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CREAMERY SCOOPS UP N.Y. MARKET

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Warren Buffett, watch out: Dairy Queen could soon be taking a licking from a relative newcomer to the ice cream game.

Cold Stone Creamery, founded by an Arizona couple in 1988, has been expanding faster than the average kid devours a Blizzard.

In the last year alone, the company opened 144 stores, bringing the total to 400. Projections are for 300 more stores this year, including the first in Manhattan, which will open in Times Square on Thursday.

"What Starbucks has done for coffee, that's what we want to do for ice cream," said Doug Ducey, the company's president and CEO.

Growing fast is no easy feat when the overall market for so-called dip shops - traditional ice cream stores - has been shrinking. Sales totaled \$5.5 billion in each of the last two years, down from \$5.6 billion in 2000.

Cold Stone's sales, by contrast, are expected to hit \$180 million this year, up from \$80 million a year ago, Ducey said - making the company the fourth-largest ice cream chain in the country, behind TCBY Treats, Braum's Ice Cream & Dairy Stores, Baskin-Robbins and Dairy Queen, the industry leader.

At Cold Stone, which is owned by Ducey and the founders, customers can choose from a variety of toppings and watch as they are mixed by hand on a cold granite slab into the ice cream, which has a gelato-like consistency. A small (6 oz.) serving with one topping costs \$3.49.

Employees are encouraged to become part of the act, and tend to break into song and clang their ice cream scoops together like tambourines. Given its close proximity to Broadway, staffers at the Times Square store, at 253 West 42nd Street, favored show tunes the other day, including a rendition of "The Lady is a Tramp."