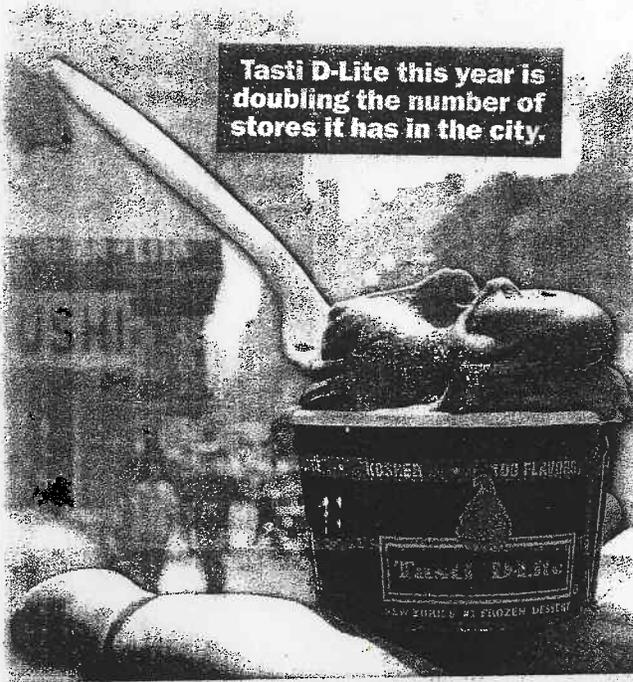


HEWLETT PACKARD ↓	IBM ↑	INTEL ↑	MICROSOFT ↑	CISCO SYSTEMS ↑	ORACLE ↑	DELL ↑	SUN MICROSYSTEMS ↑	LUCENT ↑	NORTEL NETWORKS ↑
- 45 cents	+ \$1.70	+ 32 cents	+ 14 cents	+ 7 cents	+ 35 cents	+ \$1.39	+ 5 cents	+ 4 cents	+ 10 cents
\$16.50	\$83.91	\$21.56	\$27.02	\$17.86	\$10.25	\$34.51	\$3.36	\$2.74	\$3.33

Hot battle for ice cream biz

Tasti D-Lite this year is doubling the number of stores it has in the city.



Tasti D-Lite vs. CremaLita

THE TWO BIG PLAYERS in the low-calorie ice cream game are going head-to-head in the city during these dog days of summer — Tasti D-Lite and CremaLita.

New Yorkers, setting aside their obsession for Atkins and South Beach diets, consume an average of 20 gallons of ice cream every year, mostly between May and October. More of them are turning to low-cal, low-fat, low-carb alternatives.

BY MARK GOEBEL
DAILY NEWS WRITER

Enter Tasti D-Lite and CremaLita. Both are looking to take advantage of New Yorkers' focus on their waist lines, but are expanding their businesses in different ways.

Tasti D-Lite is focusing on storefronts. This year, 14 stores have opened in New York. Seven more are planned by the end of September.

That doubles the number of Tasti stores here. Combined with dozens of candy stores serving the same creamy treat, this summer's expansion has given the sweet stuff immortalized in "Sex and the City" a shot at Starbucks-like visibility.

Debuting in the mid-1980s at a kiosk on E. 86th Street, Tasti is opening a flagship store in Times Square next month. There, in its marquee location, all of Tasti's more than 100 flavors, from Apple to White Russian, will be available on demand, custom-made in less than five minutes.

Normally, only a half-dozen Tasti flavors are available on any one day. The shop will feature a new sleeker design, which other Tasti stores will adopt over time, according to Tasti marketing exec Gertrude Bakel.

Three-year-old CremaLita, on the other hand, has scaled back its plans for opening dozens of new stores in New York and is focusing on corporate cafeterias.

CremaLita's strategy shift may have been driven by the fallout from its

run-in with the Department of Consumer Affairs, which earlier this year accused CremaLita of low-balling the calorie and fat content of its four-ounce serving. The charge recalled the episode of Seinfeld where Jerry and his friends discover the fat-free yogurt they'd been guiltlessly consuming daily was chock full of calories.

The CremaLita case was settled to the company's satisfaction, but sales in its 10 stores here stagnated this summer.

But Jeffrey Britz, who started the company with his daughter Allison, said that in a year CremaLita has made its way into more than 100 corporate cafeterias in New York. Those include Goldman Sachs, Conde Nast, Ernst and Young and Time Warner.

CremaLita's ability to add stores as rapidly as Tasti D-Lite has also been restrained by its business model. CremaLita owns a share in most of its shops. According to Britz, that gives him greater control over how the stores look and the service provided by employees.

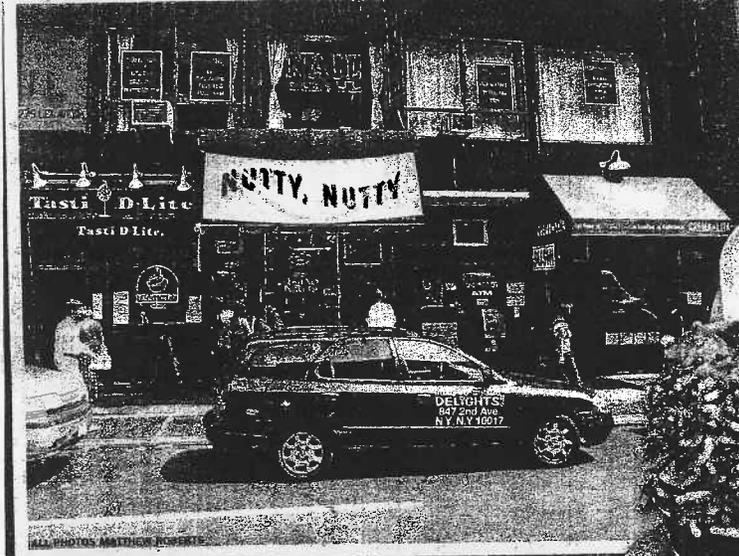
CremaLita's structure makes it riskier and more expensive to open new stores, while Tasti D-Lite licenses its products to stores bearing its name. The stores are owned by independent small-business entrepreneurs. To compete with Tasti, Britz says CremaLita may go the franchise route as well.

CremaLita's biggest win against Tasti D-Lite came when Zabar's, the upper West Side food emporium, switched this summer from selling Tasti to CremaLita in its café. CremaLita is also about to open a kiosk at JFK Airport's JetBlue Terminal.

In New York, the two go head-to-head in just one location — on Lexington Avenue just south of E. 86th Street. And on a recent sunny day, Tasti was giving CremaLita a licking. While Tasti had a steady stream of customers in a course of an hour, CremaLita — just two doors down — had less than 10.

Manhattan businessman Ralph Wharton said his whole family loves Tasti D-Lite, including his grandchildren in Boston who insist on a cone a day when they're in town.

Virginia Paterson from Poughkeepsie, who was visiting her daughter Melissa in Manhattan, wondered when Tasti D-Lite would be available upstate as mother and daughter polished off their large cones, the fourth that week for Melissa.



The intense competition for low-cal ice cream sales between Tasti D-Lite and CremaLita has the two stores within the same block on Lexington Ave., between 85th and 86th streets.

