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Premium beef brand shatters sales records

Certified Angus Beef® brand finds opportunities for growth

WOOSTER, Ohio – Dec. 15, 2009 – Records are made to be broken. That’s the prevailing sentiment at Certified Angus Beef LLC, (CAB) which, despite a challenging global economy in fiscal 2009, achieved record sales for the third consecutive year. The *Certified Angus Beef®* brand logged several divisional and monthly records along the way.

Product sales from Oct. 1, 2008 to Sept. 30, 2009 topped 663 million pounds. That eclipsed the previous fiscal 2008 record of 634 million pounds by 4.6%, and the fiscal 2007 record of 584 million pounds.

Just as significantly, monthly sales figures reached new heights – 62 million pounds in August 2009. May, June, July and September 2009 also finished among the top 10 months in the brand’s 31-year history. Strong demand during grilling season buoyed monthly sales beyond the 60-million pound mark for the first time in July, August and September.

Consumers still prefer quality products in challenging times, becoming even more aware of the ratio of price to value, explained John Stika, CAB president.

“Arguably, this advanced our brand’s position,” Stika said. “The premium quality pays even greater dividends when consumers apply a higher level of discretion to where they spend their dollars.”

Retailers achieve unprecedented success

Representing more than half of CAB sales, the retail division had its best year ever with 343.5 million pounds sold. September was the division’s best sales month, surpassing 33 million pounds, and representing the fifth consecutive month that its many retail partners contributed to sales of more than 30 million pounds.

Retailers benefitted from consumers shifting their dining patterns to include more meals at home. Al Kober, CAB director of retail, said much of the division’s growth – a 7% increase over the previous year – came from existing retail accounts rather than the addition of new partners.

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Expanded offerings meet consumer needs

Some retailers also expanded their premium beef offerings and boosted sales by introducing the brand's extensions – Prime and Natural. Reasor's, a 15-store chain in Oklahoma, was the first retailer to introduce *Certified Angus Beef*[®] brand Prime Natural, an elite option in the natural category.

“Consumers are looking for more restaurant-quality items in stores,” explained Kober. The CAB Prime line, historically more popular in foodservice channels, found new success with retailers this year as more product was available to them. Sales of Prime increased 7.5% overall.

Foodservice division poised for growth

Foodservice partners recognized that the best strategy in an uncertain economy was to build their own brand on quality, said Mark Polzer, CAB vice president of business development. With restaurants seeing fewer customers, it's even more important for them to provide memorable experiences to ensure repeat business, he said.

The foodservice division's 200 million pounds represented more than 30% of the brand's sales. In spite of industry-wide declines in dining out, CAB gained a stronger market share in the last year, and is positioned for growth as restaurant traffic rebounds.

Global partners drive brand sales

International sales grew to 69 million pounds, a 4% increase over the previous year and more than 10% of the company total. That level of sales, not seen since 2003, was attributed to the brand's partners in Canada, Mexico and South Korea.

Canadian sales were up 11% to nearly 27 million pounds, a record particularly noteworthy in a year when total U.S. beef exports to Canada declined 12%. Mexico remained the No. 2 global market, despite economic challenges, devaluation of the peso and concerns over the emergence of H1N1 influenza. South Korea capitalized on the brand's high-quality end cuts to drive a 46.5% increase in sales. It was a banner year for CAB across Asia, with 26% growth for the continent.

Increasing demand for Angus cattle

In 2009, the brand commanded consumer and breeder awareness around the world. More than 60% of U.S. cattle were black-hided, and Angus bulls were selling at healthy premiums. Approximately 14.1 million head were identified for evaluation and nearly 2.8 million were certified, an increase of 8% over the previous year. Acceptance rates climbed to 19.8%, continuing a four-year trend.

“I believe our best days are yet ahead,” said Stika.

The *Certified Angus Beef*[®] brand is a cut above USDA Prime, Choice and Select. It has offered consumers quality, consistency and integrity since the first pound was sold in 1978. Only 8% of all beef can achieve the benchmark standards, now offered through more than 15,000 partner businesses in the United States and 45 other countries. For more information, visit www.certifiedangusbeef.com.

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