

The sole global

Javier Terrés

cigar market:



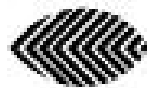
Habanos

DENOMINACIÓN DE ORIGEN PROTEGIDA

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The company



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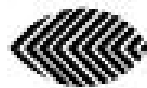
DENOMINACIÓN DE ORIGEN PROTEGIDA

The company

Habanos s.a.

- Owner of the famous cuban trade marks registered in most of the countries around the world
- Exclusive exporter of cuban tobacco leaves and all the Havana cigar brands
- World leader in premium cigar sales
- Present in more than 120 countries from all five continents

The product



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The cradle of the Havana cigars

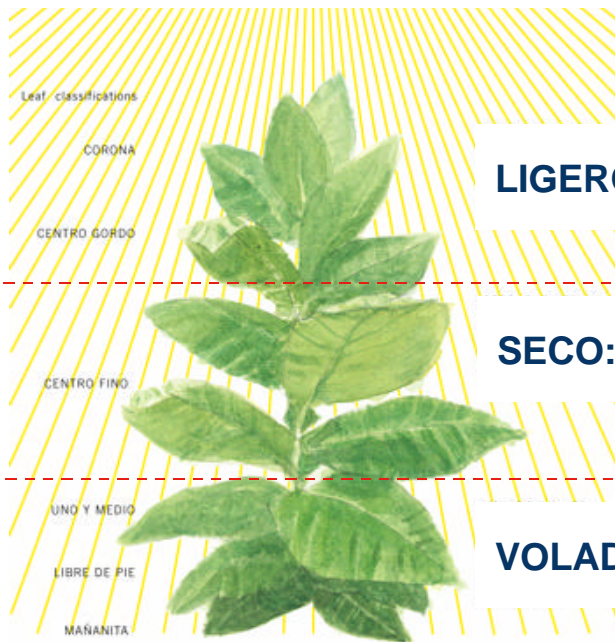
What makes Havana cigars truly unique and such a highly valued product?

- A unique combination of sun, climate and soil
- An extreme attention to detail
- Stringent quality control
- A wealth of human skills used during all the stages of the creation of a 100% hand-made product
- More than 500 years of tradition and know-how

The cradle of the Havana cigars



Havana: the inside story



LIGERO: Full flavour

SECO: Medium flavour

VOLADO: Light flavour

The seals of perfection



The Cuban guarantee seal:

- Introduced in 1889 by Spanish King's Royal Decree
- In 1912 the independent Cuban Government passed a law authorizing the use of a new design, which is similar to the one in use today
- Slightly modified in 1931 and more radically in 1999 with the addition of the red serial number as well as an hologram visible only under ultra-violet light

The seals of perfection

Hallmarks:

- Three hallmarks burnt into the underside of the box:

Habanos s.a.

HECHO EN CUBA

Totalmente a mano



The Habanos chevron:

- Since 1994 all boxes have been carrying the Habanos seal as a mark of the cigars' denomination of origin
- No box of Habanos is shipped from Cuba without it

Local importers' stamps:

- Individual countries and regions have their own certifying marks as an extra

Main guidelines

- Total Quality as a main concept: product, packaging, logistics. We sale image, brands and quality
- Focus on Global Brands
- Cover all the segments of the market through the appropriate brand
- Novelties: launch of new cigars
- Create trends in the market, keep alive the tobacco culture, new consumers
- Portfolio upgrade: Limited Editions, Special Humidors, Vintage Cigars, Reserves,...

- 34 Havana brands
- 80 factory sizes (vitolas de galera)
- 240 references
- Each brand has its own particular style and personality

Brands

Global brands:



Global brands:

	Flavour	Identity
Cohiba	Medium	<ul style="list-style-type: none">→ “The Master’s choice”→ Success
Montecristo	Half-strong	<ul style="list-style-type: none">→ “The reference”→ Classic
Romeo y Julieta	Medium	<ul style="list-style-type: none">→ “The passion”→ Aroma
Partagás	Strong	<ul style="list-style-type: none">→ “The character”→ Personality
Hoyo de Monterrey	Light	<ul style="list-style-type: none">→ “The discovery”→ Smoothness

Brands

Multilocal & local brands:



- Bolivar
- Cuaba
- H. Upmann
- La Gloria Cubana
- Punch
- San Cristóbal de La Habana
- Trinidad
- Vega Robaina



Brands

Multilocal & local brands:



- Diplomáticos
- Gispert
- Juan López
- Por Larrañaga
- Quai d'Orsay
- Rafael González
- Ramón Allones
- Rey del Mundo
- Saint Luis Rey
- Sancho Panza
- Vegueros



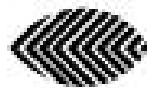
Brands

Multilocal & local brands:

- Belinda
- Cabañas
- La Flor de Cano
- Fonseca
- Guantanamera
- José L. Piedra
- Quintero
- Statos de Luxe
- Troya



Pricing



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- Luxury product: lower price sensitivity
- Clear price positioning per brand
- Margins enhanced by specialties
- Trend toward harmonizing prices by similar group of markets

- Reserves



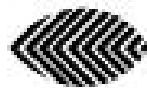
- Specialties



- Limited Editions



Distribution



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Distribution

Worldwide Distribution Network

■ Import & Wholesales:

→ 31 Exclusive distributors

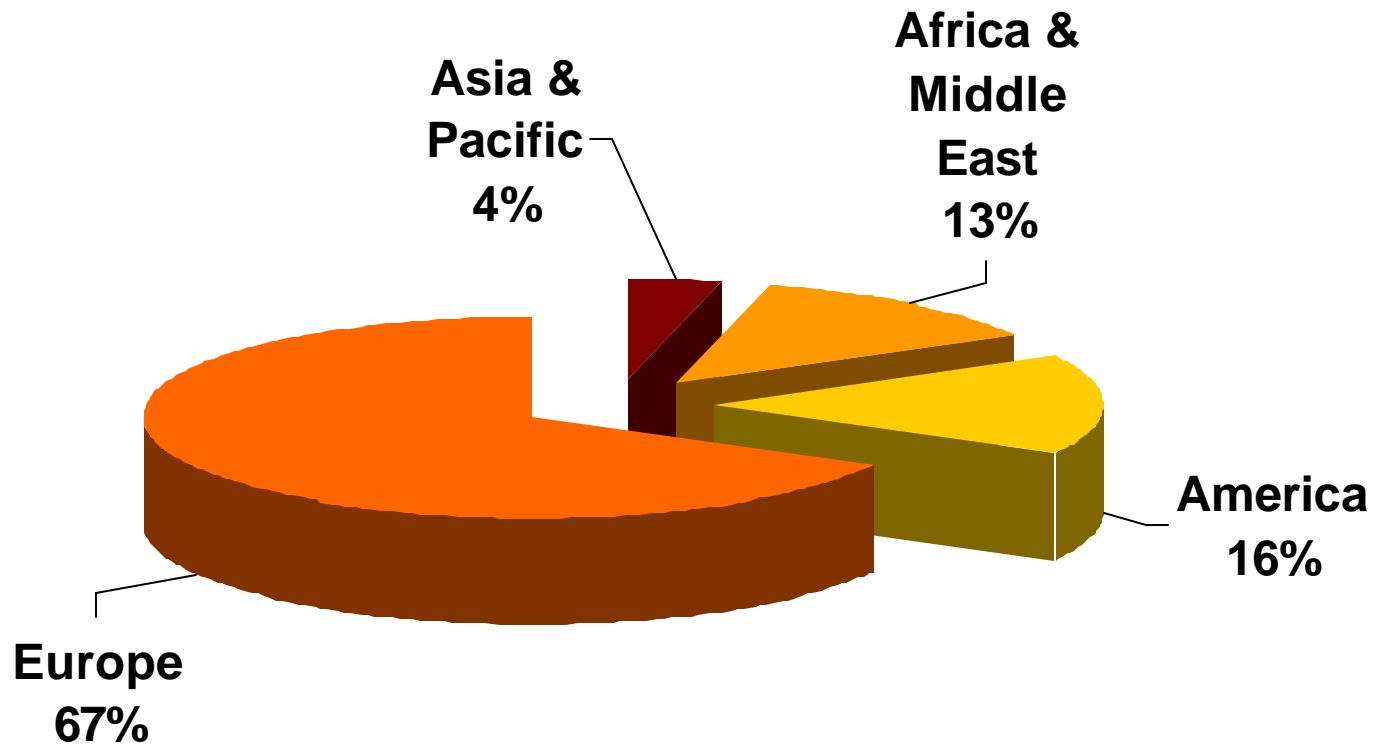
■ Retail:

→ Skimming approach toward specialized outlets

→ Franchise concept: “Casa del Habano”

Exclusive distributors

Geographical distribution of the sales - 2003



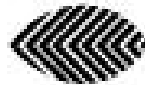
Casas del Habano

86 Casas del Habano in 46 countries

- Exclusivity
- Quality
- Assortment



Promotional approach



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Promotional approach

- Luxury products management:
 - Based upon brands/origin
 - Focus on global brands
- Enables:
 - Consumer to product (pull)
- Through:
 - Public Relations and Events
 - Very selective advertising

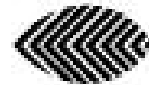
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