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Premium ice-cream chain plans for 35 to 40 stores in Maryland; Cold Stone Creamery to put 1st shop in Crofton

By Lorraine Mirabella

LAS VEGAS --- Cold Stone Creamery, which bills itself as the Starbucks of ice cream parlors, plans to open 35 to 40 ice cream shops in Maryland over the next three years as part of an East Coast expansion, the company said yesterday.

The Scottsdale, Ariz.-based franchise operator is to open its first Maryland store in Waugh Chapel in Crofton in October, followed by a second along the road encircling Arundel Mills the day after Thanksgiving. Other sites, to be operating by early next year, are Hunt Valley Mall, Frederick and Gaithersburg, area developer Jim McManus said during the International Council of Shopping Centers convention here.

The retailer expects to open another 10 to 15 stores next year in Maryland, including sites selected in Frederick, Landover (at the Capital Centre redevelopment project), Severna Park, Bel Air, Ocean City and Salisbury, said McManus, who oversees development in Maryland, Delaware, Washington and Virginia.

Cold Stone Creamery makes its own premium ice cream and blends it to order with "mix-ins" such as candy bars, bananas and cookie dough, on a frozen granite work surface.

David Andow, an executive vice president, said the chain tries to make going out for ice cream an entertaining experience in much the same way that Starbucks lured people from their homes for coffee by offering a special ambience, service and upscale selection.

Cold Stone Creamery was started in 1988 by Donald and Susan Sutherland of Tempe, Ariz. The retailer began franchising its concept in 1995 with the first franchise operation in Tucson.

The company had its biggest growth last year, awarding 310 franchises and opening 144 of them, Andow said. In January, Entrepreneur magazine named Cold Stone Creamery the fastest-growing premium ice-cream concept in the country.

The chain has 385 stores - mostly on the West Coast - and has awarded franchises for another 850 stores in 44 states. Stores average \$358,000 in annual sales, the company said.

Andow said he expects growth to double this year, with 300 of the 450 new franchisees expected to open shops. The company's growth strategy calls for operating 1,000 stores by the end of next year.

"Our goal is to head east, and focus east of the Mississippi," Andow said at the convention, where the company hoped to drum up interest among potential franchisees and landlords.