



SPRING

NEWS

2007

HIP, HIP, HURRAY

That's our cheer for the end of winter and the arrival of spring.

We usually take up this space to show pictures of regular events that highlight our winter into spring transition.

The picture below is that of a machine that is insuring the Cuban cigar industry dramatically reduces the number of cigars which draw poorly. We have seen many of these in every factory we have visited since 2003 and there is no doubt they are working; we rarely get complaints from customers about the tough draw in a Cuban cigar, a common complaint up to that time. And we saw them in abundance again during our trip to the Habanos Festival in February.

The picture to the right is that of a Trophy we have been giving out since 1998 but can't any longer due to Bill 164. More on that on page 3.

Happy Spring.



HABANOS FESTIVAL

It was particularly satisfying to get on the plane to Havana on February 26, given that it was minus 19 in Toronto at the time. And Habanos SA did not disappoint as once again they put on a fabulous 5 day Festival celebrating the very best that the Cuban cigar industry can offer.

We enjoyed lots of samples from all the new cigars which Habanos will release this year. Cohiba has developed a new maduro line which they are marketing under the "Maduro 5" series as all the tobacco content is at least 5 years old. Montecristo is taking a page from successful chapter of the Partagas Reserva (2002), and will be releasing its own Reserva line. If Spain does not scoop them all first, we should see first shipments sometime this summer.

Naturally there was lots of buzz about Fidel and some of it was right out of the Python skit, "Is he dead yet?". No he is not, and his status appeared to have no impact on day to day life in Havana. It certainly did not affect the many activities and events that were organized for the 800 or so tobacco store and industry personal who go to this festival each year. As always we had a blast from the Opening Night Dinner at the Havana Club to the final Gala Dinner at the Convention Centre.

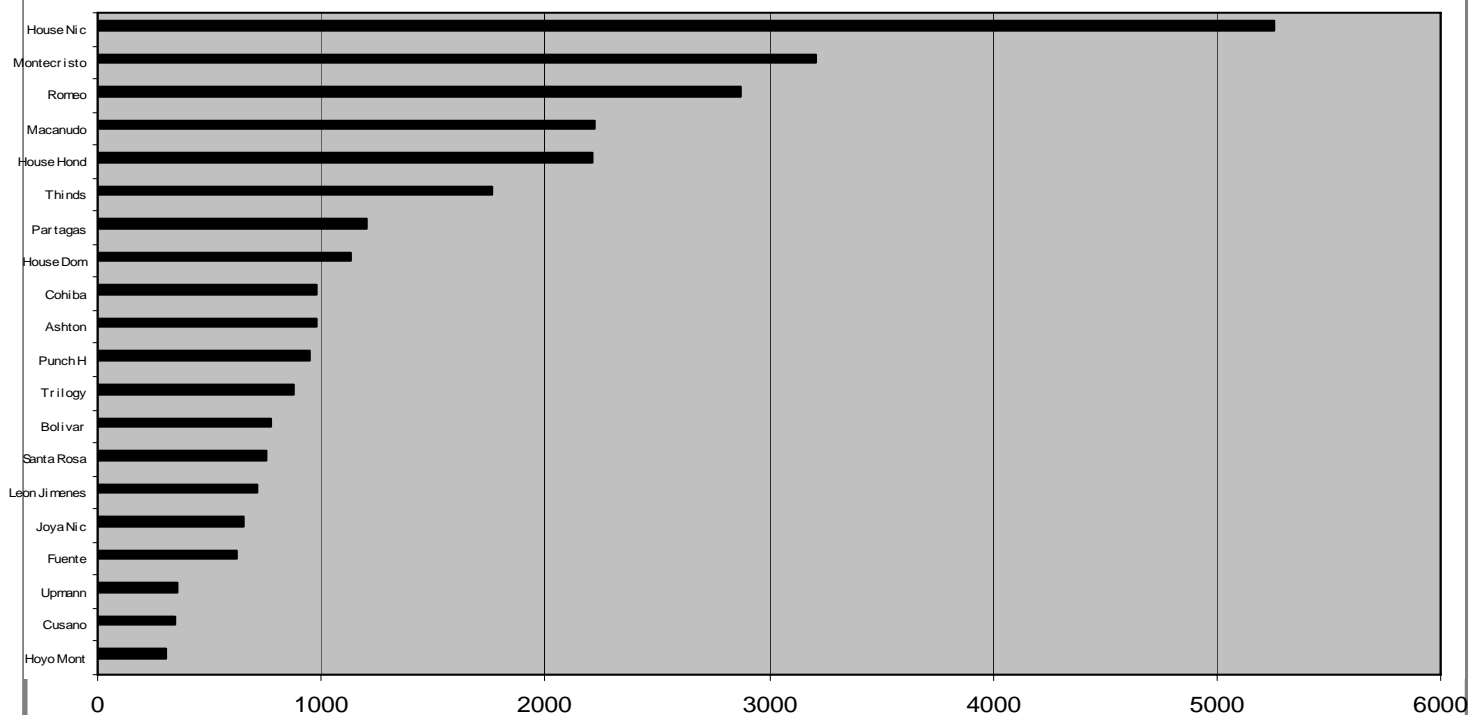
Hmmm, I smell a Thursday to Sunday trip in November.....



HOUSE NICARAGUA DOMINATES

Talk about a dynasty. Our House Cigars continue to lead our best sellers list year after year. And why not given their great price, performance and consistent taste. While our Nicaraguan brand always seems to be the perennial winner, our House Honduran and Dominican cigars have a significant following. 2006 saw two great Cuban brands finish at 2nd and 3rd place – both Montecristo and Romeo Y Julieta are big sellers in our store. And in spite of a trend towards more flavor and strength, the demand for the Macanudo brand continues with customers who enjoy mild and creamy cigars.

Cigar Studio - 2006 Top 20 Cigar Brands



NEW LAMPE BERGER AND FORCHINO IN STORE NOW

Two of our best non tobacco lines continue to be Lampe Berger and Forchino. New receipts of these lines have been arriving over the past several weeks. We have about 30 new lamps and all the new fragrances from Lampe Berger. And the detail and personalities of the new golf pieces, cars and collectibles from Forchino are at a new level. Both lines make great gifts and you can't miss them when you come into the store.



Recognize any of these three amigos, all of whom are Category A rollers and whom we had several cervsas with in Havana. Hamlet, Jorge and Arnoldo have all been in our store over the past 3 years and should be returning as early as June this year.

BILL 164 UPDATE

This winter was tougher than those in the past – certainly the brutally cold weeks in January and February did not help. But Bill 164 made it next to impossible to enjoy a cigar anywhere but outdoors. You either had to drive to a casino or work for the CBC to get access to an indoor (and legal) smoking area. Even though the winter months are traditionally very slow for us anyways given the seasonal nature of our business, we did experience a small hit attributable to the smoking ban; our customers who enjoy a cigar while a) watching an NFL game at the Old Mill, b) playing pool at The Fan or c) having dinner and drinks at La Castile, were basically shut out from these activities.

However our main frustration this winter was that Bill 164 made it (officially) illegal to host any cigar events. As hundreds of you know, Cigar Studio has been a leader in Toronto with the variety and frequency of events we host for customers. And while we have several planned for the great outdoors – we are going back to both the Terrace at the Old Mill and the Fan's outdoor patio this summer and it looks like August Boat Cruise is on – our winter cigar events had historically been some of the most popular. Personally my greatest disappointment was the inability to host our Annual Pool Tournament. We had hosted this event since 1998 and raised 000's of dollars for Big Brothers and many of you looked forward to playing in it every year. It's a shame that such an event is outlawed under Bill 164. So let me offer one last "congratulations" to the following Teams who have won the 4-3-2-1 Trophy over the years; 1998 and 2006 Jack Brown and Jack Criger; 1999 Wally Kordiuk and Chris Poupart; 2000 Kevin Joosten and Bob Beal, 2001 Ken Reid and Ian Brown; 2002 and 2005 Ken Shaw Jr. and Ken Shaw III; 2003 and 2004 Ed Wojna and Dave LaTorre. Where those jackets proudly guys!



Some of the new items in store from Forchino and Lampe Berger. And our new Creemore Cigar Cabinets have also arrived.

MASTERS POOL

As you know, we have a soft spot for the game of golf. Hey even Shawn has picked it up. Anyway, golf's greatest event of the season, The Masters, is right around the corner so why not join our Masters Pool.

The pool is about as simple as you get; pay \$20 to pick a team of 10 golfers whom you think will win the most money over the Masters weekend. If your team's winnings are higher than everybody else's team in the pool, you win! We pay 1st, 2nd, 3rd highest totals @ 60%, 30% and 10% of all the entry fees. Last year we had 53 participants and this year we are looking to double it. So start thinking about a) which eligible PGA players will make the cut and be playing on Saturday and Sunday and b) which of those players will earn a Top 10 finish and win you a slice of our prize pot. Masters Weekend is April 5-8 and we need all Teams in by Wednesday April 4th. Enter as many teams as you like. Each entry is \$20. Good luck.

MAY IS MACANUDO MONTH

While still about a month away, our favorite time of the year is coming up as we celebrate both golf and cigar season kicking into full gear. May is when we promote one of our best selling brands and we will be loaded up with a large selection of Café, Maduro, and Vintage Macanudo cigars. We are particularly excited about the Macanudo Reserva, a limited edition collection made with a new wrapper from Honduras.

This time of the year also means that many patios start opening so by the time you get this we should have details of our first "official" cigar event for 2007 and Macanudo will be the feature brand. Details in store.



Havana February 28 clockwise from left - The Capitol from the roof of the Saratoga Hotel; bundling Epicure No 2's; full production in the Romeo Y Julieta factory; sorting wrappers in the Cohiba factory.



Islington Golf Club

Many of you know, I really enjoy my time at Islington Golf Club. It is a total gem, with the friendliest members in town, the best patio in the City (absolutely no exaggeration), the Club is just seconds away and unlike all the other local courses, Islington is an equity club!

If you have ever entertained the idea of joining a private golf club, why not consider Islington? Our 2007 Trial Program is the best way to enjoy all the privileges of membership on a trial basis, without paying the initiation. Simply pay your golf dues, play golf all summer, enjoy all the food and beverage facilities (and yes we smoke cigars on the patio!) and see how you enjoy it. If you want to join at anytime, great – and the Club is offering some excellent incentives to join. But if you don't, no problem. It is a risk free way to play a Stanley Thomson course all year long. Call me if you need more details.