by JEAN DIEDERICH

CIGARS

CIGAR CONVERSATION IN LA HAVANA / CUBA BETWEEN JEAN-CLAUDE REICHLING, MANAGING DIRECTOR OF LA CASA DEL HABANO LUXEMBOURG, AND JEAN DIEDERICH, PARTNER AT KURT SALMON AND CIGAR AFICIONADOS IN LA HAVANA/ CUBA DURING THE 15TH HABANOS CIGAR FESTIVAL THAT TOOK PLACE FROM FEBRUARY 26TH TO MARCH 2ND 2013.

A one-week program completed by a range of activities including visits to the finest tobacco plantations in Vuelta Abajo (the triangle between Pinar del Río, San Juan y Martinez and San Luis), the historic H. Upmann and Partagás cigar factories, talks, seminars, the famous "completely hand-rolled" master class, cigar tastings, special tastings combining Cuban cigars and liquors, and a trade fair at the International Convention Center.

JEAN DIEDERICH: HOW IS THE CIGAR BUSINESS GOING, WHAT IS THE EVOLUTION IN THE LAST YEARS?

Jean-Claude Reichling: Globaly the Cuban Habanos S.A. is growing its business by +9% between 2010 and 2011, with revenues of USD mio. 401 in 2011. My La Casa del Habano has been growing for the last 19 years and 2012 has been the best year ever since I opened the shop on March 18th 1994 in the heart of Luxembourg-City. The steady growth is not only due to my local main clients, in the last years the internet business $\,$ has developed and helped local shops like us to become international and do business all over the world. For me, access to the Asian market is strategic, where new wealthy cigar aficionados are looking for real original puros, special and exclusive editions, the so called collectors of Cuban cigars exported by Habanos all over the world, except the US. Expensive and top quality eigars like the BHK56 are a top seller as the quality of Cuban cigars is getting better and better in the last years, and finally Cuba understood that regular quality is the key to success. One of the main reasons I'm here in La Havana is to defend my clients and my market, give concrete feedback from a distributor point of view to the producers here in Cuba, helping them to define new directions to continue to grow our common business. I also explain to Habanos that it's very important to be very transparent with our clients and deliver only premium products that have attained the right maturity and develop only high quality cigar modules. I hope we will soon have a local exclusive edition for a niche market like Luxembourg, a real

JD: WHAT IS THE TYPICAL PROFILE OF A CIGAR SMOKER BUYING CIGARS IN LA CASA DEL HABANO?

JCR: The typical profile of the eigar smoker as we know him from the past doesn't exist anymore! Today a majority of eigar amateurs belong to various classes of our society, in general

most of them are well educated and very informed connoisseurs. They smoke on a regular basis Cuban cigars and they have developed a wide know-how of the Cuban cigar culture. They often know the exact evolution of the cigar production, the different editions that are announced to become available, the quality of the different modules, some experts even know by heart the best box-date. In general theses aficionados know exactly what they want to buy. On the distributor side we have to be able to get enough boxes of these cigars from our network, CubaCigars and Habanos, in order to deliver them to our more demanding clients. Another important category of clients, often experienced cigar aficionados for many years, want to be surprised and are looking for modules that are best now, a quality tip of the moment, different from what they are normally used to smoking. They want to be surprised by other niche products they don't know or haven't smoked for a certain time. For us, professionals of the Cuban cigar business, this attitude is a major challenge, as clients have the budget to buy the best, often preferring to smoke one top cigar than smoking a several poor cigars.

JD: WHAT ARE THE MAIN CRITERIA PEOPLE USE TO SELECT THE CIGARS THEY BUY IN LA CASA DEL HABANO?

JCR: Most of our clients know our products and are often just looking for premium eigars, top quality tobacco, vitolas with a high ring gauge, a dark chocolate wrapper, a rich flavour palette, only Cuban brands like Partagas, Montecristo, H.Upmann, Hoyo de Monterrey, Punch and Cohiba. The price is often not an important selection criteria as people prefer smoking the best quality!

JD: WHAT ARE THE 2013 NEWS IN THE CUBAN CIGAR BUSINESS?

JCR: First the Partagas Lusitanias, Double Corona, Gran Reserva Cosecha 2007. Another exciting announcement during the XV Habanos Festival was the release of 2 new modules to the Monteristo continuous line, the Petit No.2 and the Double Edmundo. Three Limited Editions will also be released, the Hoyo de Monterrey Grand Epicure, Edición Limitada 2013; the Romeo y Julieta Romeo de Luxe, Edición Limitada 2013 (the same ring gauge as the Siglo VI), a pretty big cigar that will come in boxes of 10 and the Punch Serie d'Oro No. 2, Edición Limitada 2013, a traditional Cuban belicoso. We also expect La Casa del Habano exclusive modules and there are 2 exclusivos in the pipeline, the Bolivar Libertador, once a very successful regional edition for the French market, and the H. Upmann Connoisseur who creates high expectations.

JD: AND YOUR FAVOURITE CIGAR?

If you ask me to stay on an island for a year and just have the



right to bring one Cuban cigar vitola, my choice will be a Double Corona from Punch. This cigar has flavour and complexity, my first choice. You first taste the coffee, some vanilla, the nuts, complexity, balance, power, the Punch Double has it all and also ages beautifully.

JCR: WHAT IS THE RECENT EVOLUTION OF THE CIGAR SMOKER IN OUR SOCIETY?

JD: With more and more anti-tobacco laws in Europe, it is becoming more and more difficult to smoke cigars during the long winter time in the north of Europe. Non-smokers are not anymore willing to tolerate people smoking cigars. As a consequence, countries like Germany and Switzerland have authorised hotels, restaurants, bars to set-up dedicated cigar lounges respecting specific conditions. We expect countries like Luxembourg, France and Belgium to follow that example. During summer time and in the south of Europe the problem is very different because it's a great pleasure to take your time and smoke outside on a terrace, like here in Cuba, the best way to enjoy a good puros! Cigar aficionados don't want to disturb other people in our society with their smoke but I don't think it's a good idea we end-up in teh same situation as the US with a 2 class model, where on one side wealthy private cigar clubs are created for exclusive cigar smokers and on the other side, there is no room for the rest. Authorised dedicated cigar lounges where cigar aficionados can meet without annoying non-smokers should become a standard.

JCR: CIGAR CLUB LUXEMBOURG EXISTS FOR MORE THAN 15 YEARS, WHAT IS THE EVOLUTION OF THE GROUP, YOUR ACTIVITIES?

JD: Our club was created in 1998, I joined one year later and became president 3 years ago. The objective of the club is to develop the patience and exploit the Epicurus pleasures of the cigar, develop social and cultural relations with people having the same patience of the handmade original products, link with distributors and producers of cigars in tobacco growing regions and countries. We are plus pr minus 35 members, what I call a "one cigar box" club, focusing on not more than 25 participants per event. We organise diners combining food, wines, original alcohols, other handmade products and cigars, ideally combined with Cuban or Latino music in different selected locations in Luxembourg. Our general assembly is held at the Cercle Munster. Once a year we organise a family day, we play bocce (pétanque) and combine cigar smoking with a BBQ. From time to time our club organises a cultural trip, or a long week-end in Europe, Geneva, Brussels, Beirut... or a one week travel to Latin America, this year to Cuba, two years ago to Nicaragua.

JCR: IS THE CIGAR A BUSINESS FACILITATOR?

JD: It depends on the people, of course between cigar aficionados who spend precious moments together when smoking cigars, a certain friendship is created. Often people take time to speak first about their common passion, the cigar, and later change the discussion topic and speak about business. As smoking a cigar takes some time, it's a good facilitator to get to know other people than those you know and who are active in your business domain. Within Kurt Salmon we are a small number of people smoking cigars, it gives us from time to time the opportunity to combine business and pleasure. In general I have noticed that cigar smokers develop values linked to their passion and the good moments they spend together.

JCR: OUTSIDE LUXEMBOURG, ARE YOU SHARING YOUR CIGAR PASSION WITH OTHER CLUBS AND AFICIONADOS?

JD: Yes of course, the family of aficionados is very large, we often exchange with European clubs. In France, last summer, I visited the PACA cigar associations in Aix-en-Provence, in Paris we have some good contacts and we are connected with the only remaining French eigar magazine, "L'Amateur de Cigare". On a regular basis I exchange with the Monaco Epicure Club, I'm going to visit this summer. In Germany we are in contact with the Berliner Cigarren Club unter den Linden. On a regular basis I join the Cigar Club Kiev for a smoke, a voluntary and informal association of businessmen and creative people in the Ukrainian capital, organising once a vear the "Big Winter Smoke" and a "Summer Smoke". At the Habanos Festival here I just met with the distributor in Croatia and Slovenia. They prepare a live haute cuisine cookery demonstration, "Tobacco and Gastronomy", exclusive recipes featuring Cuban tobacco as the main spice.

JCR: AND YOUR FAVOURITE CIGAR?

JD: Not my first Cuban cigar, proposed by Vahé Gérard in his boutique in Grand Hôtel Kempinski in Geneva, a La Gloria Cubana Medaille D'Oro No 2, because you can't find any more good quality ones! My favourite Cuban cigar is another Lonsdale format (not very popular), a Partagas 8-9-8. Specially here in Cuba, top quality boxes are available, the 8-9-8 develops a complex flavour, intensity is growing and the finish is very rich and spicy, delicious with a good Cuban coffee or rum. When lightening your next cigar, don't forget to remember what Kiev born Zino Davidoff used to say: "A cigar cannot truly be enjoyed without contemplation, without thinking. You cannot smoke anything at any time, in any place. A cigar should fit your mood, habits, personality, surroundings".