

PR Agency Report Card 2008

KEKST AND COMPANY FINANCIAL 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.

Perhaps the single biggest reason for Kekst's enduring leadership in the most intellectually challenging sector of the public relations industry's is its remarkable culture, which manifests in the firm's approach to client service—it recognizes that each client and each assignment is unique, but at the same time is able to draw on an unrivaled body of experience, knowledge and judgment to provide the right levels of reassurance, guidance and counsel in even the most stressful crisis—and in its impressive pipeline of 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 second and third generation of 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 three-quarters of the firm's 30 partners have been with Kekst for more than a decade and one-third have spent 20 years with the firm. 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 in North America by volume and value in 2007, according to mergermarket, working on 140 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. It advised both parties on the \$32 billion acquisition of TXU by KKR and TPG; the Bancroft Family in the sale of Dow Jones to News Corp.; Coca-Cola in its \$4.1 billion acquisition of Glaceau; Citigroup in its acquisition of Nikko Cordial; both parties in Ingersoll-Rand's acquisition of Trane; and Kraft Foods in its acquisition of Ralcorp Holdings. Beyond the M&A arena, the firm worked on significant strategic communications assignments for such companies as LVMH Moët Hennessy, KKR, NYSE Euronext, Merrill Lynch, Legg Mason, Vornado Realty Trust, Kraft, Mass Mutual, TimeWarner, JC Penney, Colgate-Palmolive, Northrop Grumman, and Zurich Financial, and is actively supporting a number of companies that have been directly impacted by the credit crisis, including financial services firms, bond insurers, mortgage insurers, and home builders as well as with clients that communicated leadership changes, capital infusions from sovereign wealth funds and private equity firms, and revisions to earnings guidance, issues resulting from financial dislocation in the markets.