

Ogilvy PR Acquires H-Line Creating the Largest Public Relations Capability in China

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Ogilvy Public Relations Worldwide (Ogilvy PR) has emerged as the leading public relations group in China with the acquisition of H-Line Public Relations, one of China's top domestic public relations firms. Ogilvy PR now holds a majority stake in a new venture called H-Line Ogilvy Communications Company Ltd. (H-Line Ogilvy), which will continue to operate separately and replaces the former H-Line Public Relations organization. H-Line's founders and key executives of the company hold a significant portion of the equity in the new venture.

Demand for public relations and public affairs services has grown rapidly in China, where Ogilvy PR has been among the fastest growing firms. Ogilvy PR, which will continue to operate as a separate network, has tripled its fee income since 1997. Together, Ogilvy PR and H-Line Ogilvy have more than 130 employees working from six offices in three cities.

The acquisition anticipates the next stage of the development of the China market and is putting in place resources to meet new demands. In the past ten years, the market has been driven largely by foreign brands entering China. The next five to ten years will see a greater imperative to localize western brands as well as the emergence of Chinese companies as strong international competitors and an increase in specialization as the purely domestic PR market develops. Both Chinese and Western companies will look increasingly for such higher-end services as internal communications, public affairs, corporate social responsibility, corporate identity and brand positioning, and capital raising, both inside and outside of China.

Ogilvy PR and H-Line Ogilvy already represent such leading western companies as Alfred Dunhill, British Airways, BMW, the Business Software Alliance, Cartier, IBM, Jones Day, Nokia, UPS and Warburg Pincus as well as such top Chinese businesses as AsialInfo (the first Mainland company to list on Nasdaq), DVision, a local video conferencing company, the China Import and Export Credit Corporation and Intrinsic Technologies.

"Just as the Chinese economy has grown to be among the world's biggest, the Chinese PR market is already one of the world's most exciting and is well on its way to being among the largest," said Matthew Anderson, President, Asia Pacific of Ogilvy PR, upon signing the agreement. "The key to success for any international network in Asia is the ability to attract locally-rooted, specialist talent. With H-Line Ogilvy, we now have unmatched scale, depth and relationships in China," said Mr. Anderson.

The existing H-Line executive team, headed by CEO Henry Huang, will lead H-Line Ogilvy. Huang, who founded H-Line in 1994 after a career as a journalist at the Science and Technology Daily, commented, "We see great opportunities to help internationalize many of our local relationships in partnership with Ogilvy. Now, we can not only advise senior executives of Chinese clients here, but also help them achieve their objectives around the world. As we carefully looked at how to take H-Line to the next level, we sought a partner with a strong network and demonstrable, long-term commitment to China."

Former Intel communications executive Brian Zhou, who is President of H-Line Ogilvy, added: "We've always been a client-focused firm. We've joined forces with Ogilvy to help our clients grow and to tap into Ogilvy's recognized resources, training and professional development programs, so that our colleagues can prepare for the next phase of the PR industry in China."

"We are delighted to welcome H-Line colleagues, clients and friends to the Ogilvy family. H-Line has been a pioneer in China. Our partnership is another concrete action that helps fulfil our mission of being the most local of the international networks in China," said Scott Kronick, Managing Director of Ogilvy PR in China. Mr. Kronick is a 15-year veteran of Ogilvy PR who helped found the firms' operations in China in 1995.

Ogilvy PR and H-Line have contributed a number of milestones to the history of PR in China. Examples include: the first commercial event in the Forbidden City, the launch of Land Rover in 1996; Nokia's first worldwide product launch held outside of Europe, the Nokia 6110; and supporting media relations at the FORTUNE Global Forum in Shanghai in 1999.

H-Line Ogilvy is the second major partnership formed by Ogilvy PR in Asia Pacific this year. In January, Ogilvy PR announced an equity stake in PRAP Japan Inc., the largest international public relations firm in Japan. With year-on-year revenue up 32 percent, Ogilvy PR was ranked by PR Week as the second largest and fastest growing of the top five major networks in Asia Pacific for 2001. Through organic growth, acquisition and partnerships, Ogilvy PR is seeking to deepen its local management expertise in the countries where it operates and meet the localization needs of multinational clients in Asian markets. In 2001, Ogilvy PR entered Australia and Vietnam, taking a leading position in those markets.