

## Press release

11 May 2007

### **Foster + Partners announces plans for its future**

Architecture practice restructures management and broadens shareholder base

Foster + Partners, the worlds most recognised name in architecture and design, today announced its plan to grow the practice and continue its world-wide expansion.

The plan broadens and diversifies the ownership of the firm, creating a flexible structure that will last long into the future, and provides funds for future expansion and diversification. As part of this plan Foster + Partners has expanded its shareholder base to include more employees and its first external investor, 3i, and has restructured its management team.

This is an important step in the evolution of the business which this year celebrates its 40th anniversary. It will enable Foster + Partners to retain its pre-eminent position in global design at every scale with further emphasis on sustainability and research.

The equity ownership of the firm has been expanded to include all the senior partners within the practice, increasing the number of senior management shareholders from four to fourteen. A further portion of shares has been reserved for internal promotion and external recruitment purposes.

3i, a recognised global leader in private equity, has been brought in as a minority shareholder in the business. 3i brings complementary expertise to Foster + Partners and is able to generate new opportunities for the practice, particularly through the introduction to new markets for large scale infrastructure projects.

The value of the company is directly linked to Lord Foster, the use of his name and his ongoing presence. As part of this transaction he has therefore agreed to assign his personal Foster trademark to Foster + Partners. This provides significant present and future value as well as long-term stability to the business. It also guarantees that all projects will continue to be inextricably linked to the Foster brand with its tradition of design excellence, innovation and client service.

Lord Foster has formalised his contract with the company, with limiting covenants, and will actively continue as Chairman of Foster + Partners. He is reinvesting in the company and remains a significant shareholder. He is supported by a new Executive Board of management.

Initially, the new Executive Board will comprise Lord Foster as Chairman, Mouzhan Majidi as Chief Executive, original shareholders Spencer de Grey and David Nelson as Heads of Design, and Graham Phillips as Chief Operating Officer who all become Senior Executives, and two new Executive Directors Grant Brooker and Nigel Dancey. Matthew Streets will be the new Chief Financial Officer.

**For further information**  
please contact Katy Harris at  
Foster + Partners,  
T +44 (0)20 7738 0455  
F +44 (0)20 7738 1107  
E [press@fosterandpartners.com](mailto:press@fosterandpartners.com)

Senior Partners Stefan Behling, Andy Bow, Gerard Evenden, Brandon Haw, Paul Kalkhoven and Mark Sutcliffe also become new shareholders.

The Executive Board will focus on leading the strategic development of the business, which involves opening further offices overseas, broadening the range of projects the practice undertakes and expanding its skill base. Early objectives will be to explore the potential to embrace specialist engineering skills and project management.

As part of its long-term development and succession plan, Foster + Partners undertook an internal reorganisation program in 2005 by creating six architectural Design Groups each working on a range of building types all over the world, overseen by the Design Board whose function is to promote the highest quality of design. This structure will remain unchanged and ensures that the practice will keep its client-focused philosophy intact. Norman Foster continues as Chairman of the Design Board with Spencer de Grey and David Nelson. In addition, the following are also members of the Design Board: Mouzhan Majidi, Stefan Behling and one Group Leader, appointed on a rotational basis, with two invited external advisors. Graham Phillips is the Secretary of the Design Board and Narinder Sagoo continues to advise.

The group system has proved to be successful creatively with any group being free to work on any kind of project anywhere in the world. It has also proved to be commercially successful, with a three fold growth in profitability over the last year.

The Norman Foster Foundation, which is a registered Charity, will also continue its work, and plans to expand its activities to include education and research projects as well as administering the Foster Archive.

Commenting on these developments, Lord Foster said:

As Foster + Partners enters its fortieth year, I was keen to ensure the long-term future of the practice. By creating a new management and shareholder infrastructure we can now grow and develop in the ways that we want, whilst staying true to our values and continuing to deliver outstanding work. This is an extremely exciting time for Foster + Partners.

I am delighted to welcome more of our Senior Partners as shareholders in the firm. We will continue to broaden the ownership of the practice amongst our employees so that more people can share in its growth and success.

I am also delighted to welcome 3i as an investor. Its long established brand, global network, quality of people and shared objectives mirror everything that is fundamental to our practice and our clients.

Mouzhan Majidi, Chief Executive of Foster + Partners, said:

This is the perfect result for the business and for our clients. We have settled on a new structure that will allow us to capitalise on the growth opportunities we see ahead of us, keep doing great work and continue employing the best architects and designers in the world.

Choosing the right capital partner has been very important to us. We have chosen 3i because its culture and values are a close match to our own and it will bring extremely valuable expertise and advice to Foster + Partners.

Steve Nicholls, Head of UK Growth Capital at 3i, said

Foster + Partners is an example of the kind of global, market leading business that 3i Growth Capital looks to work with. This is a fantastic partnership of two industry leaders with complementary global footprints and we look forward to partnering with the management team to achieve their goals of expanding and diversifying the business.

## About Foster + Partners

Foster + Partners employs around 1000 highly talented and dedicated staff in its 18 offices around the world with its main studio in London. The practices work ranges in scale from the largest construction project on the planet - Beijing International airport - to its smallest commission, a range of door handles. Since the early nineteen-seventies it has pioneered sustainable design. The scope of its work includes masterplans for cities, the design of buildings, interior and product design. The practice has worked in 61 countries and currently has projects across 29 countries. Since its inception it has received 440 awards and citations for excellence and has won more than 70 national and international competitions. The studio has established an international reputation with buildings such as Swiss Res London Headquarters, Hearst Headquarters in New York, Millau Viaduct in France, the new German Parliament in the Reichstag, Berlin, The Great Court for the British Museum, Headquarters for HSBC in Hong Kong and London, Commerzbank Headquarters in Frankfurt, the Metro Bilbao, the Carré d'Art Nîmes and Research Centres for Stanford University, California. There is also a strong interest in city planning and the infrastructure of communication.

## About 3i

3i is a world leader in private equity and venture capital. 3i focuses on Buyouts, Growth Capital, Venture Capital and Infrastructure and invest across Europe, the United States and Asia. Its competitive advantage comes from its international network and the strength and breadth of its relationships in business. These underpin the value that 3i deliver to its portfolio and to its shareholders.

3i Growth Capital is the worlds largest growth capital fund investing over 1bn every year in businesses across Europe, Asia and the US. It provides financial and strategic support to established businesses with the potential for outstanding value growth. 3i invests between 10m - 150m to help businesses achieve their growth ambitions, restructure shareholdings, release equity or change the balance of equity to debt. Once it has invested, it is committed to working in partnership with majority shareholders.

Recent investments include KNEIP, 37m, Luxembourg; Delta Hydrocarbons, 185m, Benelux; UFO Moviez, India, 17m; Electrawinds, Benelux, 30m; Asia Capital Re, Singapore, 150m; Giraffe, UK, 15m; Little Sheep, China, 20m; 32m; Sten, Spain, 100m and HTC, Sweden, 11m.

Recent realisations include SeLogger.com, France, 350m; Alimak Hek, Sweden, 238m; Salamander

**For further information**  
please contact Katy Harris at  
Foster + Partners,  
T +44 (0)20 7738 0455  
F +44 (0)20 7738 1107  
E [press@fosterandpartners.com](mailto:press@fosterandpartners.com)

Energy, UK, 307m; CH4 Energy, UK, 224m; Magix, Germany, 207m; Williams Lea, UK, 165m; and Petrofac, UK, 1.1bn.

Enquiries:

Brunswick 020 7404 5959

3i Press Office, Kathryn van der Kroft 020 7975 3021

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please contact Katy Harris at  
Foster + Partners,

T +44 (0)20 7738 0455

F +44 (0)20 7738 1107

E [press@fosterandpartners.com](mailto:press@fosterandpartners.com)