



For Immediate Release
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DAVIES Reports Stunning 59% Growth in Revenue *National Public Affairs Specialist Achieves \$13 Million in Revenue*

Santa Barbara, Calif. – Today, DAVIES announced that 2006 was the firm’s most spectacular year on record. Gross revenue grew 59% over 2005, and fee revenue increased 48%. Following 42% growth in 2005 and 36% growth in 2004, DAVIES’ three year growth will likely catapult the firm into the top 25 nationally in any of the industry’s rankings. Using any metrics – fee growth, profitability, staff growth, quality of clients – DAVIES is one of the best performing agencies in the country.

“This was a truly exceptional year, from the growth in revenue to the talented people we added to the DAVIES family,” said John Davies, chairman and CEO of DAVIES. “Our growth is a direct reflection of the value we add for our clients and the talented professionals we attract. The thing we will most carefully guard is our culture, and that’s why we’re enjoying our current success. I know it will continue as we focus on the right things.”

Since 2002, DAVIES has grown from \$3.5 million in gross revenue to nearly \$13 million in 2006. The real estate practice now dominates the grassroots entitlement scene in California and began to develop a national presence. The healthcare practice has grown to 40% of the agency’s revenue servicing a national base of clients, and the energy practice continues to attract blue chip entitlement and crisis clients with needs on the West Coast. The firm is now exploring two potential new practice areas, as well as the addition of a new East Coast office to enhance client service. DAVIES is also evaluating acquisition opportunities in the public affairs arena.

DAVIES has grown from a small market generalist firm to a respected specialist firm operating on the national stage in four short years. The firm’s focus on grassroots public affairs, crisis communications, and issues management in a small number of key industries has transformed DAVIES into a national agency with an enviable reputation. In 2006, DAVIES managed public affairs campaigns for real estate entitlement clients in 31 communities across the country, as well as healthcare clients in 18 different states.

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The firm's new vision, unveiled as part of a new five-year strategic plan, makes DAVIES the "national public affairs firm of choice for motivated clients who need to win controversial, defining issues." As a result of this clarifying vision, DAVIES added "Public Affairs" to the firm's name in 2006.

The new positioning also guides the plan for the firm's consumer public relations acquisition, BLAZE (formerly known as The Blaze Company). BLAZE will maintain separate positioning and branding, operating as a creative boutique PR firm focused on "creating or reclaiming relevance for exceptional destinations and experiences." While wholly owned by DAVIES and led by a senior professional who reports to the DAVIES board of directors, the separate positioning will allow both companies to maximize growth from their focused, unique market shares.

"Our plan for the future is exciting, and we believe it will catapult DAVIES into the top 20 for all firms ranked nationally," said Brandon Edwards, president and COO of DAVIES. "We still have so much room to grow – adding new practices and offices – that we're really just beginning. No matter how much we grow, our proudest accomplishment is always our designation as one of the Best Agencies to Work For, as measured by the annual Holmes Report confidential survey of agency personnel."

Edwards was recently named to the post of president and chief operating officer of DAVIES, the first president in the agency's 23-year history. In addition, Phil Stone rejoined the firm as executive vice president of operations to support the growth strategy, and Tim Reinauer joined as the agency's vice president of finance. Jeannine O'Malley, formerly a vice president at Golin Harris, joined as the managing director of BLAZE.

In addition to new senior staff, DAVIES also joined Lumin, a unique intellectual collaborative of distinguished independent mid-size agencies, created to focus on what's next on the communications and marketing horizon. The group also shares training resources, identifies and shares best practices, and develops new communications concepts, products and services based on universal business needs. CRT/tanaka, Padilla Speer Beardsley, Peppercom, and Conexión are other member agencies of Lumin.

About DAVIES

DAVIES is the national public affairs firm of choice for motivated clients who need to win controversial, defining issues. With 46 professionals in Santa Barbara, Los Angeles, and Sacramento, DAVIES offers specialized industry practice areas in Real Estate, Healthcare, and Energy. The firm can be found on the web at www.daviespublicaffairs.com.

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