

## As Low-Carb Craze Wanes, Atkins Revamps Its Diet

NEW YORK (Reuters) - Atkins Nutritionals, which championed a dieting craze that made millions of Americans shun bread and other carbohydrates, wants a do-over.

As the low-carb fad fades, Atkins has altered its "net carbs" method by using parts of the latest trend from Europe -- a glycemic-index diet -- to target U.S. food companies for products bearing the new "net Atkins count" seal.

The new label has appeared on Atkins nutrition and breakfast bars since January. Atkins says the method more accurately gauges a dieter's blood sugar response to foods, and subsequent weight gain, and is far more precise than the net carbs subtraction method.

"We see this as the standard and the next generation for measuring net carb and blood sugar impact," said Matthew Wiant, Atkins' chief marketing officer.

Atkins says current partners HP Hood LLC and CoolBrands International Inc. (CBA:sva.TO: [Quote](#), [Profile](#), [Research](#)) are excited about coming up with new product lines using the new methodology.

Ronkonkoma, New York-based Atkins, which has seen sagging sales of its packaged products and just pulled the plug on its British subsidiary, said it may even go after Kraft Foods Inc. (KFT.N: [Quote](#), [Profile](#), [Research](#)) -- which has a deal with an Atkins rival, the South Beach diet.

But food analysts say the bloom is off the rose for low-carb names like Atkins, as consumers have dismissed it as a fad that got rid of weight at first, but was unsustainable.

"What Atkins is saying is that this is the new way of doing things, which is the same as saying the old way wasn't that good," said Bob Goldin, executive vice president with food industry research firm Technomic. "They're so well identified with net carbs that it may work against them because it can confuse people.

"The aura has definitely left Atkins, so they're a lot less valuable as a corporate partner," he added.

About 26 percent of Americans are trying to shed weight, 4 percent of those on a low-carb diet -- down from 9 percent in January 2004, according to data from The NPD Group, a New York-based market research firm.

Atkins, sensing that it was losing currency with dieters, took the cue for the change from British food company Tesco PLC (TSCDY.PK: [Quote](#), [Profile](#), [Research](#)) , which has melded the glycemic index into its line of foods, said Ken Harris, managing director at consumer products and retail consultant Cannondale Associates.

Harris was more optimistic that Atkins could pull off the switch than some other diet industry experts, as he noted that dieting by following the glycemic index is much more sustainable than the net-carb way.

"Atkins is doing the right thing. But if Tesco hadn't done this, there'd be nothing. Atkins has its work cut out for it," Harris said. "Will it save the company? It's hard to tell. But they've got a reasonable shot at making it work."

Among U.S. companies that could partner with Atkins are ConAgra Foods Inc. (CAG.N: [Quote](#), [Profile](#), [Research](#)) or PepsiCo Inc. (PEP.N: [Quote](#), [Profile](#), [Research](#)) , he said.

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