Habillage Haute Horlogerie; Hamilton Ltd.; Hi-Tech Research & Development; Omega Ltd.; Tiffany Watch Co., Swatch Ltd.; Swatch Group Immeubles Ltd.; Swatch Group Distribution Ltd., Swatch Group Les Boutiques Ltd.; Swatch Group Quality Management Ltd., as well as the Belenos Clean Power Ltd. recently founded by The Swatch Group Ltd. and its partners.

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