



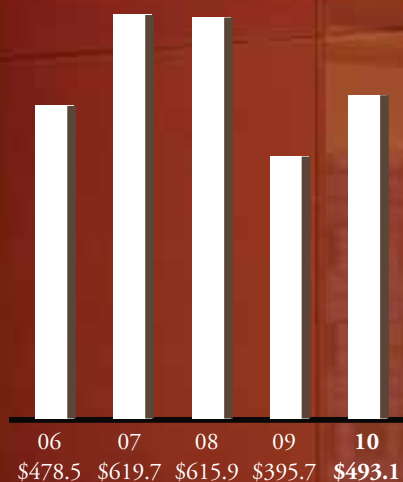
## 2010 Annual Report

*We help companies attract, develop and retain  
the world's most talented individuals.*

## FINANCIAL HIGHLIGHTS

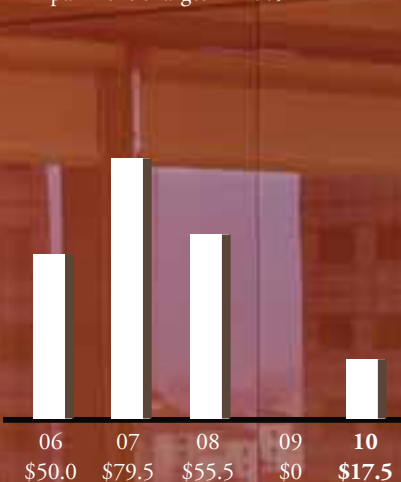
### Net Revenue\*

\* \$ in millions; excludes reimbursements



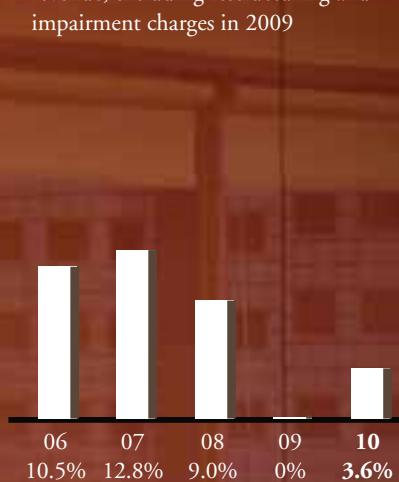
### Operating Income\*

\* \$ in millions; excluding restructuring and impairment charges in 2009



### Operating Margin\*

\* Operating income as a percentage of net revenue; excluding restructuring and impairment charges in 2009



Year Ended December 31,	2006	2007	2008	2009	2010
Confirmed Searches	4,447	5,102	4,812	3,651	4,181
Productivity (\$ in millions) <i>Annualized Net Revenue per Consultant</i>	\$1.4	\$1.5	\$1.5	\$1.0	\$1.4
Average Number of Consultants	348	401	413	385	353
Average Fee per Executive Search	\$101,100	\$114,900	\$122,600	\$101,000	\$108,500

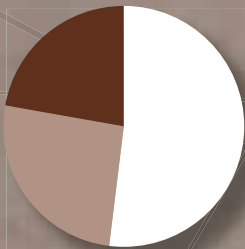


Office Location: Paris

Completion: May 2010

Image: The reception area

### Diverse Geographic Mix\*



Americas 52%  
Europe 26%  
Asia Pacific 22%

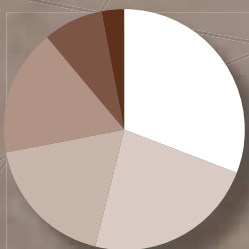
\* As a percentage of net revenue for the year ended December 31, 2010

Facing Page Office Location: Singapore

Completion: September 2010

Image: The cafe

### Broad Industry Group Mix\*



Financial Services 31%  
Industrial 23%  
Global Technology & Services 18%  
Consumer Markets 17%  
Life Sciences 8%  
Education & Social Enterprise 3%

\* As a percentage of net revenue for the year ended December 31, 2010

Cover Office Location: London

Completion: April 2010

Image: The reception area



## HEIDRICK & STRUGGLES: A LEADERSHIP ADVISORY FIRM

Heidrick & Struggles has proven for almost 60 years its reputation for placing high-impact positions in companies around the world. But with a shift in the critical success factors for the 21st century and in response to our clients' needs, we have evolved our mission from helping our clients to HIRE the best talent to helping our clients BUILD AND MAINTAIN the best Leadership Teams in the world. Built on our search heritage and cutting-edge leadership strategy expertise, our Leadership Advisory approach helps our clients understand and define WHAT leadership they need to deliver on future strategy, WHAT leadership they have today and HOW they can close the gap between the two and minimize the inherent leadership risk challenges that exist. We not only identify and place individuals to fill a specific role but we help assess the leadership capacity, facilitate continuous acquisition of new talent, assist in amplifying on-board capacity and help retain those leaders – Leadership Advisory is a strategic, integrated service.

A modern office reception area featuring a long, low reception desk with a black front panel and a light-colored back panel. The wall behind the desk is clad in vertical wood slats and has the company name "HEIDRICK & STRUGGLES" mounted on it. The ceiling is white with recessed square lights. In the background, there is a glass-walled conference room with a geometric pattern on the glass.

HEIDRICK & STRUGGLES

Office Location: Washington, D.C.

Completion: June 2010

Image: The reception area and one of  
nine conference rooms

## LETTER TO SHAREHOLDERS



Heidrick & Struggles has made tremendous progress in the last two years to advance its strategy to become the world's premier Leadership Advisory Firm, blending executive search and leadership consulting. Our employees advocate the strategy, the media recognizes our strategy, clients love our integrated offering, and our financial results demonstrate our progress.

In fact, what a difference a year makes. 2010 was much improved compared to 2009 when Heidrick & Struggles reported results that reflected the impact of the worst recession most of us have seen in our lifetime, including a 36% drop in net revenue—the worst one-year decline in our history.

Some of the 2010 highlights include:

- Consolidated net revenue increased 25% to \$493.1 million, driven by a 15% increase in Executive Search confirmations, an 8% increase in the average fee per search, and a 53% increase in Leadership Consulting revenue
- Each region and industry practice captured growth, with Asia Pacific achieving record net revenue of \$110.1 million
- Consultant productivity increased from \$1.0 million to \$1.4 million, slightly shy of our record of \$1.5 million in 2007 and 2008
- The operating margin improved to 3.6% inclusive of \$1.6 million of restructuring charges
- Cash and cash equivalents at the end of 2010 increased to \$181.1 million compared to \$123.0 million at end of 2009

We invested heavily in the hiring, training and development of our people last year. Investments in our people are vital to our ability to further integrate our search and leadership consulting capabilities — a key objective for us in 2011. We held our first global consultant's meeting in three years and put most of our consultants through a custom leadership education program with Harvard Business School and/or Duke University. We reestablished several training and integration programs to maximize the on-boarding experience of our new hires to reduce their time to market and promote a deeper understanding of our strategy among the consultants.

Recovering from a year like 2009 was not without its challenges. Turnover among consultants was higher than average. We finished 2010 with 347 consultants, compared to 359 at the end of 2009. However we are off to a strong start in 2011 with 25 new consultants who have started and 20 others who were promoted to consultants as part of our annual promotion cycle.

Our business in Europe did not perform as well as we expected in 2010, impacted disproportionately by consultant turnover. We moved quickly to recruit strategic hires and replaced the same number of consultants who left, but it will require 12 to 18 months for these new hires to reach optimal productivity levels. Net revenue in Europe in the fourth quarter improved over the third quarter and we feel good about our prospects, believing we have turned a corner in that region — especially given the improving economic outlook.

Finally, General and Administrative (G&A) expenses were higher than planned. A portion of the year-over-year increase reflected the restoration of certain employee benefits and corporate initiatives that were suspended in 2009. Other contributing factors include structural changes we made in the company to improve internal global service delivery and increase operational efficiency. Many of our initiatives resulted in the decision to outsource certain internal business services rather than providing support internally and locally. Therefore, the outsourced activities for services resulted in higher G&A expense but a reduction in salaries & employee benefits expense. There were also year-over-year

increases in investments related to Project Latitude (our new search platform), hiring initiatives, and training & development programs aimed at improving productivity and firm-wide integration. Many of these G&A expenses were specific to 2010 and will not recur.

The biggest offset to these G&A expenses was the continued decline in real estate expense, down \$3.7 million year-over-year as we rationalized space and took advantage of market conditions to renegotiate lower rental rates for new and renewed leases.

### *Our Outlook for 2011*

While our worries concerning a double-dip recession have receded, we still harbor some concerns about the strength of economic recovery in Europe. For Heidrick & Struggles, we expect our business to show steady growth in North America, improving but still slow growth in Europe, and still strong but moderating growth in Asia Pacific.

We are also keeping an eye on some broader sector trends. The Financial Services sector is an important part of our business. Net revenue in this practice was up a very strong 40% in 2010, representing 31% of total net revenue for the year. But we are expecting moderating growth in this sector in 2011. We also expect the Industrial and Consumer practices to drive good growth in 2011.

Though much progress has been made towards our strategy of becoming a Leadership Advisory firm, much work remains in achieving our vision. Therefore, our guiding theme in 2011 is continued integration of our Leadership Consulting Services and Search teams working seamlessly together. Our hiring efforts are also quite focused on Leadership Consulting Services in 2011 in order to increase our capacity for new work.

Internally, we will place greater emphasis on tighter control of G&A expenses by implementing more disciplined and transparent policy and process. And with improving economic conditions, our expectations for productivity continue to increase. We are proactively managing underperformers and continuously improving our processes for bringing new consultants up to speed quickly.

And finally, there is our European business where we are implementing a combination of revenue-driving initiatives and cost controls.

Heidrick & Struggles has proven for almost 60 years its reputation for filling high-impact positions with leaders in companies around the world. We have successfully evolved our mission-- from helping our clients to HIRE the best talent to helping our clients BUILD AND MAINTAIN the best Leadership Teams in the world. Today, we are not only recruiting individuals to fill a specific role. We are doing much more. As confidantes, we help our clients assess their leadership capacity, facilitating continuous acquisition of new talent, assisting in their onboarding capabilities and helping them retain those leaders.

I'd like to finish by thanking our employees, our clients and our shareholders for their support in 2010. I look forward to an exciting and rewarding future together.



L. Kevin Kelly  
Chief Executive Officer



In 2009 Heidrick & Struggles hired world-renowned architect, Gensler, to help us design offices which would improve the experience of clients and candidates who come to our offices, create a more open, light and collaborative working environment for our employees, and reduce expenses through the standardization of design, furniture and fixtures used worldwide. Some of our new office build outs are featured in this annual report.

We have also capitalized on expiring leases and tenant-favorable market conditions throughout the world to restructure, renew and consolidate certain of our office leases. In the last two years we have reduced our global footprint by more than 180,000 square feet and reduced our rent expense by \$5.1 million.

Where possible, we have applied “green” construction and design, creating an office space that is environmentally responsible while also providing a healthier office environment for our employees – and proven to be fiscally profitable into the future. To date, we have achieved LEED certification for the build out of our Houston and Washington, DC offices.





Office Location: Singapore

Completion: September 2010

Image: Multi purpose room

Facing Page Office Location: Singapore

Completion: September 2010

Image: Interview/meeting room

All offices designed by Gensler

Furniture in US by Steelcase

Furniture in Europe and Asia by Haworth

Project management in US by  
UGL Services

Project management in Europe by  
Gardiner & Theobald

Project management in Asia by  
SpaceMatrix



Office Location: London

Completion: April 2010

Image: The cafe

## GLOBAL LEADERSHIP

### *Board of Directors*

Richard I. Beattie \*(2)  
Chairman of the Board and  
Chairman, Simpson Thacher &  
Bartlett LLP

John A. Fazio \*(1+)  
Former Senior General Practice  
Partner, PricewaterhouseCoopers

Jane D. Hartley \*(3)  
Chief Executive Officer  
Observatory Group, LLC

Jill Kanin-Lovers \*(1) (3+)  
Former Senior Vice President,  
Human Resources,  
Avon Products, Inc

L. Kevin Kelly  
Chief Executive Officer  
Heidrick & Struggles  
International, Inc.

Gary E. Knell \*(2+) (3)  
President and  
Chief Executive Officer  
Sesame Workshop

Robert E. Knowling Jr. \*(1) (2)  
Chairman  
Eagles Landing Partners

V. Paul Unruh \*(1)  
Former Vice Chairman  
Bechtel Group Inc

### *Executive Committee*

L. Kevin Kelly  
Chief Executive Officer

Stephen W. Beard  
Executive Vice President,  
General Counsel and Secretary

Richard J. Caldera  
Executive Vice President,  
Chief Human Resources Officer

S. John Kim  
Managing Partner, Global Practices

Wendi Taylor Nations  
Senior Vice President,  
Chief Marketing Officer

### *\*Independent Director*

(1) Member, Audit and Finance  
Committee

(2) Member, Nominating and Board  
Governance Committee

(3) Member, Human Resources and  
Compensation Committee

+ denotes committee chair

## SHAREHOLDER INFORMATION

### *Annual Meeting*

The annual meeting of shareholders will be held on Thursday, May 26, 2011 at 9:00 AM EDT, at the InterContinental New York Times Square, 300 West 44th Street, New York, NY 10036

### *Stock Transfer Agent and Registrar*

For address changes, account consolidation, registration changes, stock holdings and lost stock certificates, please contact:

BNY Mellon  
480 Washington Boulevard  
Jersey City, NJ 07310-1900  
212-495-1784

Shareholders can also obtain account information through Investor Service Direct at:  
[www.bnymellon.com/shareowner/isd](http://www.bnymellon.com/shareowner/isd)

### *Exchange Listing*

Our common stock has been listed on the Nasdaq Global Select Market, under the Symbol HSII, since our initial public offering in April 1999.

### *Independent Registered Public Accounting Firm*

KPMG LLP  
Chicago, Illinois

### *SEC Filings & Investor Information*

Filings with the Securities and Exchange Commission and other investor information are available through our website or by request to the Investor Relations Department.

### *Corporate Governance*

Visit the About Us section of our website at [www.heidrick.com](http://www.heidrick.com) to see our corporate governance documents, including our Code of Business Conduct, Corporate Governance Guidelines, Director Independence Standards, and Charters of our Audit and Finance Committee, Nominating and Board Governance Committee and Human Resources and Compensation Committee.

### *Corporate Headquarters*

Heidrick & Struggles  
International, Inc  
233 South Wacker Drive  
Suite 4200  
Chicago Illinois 60606-6303  
+1 312 496 1200  
[www.heidrick.com](http://www.heidrick.com)

### *Investor Contact*

Shareholders, analysts and investors may contact the Investor Relations Department at our corporate headquarters address, through our website at [www.heidrick.com](http://www.heidrick.com), by email at [investorrelations@heidrick.com](mailto:investorrelations@heidrick.com), or by telephone at +1 312 496 1774

### *Safe harbor statement*

This annual report contains forward-looking statements. The forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry in which we operate and management's beliefs and assumptions. Forward-looking statements may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," and similar expressions. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed, forecasted or implied in the forward-looking statements. Factors that may affect the outcome of the forward-looking statements include, among other things, our ability to attract and retain qualified executive search consultants; further declines in the global economy and our ability to execute successfully through business cycles; the timing, speed or robustness of any future economic recovery; increased collectibility risk due to financial performance of our clients; social or political instability in markets where we operate, the impact of foreign currency exchange rate fluctuations; price competition; the ability to forecast, on a quarterly basis, variable compensation accruals that ultimately are determined based on the achievement of annual results; our ability to realize our tax loss carryforwards; the timing of the establishment or reversal of valuation allowance on deferred tax assets; the mix of profit and loss by country; an impairment of our goodwill and other intangible assets; delays in the development and/or implementation of new technology and systems; and the ability to meet and achieve the expected savings resulting from cost-reduction initiatives and restructuring activities. For more information on the factors that could affect the outcome of forward-looking statements, see Risk Factors in Item 1A of our Form 10-K. We caution the reader that the list of factors may not be exhaustive. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

## OUR WORLDWIDE LOCATIONS

Through our network of 68 offices around the world, we have the resources and contacts necessary to conduct a global, multinational, national, or local market search. This structure allows us to be as responsive as a boutique firm yet serve our clients with the support of a global partnership.

### *North America*

Atlanta  
Boston  
Chicago  
Cleveland  
Dallas  
Houston  
Los Angeles  
Menlo Park  
Miami  
Minneapolis  
New York  
Philadelphia  
San Francisco  
Toronto  
Washington, D.C.

### *Latin America*

Bogotá  
Buenos Aires  
Mexico City  
Monterrey  
Santiago  
São Paulo

### *Europe*

Amsterdam  
Barcelona  
Brussels  
Bucharest  
Budapest  
Copenhagen  
Düsseldorf  
Frankfurt  
Geneva  
Hamburg  
Helsinki  
Istanbul  
Lisbon

Ljubljana  
London  
Madrid  
Milan  
Moscow  
Munich  
Oslo  
Paris  
Prague  
Rome  
Stockholm  
Vienna  
Warsaw  
Zürich

### *Africa/Middle East*

Johannesburg  
Beirut  
Dubai

### *Asia Pacific*

Auckland  
Bangalore  
Bangkok  
Beijing  
Chongqing  
Guangzhou  
Hong Kong  
Melbourne  
Mumbai  
New Delhi  
Seoul  
Shanghai  
Singapore  
Sydney  
Taipei  
Tokyo  
Wellington