



FALL

NEWS

2007

## CIGAR PRICES DROP 15%

The benefit of getting pars on the golf course is just about over for 2007. But the benefits of a dollar at par (or better) has just begun.

The appreciation of the Canadian dollar to its US counterpart means that receipts of all fall arrivals are coming in at a lower cost compared to spring and summer. As this happens, the average cost of our inventory drops and we can reduce our prices to reflect these lower costs. This happened in the summer when the dollar began to creep over the 0.90 level.

However the appreciation over the past two months has been staggering and almost all of our suppliers have adjusted prices accordingly. As a result, effective November 1, all of our regular cigar prices were reduced by 15% and where we have huge turnover – like our house cigars - they are down almost 20%. Many of the new lighters and accessories we bought at recent trade shows are landing at a 0.95 to 1.05 dollar – much cheaper than what we were paying earlier this year. As a result Blazer and Prometheus lighters have come down in price over 20% and we expect their prices to drop again as our Christmas receipts arrive.

Cigar Studio has always worked hard to offer customers the best value we can in all our products and services. Suppliers are hesitant sometimes to pass on savings associated with currency conversions. When they do, you will save money. If they don't, we will review suppliers and buy direct whenever possible. That is our commitment to you.

Right: Miguel Brown Vaillant, Director of the H Upmann factory in Havana with Toronto visitors Pat, Roy and Tim and yours truly. The personal tour he granted us of the H Upmann factory, one of the newest and busiest in Cuba, was one of the highlights of a great 4 day trip. To see more of what we saw, go to [www.cigarstudio.com](http://www.cigarstudio.com).

## CUBAN CIGAR RATINGS SKYROCKET AGAIN

What do the Hoya D Monterrey Regalos, Montecristo No 2, Cohiba Maduro Magicos, Partagas Serie D No 4 and H Upmann Connoisseur all have in common?

They are part of a long list of Cuban cigars that CA magazine all rated 90+ in the current issue (Tom Selleck). Once again the authors of this US based magazine, one supported by hundreds of thousands of dollars in advertising revenue from cigar manufacturers in the DR, Honduras and Nicaragua, gave more Cuban cigars "outstanding" ratings than from any of these other countries.

We have been reporting on this for the past 5 years when it became clear that Habanos SA was balancing the (often) opposite goals of sales quantity with product quality. We saw the introduction of the first draw testing machines in several factories in 2002 and we saw and tasted wrapper that had clearly been aged and fermented sufficiently. Our visits to several factories during our Havana trip last week reinforced the commitment to quality that has been the major initiative of Altadis since they bought a majority interest in Habanos in 2002.

"But aren't Cuban cigars too strong?" We get asked this a lot and our answer is always the same – try a couple. And I am not talking about a \$50 Cohiba. The next time you have a chance, buy a couple of cigars in the \$8 to \$12 range – the Partagas Mille Fleur, the Romeo Y Juileta Cedros or the Fonseca Cosacos are good examples. And see for yourself. You might be very surprised about this taste test.



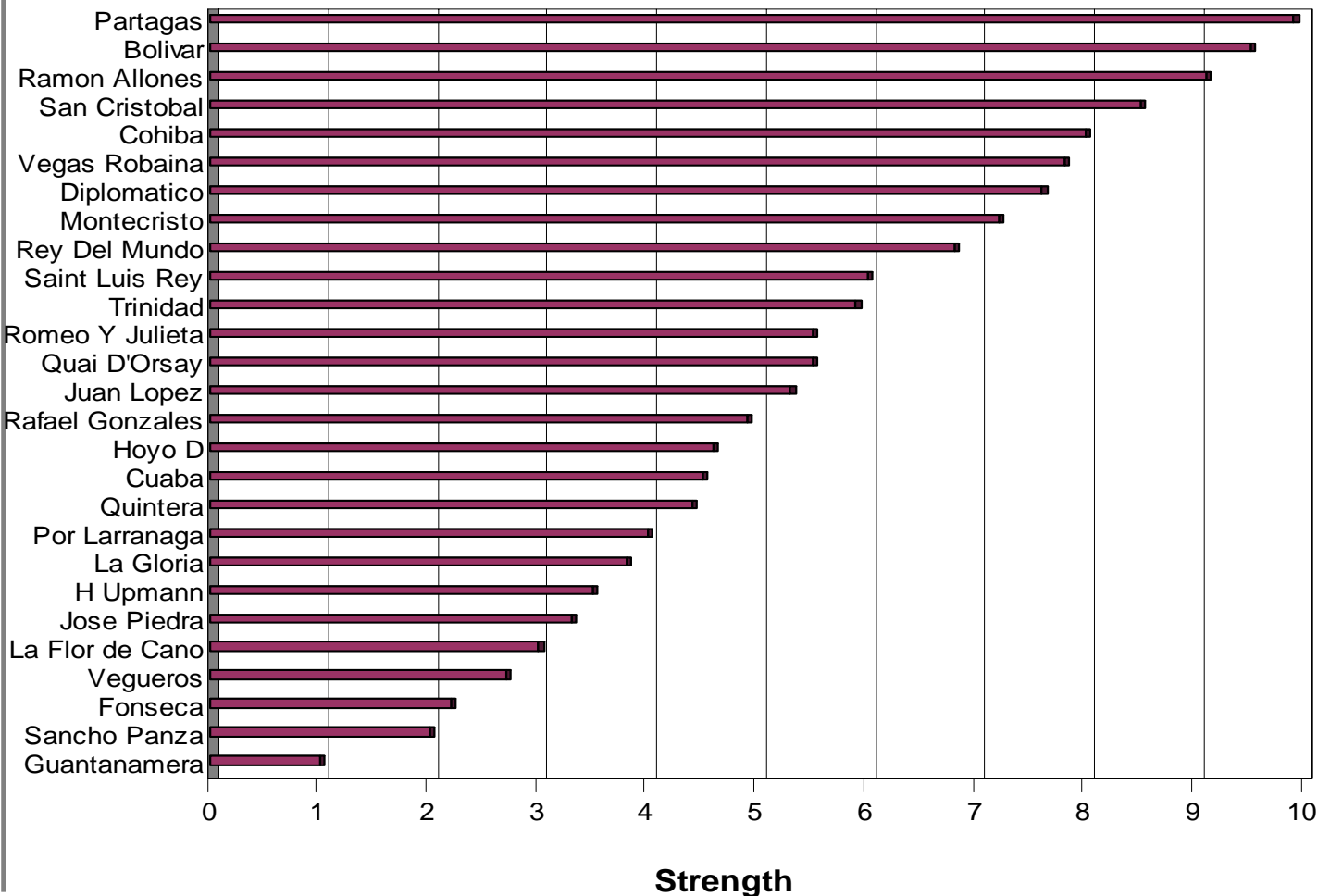
# WHAT IS YOUR FAVOURITE CIGAR?

My wife and I have two children, 1 boy and 1 girl. Apart from the obvious, they couldn't be more different. One is quiet, the other very outgoing. One is very academic, the other loves music and arts. If you have children, you know what I am talking about. But what if someone asked you which your favourite is? You would not offer a preference, but instead you would extol the virtues of both.

The same holds true when customers ask me to name my favourite cigar. I enjoy a variety of cigars, depending on the time and place of the occasion and with whom I am smoking. Apart from the obvious difference in sizes, some of my favorites are mild and others strong. I enjoy the creaminess of certain brands and the spiciness of others.

So when you ask Shawn or I about our favorite cigar or the best cigar, and we explain the virtues of different cigars, we are not being evasive. Instead it is our strong belief that Cigar Studio carries a wide variety of very good cigars and a favourite, well that "depends".

## Cuban Cigars - Comparative Strength



## HERE'S WHAT'S NEW FOR FALL 2007

Ouch. The dull days of fall. Wet and gloomy weather reflect the seasonal slowdown in our business in November as we get set for the train coming down the tracks. And yet fall is an exciting time for us as new items begin to show up in the store. Here is a sample.

- Lampe Berge continues to be one of our biggest surprises since we introduced the line last year. The collection has grown by almost 30 new lamps in all 4 collections, many of which are under \$75. Their R&D keeps on developing new scents and we have both in stock - Fresh Linen and Green Tea. And they have expanded their assortment of 1 litre bottles from last year and we now have best sellers like Southern Vanilla, Almond Pear, Atlantic Tide, Crème Brule and Green Apple. And to accommodate customers who want to test drive a fragrance, they have introduced a smaller 250 ml format in Peach, Charlston, Eucalyptus and Caribbean Flowers. If you don't have a Lampe yet, now is the time.
- Max Benjamin Mini Cigar Bar – First seen in Cigar Aficionado, the Presidents Cup Official Golf Program and the November Issue of Playboy, the Mini Cigar Bar is the ultimate gift, especially for the guy who has everything. A portable bar you sling over your shoulder, it features a humidor, glasses, ice container, cutter and torch lighter. You just add you favorite scotch! Check out [www.maxbenjamin.com](http://www.maxbenjamin.com) for a \$50 coupon that can be applied to the Bar.
- Just in time for fall and Christmas, a number of new Forchino pieces have arrived in store. The "Champion" and "Tennis Anyone" have already started to sell and if you see them, you will see why.

Given stronger purchasing power, we are back in the market looking at a number of brands and categories that represent much better value today than they did several months ago. Stay tuned.



New lamps from Lampe Berge



Tennis Anyone by Forchino



Max Benjamin Mini Cigar Bar

## PIPE SEASON KICKS IN

The one area of our store that kicks into high gear at this time of the year, is our pipe business. Maybe it's the imagery of a pipe by the fireplace, or up north when the cottage gets all closed up, or because it may be too cold to enjoy your regular full length cigar. Whatever it is, with the arrival of fall, we make sure that our pipe trays are full and we are well stocked with a variety of pipe tobaccos.

Here is our Pipe News.

- We are now carrying 10 new pipe tobaccos from our friends at Brigham. We also have restocked all their 1, 2, and 3 dot pipes. But we are most excited about their 400 – 700 series pipes. They are now made in Italy and all feature Brigham's patented filter system. And to give purchasers of these new pipes something extra, we are offering free pipe cleaners, pipe filters and a tamper to all buyers of a 400-700 series pipe.
- It would not be a normal November without our fall pipe sale. All Peterson Pipes are 40% off and all Savinelli, Lorenzetti and Nording are 50% off. The strong dollar means that we have some new lower prices on the Columbia pipe tobacco pouches and pipe tools. Drop in soon for the best selection. Sale ends November 30.
- Sorry it took so long but we have finally tracked down a new but more consistent supplier for Erinmore pipe tobacco. We currently have both the flake and mixture in stock.

We are working with our suppliers to be able to lower the prices on our core tobacco programs. As pipe smokers know, the complication is the ridiculous tax on pipe tobacco. However we hope to have positive news of tobacco pricing by the time you get this newsletter.

## WELCOME LONGEST YARD!

Drop into the Kingsway's newest restaurant and bar and say hello to Deb and Gwyn and the rest of the staff at the Longest Yard. Located in the old "Office", the Longest Yard joins a number of new and successful establishments giving us all another reason to wander over to the other side of Royal York.

Congratulations and good luck guys.

### Weekly Hours

**Monday to Wednesday: 10 AM to 7 PM**  
**Thursday and Friday: 10 AM to 8 PM**  
**Saturday: 10 AM to 6 PM**  
**and**  
**Every Sunday of the year: Noon to 5 PM !!**



Abel Exposito Diaz runs Partagas, the most famous factory in Cuba. He is an international ambassador for Cuban cigars and has played host in his VIP room to some of the world's most famous aficionados. So when he invited us to come back on Saturday afternoon and drink rum and smoke cigars, you can guess our answer.