

theholmesreport

PR Agency Report Card 2007

KEKST AND COMPANY

Strategic Agency of the Year

There's no doubt that the past few years have seen increased competition in the high-stakes strategic communications sector, where Kekst and Company has traditionally made a living counseling clients on mergers and acquisitions, governance, litigation, bankruptcy and other critical issues. The growing internationalization of the business has sparked an invasion of British specialists and the acquisition of some of Kekst's U.S. competitors by international holding companies, but Kekst has remained resolutely independent and has managed to hold onto its position as the market leader without opening additional offices or joining global alliances.

One reason is the firm's incredible array of top talent. While most of its competitors rely on one or two rainmakers to bring in new business, Kekst can draw on the resources of senior partners Gershon Kekst, Larry Rand, Jim Fingerroth, Robert Siegfried and Jeff Taufield, who between them bring 200 years of combined experience in the strategic communications arena, and on the expertise of a younger generation of equally impressive counselors, some of whom have 10, 15 or even 20 years of experience with the firm and most of whom are quite capable of leading the most challenging client assignments. More than half of the firm's 30 partners have been with Kekst for more than 15 years and two-thirds have Ivy League degrees. They come from a wide range of backgrounds—the financial community, law firms, the White House, and top-tier media such as The New York Times and CBS—and most would never have considered a position with a traditional public relations firm.

Another reason for the firm's continued success is its diversification beyond the M&A business into a broad array of corporate and financial communications work. While Kekst's

continued dominance of the M&A rankings (it was number one by volume in 2006, according to mergermarket, working on 154 deals) obviously attracts a great deal of attention, that work accounts for a smaller percentage of overall revenues than ever before. Growing practice areas, meanwhile, include crisis communications; bankruptcy and restructuring; litigation support; corporate governance; proxy and control contests; investor relations; regulatory matters; and labor relations, while the firm's expanding private equity practice also generated significant revenues last year.

So Kekst continues to be the public relations firm of choice for companies involved in high-profile transactions. Last year, the firm advised the investor group (including KKR, Bain Capital, Merrill Lynch Global Private Equity and Dr. Thomas F. Frist) in its \$33 billion acquisition of Hospital Corporation of America; the board of directors of Clear Channel Communications, which agreed to be acquired for \$26.7 billion by Bain Capital and Thomas H. Lee Partners; Supervalu and CVS, who (along with Cerberus Capital) acquired Albertson's; Lucent Technologies in its \$16.2 billion merger with Alcatel; The New York Stock Exchange in its \$10.2 billion acquisition of Euronext NV; and AirTran in its ongoing bid for Midwest Airlines.

Meanwhile, the firm's blue-chip client base includes The New York Stock Exchange, Coca-Cola, LVMH Moët Hennessy, Louis Vuitton, KKR, Citigroup, Time Warner, Bristol Myers Squibb; Hershey; Smithfield Foods, JC Penney, Colgate, Monsanto, and Grupo Televisa. And other highlights of the year included work with Time Warner in its defense against activist investor Carl Icahn, and with Delta Air Lines in its bankruptcy proceeding and defense against US Air.