

Re: AHAVA®: Setting the Record Straight

In recent months our company and products have been the subject of unfortunate, ugly and clearly politically motivated smear attacks. These attacks are led by a couple of small radical fringe organizations, which are part of a larger and more insidious campaign aimed against the State of Israel.

In certain instances these attacks have included tactics directed towards our business partners, with the clear objective to discourage them from continuing to carry our Dead Sea based products. These organizations are orchestrating a political boycott of the Ahava® products, and through it cause damage to the State of Israel. As you know, such boycotts are not only abhorrent, but illegal in the United States.

Apart from these attacks being shamelessly politically motivated, they are based on blatant lies and twisted half truths. However, as this fanatical group has gone after our valued business partners, we find it necessary to present certain key facts to you so that you have the reality and context. Here are some of the patently false claims by these protestors:

Claim - "Ahava uses in its products mud excavated in an occupied area, and thus it exploits occupied natural resources for profit, which is a violation of the Fourth Geneva Convention."

Facts:

- The mud and minerals used in Ahava's cosmetic products are not excavated in an occupied area. The minerals are mined in the Israeli part of the Dead Sea, which is *undisputed* internationally.
- The mining area and operation are limited in scope, and in no way affect or hinder any future use of minerals from the Dead Sea, or causes any permanent harm to the environment or to the area's natural resources.

Claim – "The presence in Mitzpe Shalem creates a lot of problems for the Palestinians that live there."

Facts:

- Ahava does not interfere with the Palestinian population. *Mitzpe Shalem* is situated in an *unpopulated* area in undisputed territory in the Judea Desert, and there are no Palestinians residing in the vicinity of *Mitzpe Shalem*.
- The presence and activities of Ahava at the *Mitzpe Shalem* facility has not been cited in any complaint by any legitimate representative of the Palestinian population and does not violate any rights of any peoples.

Claim - "Ahava's products are produced in the illegal settlement of *MitzpeShalem*."

Facts:

- *Mitzpe Shalem* is not an illegal settlement. Ahava's manufacturing facility is located at Kibbutz *Mitzpe Shalem*, on the North-Western shore of the Dead Sea, just 6 miles north of the "Green Line", within the area usually referred as the West Bank.
- Ahava's use of the *Mitzpe Shalem* facility is legal and does not violate any provision of International Law, especially as there is no recognized right of any peoples other than Israel to the West Bank.

- The sovereignty over the West Bank has been in dispute for more than 60 years. It is expected that the future of the West Bank, and in particular of that part where *Mitzpe Shalem* is situated, will be finally decided as part of the negotiations between Israel and the Palestinians.

Additional Facts about these radical fringe groups:

- They have been cited often for their illegal actions, including the destruction of private property on those who support the objects of their protests;
- They have been cited often for their anti-American as well as their anti-Israeli conduct, actions, and criticized by numerous respectable news outlets;
- They have crossed the line of enjoying the Constitutional right to assemble and to speak freely, as they engage in actions which may rise to the level of libel, defamation, trespass, harassment, extortion, interference with business relationships and other actionable conduct.

We believe strongly in all democratic principals, but cannot abide the use of the Constitution to mask prejudice and commercial blackmail to achieve political objectives. It is regrettable indeed that Ahava customers have been drawn into the political arena. At the same time, we will resist with all of our energy any attempt by radical organizations to promote their agendas and political profile through these campaigns, boycott threats and other similar tactics. We are currently evaluating all legal remedies that may be available to us.

We apologize to you for the inconvenience of having to deal with this situation, and are sure that our customers, who form a critical component of your business base, will continue to appreciate the solidarity we hope you will show in resisting any untoward pressure these radicals try to bring to bear.

We would like to use this opportunity to thank you for your support of Ahava® products and to reiterate Ahava's commitment to its values – to provide the finest Dead Sea mineral-based products available worldwide.

Yours faithfully,

Y. Ellis, President and CEO
Ahava – Dead Sea Laboratories Ltd.