

EDITORIAL

As we start the challenges of a new year, the Fuente and Newman families want to thank all of our generous contributors for their support. The progress that has been made in 2005 is incredible and could not have been done without your faith in the Cigar Family Charitable Foundation.

Within two years, we have seen the inauguration of the primary school, and now Cigar Family High School. The high school is clear testament to what your support has been able to accomplish for the children of the Dominican Republic.

In this winter edition you will also read about the success of our Third Annual Toast Across America which included Toronto, Canada this year. We are also grateful for the participation of smokeshop retailers who year after year have surprised us with their generosity. From dinners, raffles, to golf tournaments, smokeshops and Cigar Family members have truly demonstrated the meaning of giving back.

All of us here at the Cigar Family Charitable Foundation, would like to wish you and your loved ones a safe and happy New Year!

Carlos Fuente Jr. and Eric Newman



Under Secretary of Environment Martha Perez, Under Secretary of Education Luis de León, Eric Newman, Carlos Fuente, Dominican Vice President Rafael Albuquerque applauding Cigar Family School's first graduates

GOD OF FIRE CHARITY DINNER



On October 19, 2005, Keith Park of Prometheus hosted the God of Fire dinner at the Hudson Hotel in New York City, benefiting the Cigar Family Charitable Foundation. The dinner was co-hosted by Graham Howarth and Paul del Rossi of Davidoff at Columbus Circle and Vincent Nastro and Bill Rella of Barclay Rex.

This special event offered ten auction lots with exquisite items including tickets to the Opening Day 2006 New York Giants game, an unreleased-to-the-Public Magnum of Wine to a three-year supply of God of Fire Cigars. The highlight of the evening was the 2004 Limited Edition God of Fire Humidor made by Prometheus with 100 God of Fire Cigars produced in 2004 by Tabacalera A. Fuente, which was auctioned off for over \$106,000. The God of Fire humidor was hand-engraved on the glass door of the humidor by the world's renown, Italian glass artist, Claudio Tamburini.

Plans are already underway for the 2006 God of Fire Dinner.

BECOME A MEMBER

Tell your friends and family about the Cigar Family Charitable Foundation, and how they can make a difference in the lives of the Dominican people. We need all the help we can get to finish construction of our community complex, and ultimately, make it fully operational.

Remind them that 100% of the net membership dollars collected go directly to the Cigar Family Charitable Foundation. All administrative, legal, accounting, office, website and general marketing costs are totally underwritten by the Fuente and Newman families.

Potential members can pick up a membership form at a participating smokeshop, or simply email us at cfcf@cigarfamily.com to receive an enrollment form. Thank you for your help.

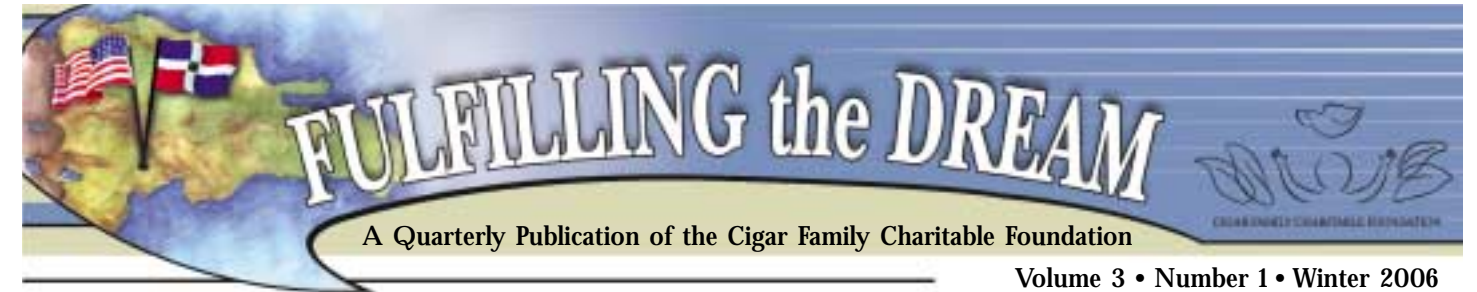


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TOAST ACROSS AMERICA BENEFITS DOMINICANS, HURRICANE VICTIMS

Cigar lovers across North America joined forces in September for a massive charity event to help the needy of the Dominican Republic. Over the course of an entire week more than 5,000 people representing all 50 states, plus a contingent in Toronto, Canada, toasted to the people of the Dominican Republic. All together they raised \$300,000 for the Cigar Family Charitable Foundation and The Dominican Foundation in the third annual Toast Across America.

"A record 126 retailers participated this year," said Eric Newman, president of J.C. Newman Cigar Co. "We salute all the smokeshops and cigar enthusiasts who came together to support this very important cause."

The first Toast Across America in 2003 raised more than \$250,000 in a single day, a figure that was matched the second time around in 2004. With this year's event taking place shortly after the devastation of Hurricane Katrina, the decision was made to donate \$50,000 of this year's total to the Bush-Clinton Katrina Fund.



David Luther, Executive Director, IDDI (Instituto Dominicano de Desarrollo Integral), Carlos Fuente Jr., Eric Newman Toast the people of the Dominican Republic at the New York Toast

"We felt we had an obligation to respond to the immediate needs of the people who suffered such tremendous losses from the hurricane," said Carlos Fuente, president of Tabacalera A. Fuente "We made a similar commitment after 9/11 when the Cigar Family Charitable Foundation donated funds to the firefighters' families."

(continued on page 3)



Happy faces from the graduating kindergardeners

CIGAR FAMILY GRADUATION 2005

Cigar Family Charitable Foundation celebrated one of its most proud moments this past October. The Cigar Family primary school graduated its first kindergarten class, officially announcing their advancement to the first grade. Furthermore, our highly motivated eight graders graduated from the Cigar Family primary school, becoming the first class to enter the newly inaugurated Cigar Family High School.

The graduation ceremony was an emotional moment for students, their family and friends, teachers, and Cigar Family members. The eighth grade students brought most graduation's attendees to tears, singing the inspirational song by Queen, We Are The Champions, in English.

"Other than the birth of my children, I can think of no other day in my life where I have been so proud," explains Carlos Fuente Jr., president of Tabacalera A. Fuente. He adds, "Over the past year, these children have worked so hard and deserve this graduation day to celebrate their achievements."

The principle of the primary school read each student's name as Eric Newman, president of J.C. Newman Cigar Co., handed them their diploma. The ceremony was concluded with a private party with a graduation cake and buffet for the students, families and teachers.

CIGAR FAMILY HIGH SCHOOL OPENS

The Cigar Family High School officially opened in the Dominican Republic on October 11 with a ceremony attended by more than 1,000 people, including Rafael Albuquerque, Vice President of the Dominican Republic, and the country's Secretary of Education.

The high school is the latest project to be completed at the Cigar Family Community Complex in Caribe. The complex was established by the Cigar Family Charitable Foundation to provide essential services to the impoverished community. A health clinic and primary school opened in 2004.



Secretary of Agriculture Amilcar Romero, Eric Newman, Carlos Fuente Jr. and Dominican Vice President Rafael Albuquerque cut ribbon to open the new Cigar Family High School

The primary school (kindergarten through eighth grade), which has only been in operation since September of 2004, has been an enormous success. When the students started school, they only tested at a 39% (out of 100%) level on national standardized tests. By the end of the year, they doubled their score to 78%.

One reason for this dramatic improvement is rather simple – children love to come to school. Where the national rate of daily student attendance is 80%, Cigar Family School student attendance exceeded 98%. Similarly where the drop-out rate in the Dominican Republic averages 20%, less than 1% of Cigar Family children left school (and that was because their families moved out of the country). Amazingly, another great accomplishment was that the students of the Cigar Family School won the provincial (state) competition in their age group for their skills in the English language.

While the primary school started well, in October of 2004 Carlito Fuente called Eric Newman to tell him that the school had a "problem". The 8th graders are doing so well in class, but have nowhere to go next year. Since the nearest high school is almost an

hour away, they would have no choice other than drop out of school next year unless we build them a high school." Even though there were no funds or budget available, Carlito and Eric agreed to do it – hence the new Cigar Family High School.

Combined enrollment at the high school and primary school now stands at 373 students. The high school is two stories high and is twice the size of the primary school. It includes computer labs with internet access to better assist the students with their education. "Most of these children have never traveled outside their own community," said Carlos Fuente. "The Internet will open their eyes to the world. The new high school also includes a music center, science laboratory and library to serve both schools.

The Cigar Family Community Complex currently comprises the two schools, health clinic, a basketball/volleyball/locker room complex, and a multiuse center. Rice, corn, squash and other vegetables are grown onsite at an organic farm, which supplies lunch for the students. Solar panels have been build and now generate much of the power.

A baseball field named in honor of corporate sponsor Cigar Aficionado is being completed. A new naming opportunity program is being expanded to give others the opportunity to name classrooms, buildings, etc at the complex. Construction of an amphitheater and community kitchen is due next, followed by a youth center and guest house. All this comes at a price, of course.

"We've already raised close to two and a half million dollars for the complex," said Eric Newman. "But because of the high school and other unbudgeted projects we had to built, we have spent more than \$3,000,000."

To learn more about the community complex and support the foundation's efforts, please visit www.cigarfamilycharitablefoundation.org.



Back of new Cigar Family High School

CFCF REPORT TO STOCKHOLDERS

More than \$3,000,000 Invested in Cigar Family Community Project to Date

What started out as an idea to help a few children get an education some 5 years ago has developed into close to a \$3,000,000 project...and we aren't even finished with the first phase of the complex yet.

As you can see from the income statement below, through November of 2005 the Cigar Family Charitable Foundation has spent more than \$3,100,000 in developing your Cigar Family Community Project in the Dominican Republic. Unfortunately, you will also read that revenues for the same period have totaled less than \$2,700,000, making it necessary to borrow the shortfall from the Bank of Tampa with Fuente and Newman Family personal guarantees. So your continued support of your Cigar Family Community Project is greatly appreciated.

You will notice that what makes the Cigar Family Charitable Foundation unlike almost any other foundation is that every dollar contributed goes to developing the Cigar Family project (or other designated charity). All administrative and promotional costs are underwritten by the Fuente and Newman families.

As a Cigar Family member, in essence a shareholder in this project, we wanted to report the source and use of the funds that so many of you have generously provided us.

Cigar Family Charitable Foundation Income Statement, 2001 – November, 2005

Revenues	
Special Events net	\$621,463
Product Sales net	81,313
Contributions – Public	1,406,828
Contributions – Fuente and Newman Families	
- Administration and Promotion	393,866
- General -	65,564
- Special Events	108,831
	<u>568,261*</u>
Total	\$2,677,865
Expenses	
Administration and Promotion	393,866
Donations – Cigar Family Dominican Project	2,691,575
Donations – Other	<u>44,648</u>
Total	\$3,130,089
Deficit	\$452,224

*Does not include Newman and Fuente family travel, misc. fund raiser cigars, misc. administrative costs



ANNOUNCING CFC 2006

The next CigarFamily.com Celebration will take place in the Dominican Republic from February 22-25, 2006.

The annual gathering of CFC members last came to the Dominican Republic in 2004. This year the headquarters of the event will be based at the Grand Flamenco Beach Resort in Puerto Plata.

An exciting itinerary has been planned for the eighth annual event, including tours of the Tabacalera A. Fuente cigar and box factories, and visits to Chateau de la Fuente and the Cigar Family Community Complex. Fine dining and an amazing sampling of fine cigars are integral to the experience.

"CFC '06 will give cigar lovers an inside look at the Cigar Family Community Project," said Carlos Fuente Jr., president of Tabacalera A. Fuente. He continues, "For those who came to the CFC in 2004, will be amazed at the progress the community complex has made and the impact we have had on the local communities."

Registration is limited to the first 100 people who sign up. For more details and to register, please visit www.CigarFamily.com.

TOAST ACROSS AMERICA... (continued from front cover)

The balance of the money raised this year will support the efforts of the Cigar Family Charitable Foundation and The Dominican Foundation to improve the lives of the Dominican people.

In contrast to the 2003 and 2004 fundraisers, which took place on a single day, the 2005 Toast Across America was spread out over a full week. This allowed greater flexibility for smokeshops to choose the best days and times for their events, which in turn allowed more smokeshops to participate.

One of this year's highlights was the New York Metropolitan Toast, which drew over 100 guests to a glamorous restaurant overlooking

the Hudson River across from Manhattan. Among the political leaders who attended were Nicholas Chiaravalloti, District Director for Congressman Robert Menendez of New Jersey, and Javier Inclan, County Clerk for New Jersey's Hudson County. Eric Newman and Carlos Fuente Jr., president of Tabacalera A. Fuente, also attended.

Another highlight was the Canadian Toast at the Ultra Supper Club in Toronto. This sold-out event raised \$8,500, an amount that was matched by Canadian cigar importer David's Cigars. The event included a couture fashion show, silent auction and giveaway vacation for two to the Dominican Republic.