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The Holmes Report's 2003 Agencies of the Year

INVESTOR RELATIONS AGENCY OF THE YEAR: KEKST & COMPANY

As full-service public relations firms scrambled to develop corporate governance practices in response to the scandals that rocked corporate America in 2002, Kekst and Company must have looked on with wry amusement. The senior leadership team at Kekst has been advising clients—both CEOs and boards of directors—on critical governance issues for three decades. And while other PR firms were struggling to be taken seriously in this arena, Kekst continued to add new business through referrals from lawyers, accountants, management consultants and other trusted advisors, all of whom appreciate the unique perspective and unmatched experience it brings to special situations.

Many competitors continue to view Kekst as primarily a mergers and acquisitions shop, perhaps because the firm's M&A work is so high profile, but in reality its business is sufficiently diversified to withstand a downturn in the deals business, handling a wide range of ongoing investor relations assignments, bankruptcies and restructurings. In addition, Kekst worked in 2002 with companies that were the subject of Justice Department and SEC investigations, defendants in major lawsuits, or forced to communicate complex financial disclosures.

High profile projects included M&A support for Northrop Grumman (in its successful takeover of TRW) and Hershey Foods, after the Hershey Trust announced its plans to sell its majority holding in the candy company, an announcement that sparked community protests and caused chaos for management until the Trust reversed itself. Kekst also helped Coca-Cola (a long-term client) announce its plans to expense stock options and later eliminate quarterly earnings guidance, and worked with PricewaterhouseCoopers on its response to accounting industry reforms. The firm worked with Citigroup on a range of high-profile issues, with The Travelers on its IPO, with Kmart and AT&T Canada on bankruptcy restructuring, and with Charter Communications on financial and operations restructuring. Other major clients include AOL Time Warner, Bayer, Computer Associates, EDS, Lucent Technologies, PG&E, and Tommy Hilfiger.