

Smoke Rises in Defiance

XIKAR Inc. announces the formation of DEFIANCE Cigar Group, the release of the group's inaugural cigar brand, & cigar industry's first retailer state-coalition funding program, called DEFIANCE™

Kansas City, MO, July 23, 2007:

On the heels of its 10th anniversary, Xikar Inc. announced today the establishment of a new cigar distribution company, DEFIANCE Cigar Group and the release of the group's inaugural cigar & accessory brand, called DEFIANCE™. In celebration, the DEFIANCE™ cigar brand will debut the first phase of a cigar line & the cigar industry's first retailer state-coalition funding program at the Retail Tobacco Dealers of America's 75th annual trade show August 5th in Houston, TX. A press conference will be held at 5 o'clock pm on August 3, 2007. (location to be determined).

The DEFIANCE™ cigar brand was created by Xikar in direct response to the ever-growing legislatively & tax based oppression of cigar smokers, retailers and manufacturers in the United States. The DEFIANCE™ brand will seek to unite cigar enthusiasts with a cigar brand whose bold identity & taste promotes the need for an equally bold resistance to the oppressive forces that attempt to destroy timeless traditions.

In dedication to cigar consumers, retailers and manufacturers, DEFIANCE™ will also donate quarterly 5% of the per-box wholesale value of DEFIANCE™ cigars and accessories sold to state tobacco rights coalition where the purchasing retail store is located (ex: 5% of all wholesale sales to stores in Maryland are donated to Maryland's state coalition). If an organization has not yet been formed, the funds will be held in escrow until the state may have needs for those funds. The RTDA has agreed to or verify the fund accounting as necessary.

When asked why Xikar created the DEFIANCE™ brand, National Sales Manager Belinda Doyle responded, "Enjoying a cigar with friends is how many of us choose to spend the most triumphant or relaxing moments of our lives. Excessive taxation and oppressive laws are extinguishing the flame of our simple pleasure and the future of our industry. We need to stand up for our rights. In order to succeed, we must inspire consumers to get involved. Defiance Cigar Group will offer the finest cigars, from the finest manufacturers, so that every smoker may enjoy their passion while doing their part to protect it."

Phase one of the DEFIANCE™ cigar brand will consist of 4 premium Nicaraguan, Criollo wrapper cigars & assorted accessories. Cigar prices will range from \$5 to \$7.

President Kurt Van Keppel champions the establishment of DEFIANCE'S unique coalition funding program, "This great, yet endangered industry, has rewarded all of us here at Xikar. So we created DEFIANCE™ to do our part to protect the industry and also to ensure that new aficionados have an environment where they are free to relax with a premium cigar in peace."

Van Keppel then explains phase two the DEFIANCE Cigar Group's plan, "We will invite established premium cigar makers to join DEFIANCE™ in co-branding cigar lines. These alliances will further enhance coalition funding efforts as well as consumer awareness. In addition, we will form a consumer group called the DEFIANCE ALLIANCE so passionate cigar smokers can fight to protect their rights."

The first co-branding alliances will be announced in January of 2008.

For more information email info@defiancecigars.com or call 888-266-1193.