UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 25, 2011

HEIDRICK & STRUGGLES INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	0-25837	36-2681268
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

233 South Wacker Drive, Suite 4200, Chicago, IL	60606-6303
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (312) 496-1200

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 25, 2011, Heidrick & Struggles International, Inc. issued a news release reporting its 2011 third quarter financial results. A copy of the news release is attached hereto as Exhibit 99.1 to this report and is incorporated herein by reference.

Item. 8.01. Other Events.

In the course of its periodic review of its corporate records, it has come to the attention of Heidrick & Struggles International, Inc. (the "Company") that an incorrect version of the Heidrick & Struggles International, Inc. Management Severance Pay Plan and Summary Plan Description ("Management Severance Pay Plan") is on file with the Securities and Exchange Commission (the "SEC"). The Company is hereby correcting the inadvertent error by filing with the SEC the correct version of the Management Severance Pay Plan. A copy of the Management Severance Pay Plan is included as Exhibit 10.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Heidrick & Struggles International, Inc. Management Severance Pay Plan and Summary Plan Description as Amended and Restated Effective December 31, 2010.
99.1	Heidrick & Struggles International, Inc. Press Release dated October 25, 2011

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HEIDRICK & STRUGGLES INTERNATIONAL, INC.
(Registrant)

Date: October 25, 2011

By: /s/ Stephen W. Beard
Name: Stephen W. Beard
Title: Executive Vice President, General Counsel and Corporate Secretary

Exhibit 10.1

Heidrick & Struggles International, Inc.
Management Severance Pay Plan
and
Summary Plan Description
As Amended and Restated Effective
December 31, 2010

HEIDRICK & STRUGGLES INTERNATIONAL, INC.
MANAGEMENT SEVERANCE PAY PLAN
AND
SUMMARY PLAN DESCRIPTION

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Heidrick & Struggles International, Inc.
Management Severance Pay Plan

Article 1. Establishment and Purpose.

1.1 Establishment of the Plan. Heidrick & Struggles International, Inc. (the “Company”) initially established the Heidrick & Struggles, Inc. Severance Pay Plan (the “Plan”), effective June 14, 2001. The Company has amended and restated the Plan effective as of July 31, 2003 and December 31, 2008, and hereby further amends and restates the Plan effective as of December 31, 2010 as it pertains to Executives. This document also constitutes the summary plan description of the Plan.

1.2 Purpose of the Plan. The purpose of the Plan is to provide severance benefits to eligible Executives of the Company and its Subsidiaries upon certain terminations of employment, as described below. Benefits under the Plan are intended to be supplemental unemployment benefits. The Plan is intended to constitute a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations, §2510.3-2(b). No employee or other person shall have a vested right to any benefits under the Plan.

The Plan supersedes any existing severance pay plan, practice or policy of the Company. No severance benefits, other than those provided by the Plan and described below, will be paid by the Company to an eligible Executive other than as may be provided under collective bargaining agreements or written agreements individually negotiated between the Company and the Executive.

Article 2. Definitions.

When used herein, the following terms shall have the following meanings:

2.1 “Affiliate” means any entity in which the Company, directly or indirectly, has at least a five percent ownership interest.

2.2 “Base Salary” means the Executive’s annual base salary rate, including any amounts deferred by the Executive, in effect as of the Executive’s Termination Date, but excluding bonuses, awards and any other form of additional compensation.

2.3 “Bonus Amount” means the annual target bonus for the Executive under the Company’s Management Incentive Plan or any successor management plan as of the Executive’s Termination Date (but not the Fee/SOB Bonus Plan or any successor plan thereto).

2.4 “Cause” means any of the following: (a) the Executive’s engagement, during the performance of his or her duties for the Company or a Subsidiary, in acts or omissions constituting dishonesty, fraud, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance; (b) the Executive’s conviction for a felony; (c) the Executive’s unauthorized use or disclosure of confidential information pertaining to the Company’s or Subsidiary’s business; (d) the Executive’s conduct causing demonstrable injury to the Company or a Subsidiary or its reputation; (e) the Executive’s unreasonable failure or refusal to perform his or her duties as the Company or Subsidiary reasonably requires, to meet goals reasonably established by the Company or Subsidiary, or to abide by the Company’s or Subsidiary’s policies for the operation of its business, and the continuation thereof after the receipt by the Executive of written notice from the Company or Subsidiary; or (f) the Executive’s illegal use of drugs or use of alcohol or intoxication on work premises, during working time, or which interferes with the performance of his or her duties and obligations on behalf of the Company. The determination of whether the Executive has been terminated for “Cause” will be made at the sole discretion of the Committee.

2.5 “Committee” means the Human Resources and Compensation Committee of the Board of Directors of the Company.

2.6 “Company” means Heidrick & Struggles International, Inc., organized under the laws of the state of Delaware, including any successor or successors thereto.

2.7 “Executive” means any employee of the Company or a Subsidiary who immediately prior to his or her Termination Date is employed (a) as the Chief Executive Officer of the Company; or (b) in a Tier I, Tier II, Tier III or Tier IV position as defined in the Company’s Management Incentive Plan. Notwithstanding the foregoing, the term “Executive” does not include any individual who receives benefits under the Heidrick & Struggles International, Inc. Change In Control Severance Plan.

2.8 “ERISA” means the Employee Retirement Income Security Act of 1974, as now in effect or as hereafter amended.

2.9 “Health Benefits” means the health, dental and/or vision benefits provided under a benefit plan maintained by the Company or a Subsidiary in which the Executive was participating immediately prior to his or her Termination Date.

2.10 “Severance Factor” means a number equal to (a) two, for an Executive with the title of Chief Executive Officer of the Company immediately prior to his or her Termination Date; (b) one and one-half, for an Executive in a Tier I position immediately prior to his or her Termination Date; (c) one, for an Executive in a Tier II position immediately prior to his or her Termination Date; (d) one-half, for an Executive in a Tier III position immediately prior to his or her Termination Date; and (e) one-third, for an Executive in a Tier IV position immediately prior to his or her Termination Date.

2.11 “Severance Period” means the period of time beginning on the Executive’s Termination Date and continuing for a number of years (or portion thereof) equal to the Executive’s Severance Factor.

2.12 “Subsidiary” means an entity of which the Company is the direct or indirect beneficial owner of not less than 50% of an issued and outstanding equity interest of such entity.

2.13 “Termination Date” means the effective date of an Executive’s termination of employment with the Company and all Subsidiaries and Affiliates.

Article 3. Eligibility and Benefits.

3.1 Termination of Employment By the Company Without Cause. Subject to the satisfaction of the conditions set forth in Section 3.3 and Article 4, and the limitations of Section 3.4, if an Executive's employment with the Company and its Subsidiaries is terminated by the Company or Subsidiary without Cause, the Company shall provide severance benefits to the Executive as follows:

(a) The Company shall pay to the Executive an amount equal to the Executive's Severance Factor multiplied by the sum of the Executive's Base Salary and Bonus Amount. Such amount will be paid to the Executive in equal installments over the Severance Period, in accordance with payroll procedures applicable to similarly situated employees of the Company, commencing no later than 30 days after the Executive delivers to the Company an executed Release as described in Section 3.3.

(b) Until the earlier of one year following the Termination Date or the end of the Severance Period, the Company shall maintain in full force and effect with respect to the Executive (and, to the extent applicable, his or her spouse or dependents) the Health Benefits, upon the same terms in effect immediately prior to the Termination Date, provided that the Executive's continued participation is possible under the terms of the benefit plans providing such Health Benefits. The Company shall pay the full cost of the continuation of such Health Benefits. In the event that such continued participation in the benefits plans providing the Health Benefits is prohibited, the Company shall arrange to provide the Executive (and to the extent applicable, his or her spouse or dependents) with benefits substantially similar to those which the Executive is entitled to receive under such benefit plans. Continued Health Benefits shall cease on the date the Executive becomes employed and covered under another employer's benefit plan. The last day of the Health Benefit continuation period described above shall be considered a "qualifying event" as defined in Section 601 et seq. of ERISA ("COBRA"), and if on such date the Executive or his spouse or dependents are covered by the benefit plan providing Health Benefits, they shall be eligible for continued benefits pursuant to COBRA (to the extent such benefit plan is subject to COBRA), in which case the Executive shall be responsible for paying the full cost of such coverage during the applicable COBRA period. If on the last day of the Health Benefit continuation period described above the Executive or his or her spouse or dependents are receiving substantially similar Health Benefits outside of the benefit plans due to the inability of the benefit plans to provide such Health Benefits, and such benefit plans are subject to COBRA, the Company shall continue to make such Health Benefits available, at the Executive's full cost, for a period of time equal to the COBRA period that would have applied had the Executive been eligible for COBRA as described in the preceding sentence.

3.2 Events Not Constituting Termination of Employment Without Cause. Severance benefits shall not be provided under the Plan for any Executive in the following instances:

(a) the Executive's voluntary resignation for any reason (with or without notice), including retirement;

(b) the Executive's death;

(c) the Executive's commencement of a leave of absence (including military service leave);

(d) a physical or mental condition entitling the Executive to benefits under any sick pay or disability income policy or program of the Company or a Subsidiary or to which the Company or Subsidiary contributes;

(e) the transfer of the Executive from employment with the Company or a Subsidiary to employment with an Affiliate who is not a Subsidiary;

(f) the sale of the stock of the Company or a Subsidiary employing the Executive, if the Executive's employment continues thereafter;

(g) the sale of all or part of the assets of the Company or a Subsidiary employing the Executive, if the Executive has been offered employment by the buyer of such assets (regardless of whether the Executive accepts such offer of employment); or

(h) the outsourcing of a division, department, business unit or function if the Executive has been offered employment by the entity to which the division, department, business unit or function has been outsourced (regardless of whether the Executive accepts such offer of employment).

3.3 Benefits Conditioned on Release.

(a) Receipt of the severance benefits described in Section 3.1 is conditioned upon the Executive's execution of a written release and separation agreement in form and substance satisfactory to the Company in its sole discretion (the "Release"), and the Release becoming effective in accordance with its terms and applicable law. The Release also shall contain the Executive's agreement to the restrictive covenants as described in Article 4 of the Plan. The severance benefits described in Section 3.1 shall not be paid or provided to the Executive until the Release is executed and becomes effective, and any severance payments described in Section 3.1(a) that are suspended as a result of the Release not being effective until after the Termination Date shall be included in the next regularly scheduled payroll date applicable to the Executive. The failure or refusal of an Executive to timely sign the Release, or the Executive's revocation of the Release, will disqualify the Executive from receiving the severance benefits described in Section 3.1. The Company shall provide the Release to the Executive not later than the Executive's Termination Date.

(b) An Executive who is otherwise entitled to severance benefits described in Section 3.1, but within 60 days of his Termination Date does not execute, or revokes, the Release described in 3.3(a) above shall not be eligible to receive such benefits but shall be eligible to receive a severance benefit under the Plan in an amount equal to two weeks of the Executive's Base Salary. Such amount will be paid within 10 days after it is determined that the Executive has failed to timely execute the Release or has revoked the Release.

3.4 Offset of Severance Benefits. To the extent not otherwise prohibited by applicable law:

(a) If any federal, state, or local law, including, without limitation, "plant closing" and "anti-takeover" laws, as well as the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §2101 et seq. or any otherwise applicable statute, requires the Company or a Subsidiary to give advance notice or make a payment of any kind to an Executive because of that individual's involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, or similar event, the benefits provided under the Plan will either be reduced or eliminated, as the case may be, by an amount equal to the payment due thereunder.

(b) Severance benefits payable hereunder will be reduced by any and all severance or other similar post-termination payments that are required to be made by the Company or a Subsidiary pursuant to any applicable law, under any collective bargaining agreement, or pursuant to any employment agreement or severance arrangement between the Company or a Subsidiary and the Executive.

3.5 Withholding Taxes. The Company or Subsidiary may withhold from all payments due to an Executive (or his or her beneficiary, representative or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company or a Subsidiary is required to withhold therefrom.

3.6 Other Benefits. The Executive's entitlement to benefits under any other plan or arrangement maintained or provided by the Company or Subsidiary shall be determined in accordance with the terms thereof; provided that no Executive shall accrue or be entitled to any additional employee benefits under any plans, programs or arrangements, vacation days, paid holidays, paid sick days or other similar benefits, all of which will terminate as of the date of the Executive's Termination Date, and no severance benefits shall be taken into account in determining benefits under any retirement or pension plan.

3.7 Death. If the Executive dies before receiving the severance benefits described herein:

(a) the severance pay to which the Executive is entitled pursuant to Section 3.1(a) or 3.3(b) shall be distributed to the Executive's designated beneficiary, or if none, then to his representative or estate; and

(b) the Executive's eligible spouse and dependents shall continue to be eligible for continued Health Benefits during the Severance Period and for continued Health Benefits pursuant to COBRA at the end of the Severance Period, in accordance with Section 3.1(b).

Article 4. Restrictive Covenants.

4.1 Acknowledgement and Agreement. As a condition to receiving the severance benefits described in the Plan, the Executive must, as part of the Release described in Section 3.3, either (a) expressly acknowledge and agree that the Executive will continue to remain subject to any confidentiality, non-solicitation and/or non-competition provisions entered into in connection with any other agreement or compensation award with the Company or (b) in the absence of such provisions in any such agreement or award, expressly agree that the Executive will be subject to the restrictive covenants described in Section 4.2 below.

4.2 Covenant Not to Compete; Covenant Not to Solicit. An Executive to which Section 4.1(b) applies shall agree that for six months after the Executive's Termination Date:

(a) the Executive shall not work on the account of any client of the Company with whom such Executive had a direct relationship or as to which the Executive had a significant supervisory responsibility or otherwise was significantly involved at any time during the two years prior to such Termination Date;

(b) the Executive shall not hire, solicit for hire, or assist any other person in soliciting or hiring any employment candidate with whom the Executive has had contact while at the Company during the two years prior to such Termination Date;

(c) with respect to an Executive whose principal responsibilities are of a corporate nature or for a corporate department (e.g., finance, tax, treasury, legal, business affairs, etc.) and do not principally involve client service related functions, such Executive shall not work for or provide services to a principal competitor of the Company in a substantially similar corporate function as such Executive held with the Company during the two-year period prior to the Executive's Termination Date, or with respect to an Executive whose principal responsibilities are of a client service related nature (e.g., executive recruiting or search, etc.), such Executive shall not work for or provide services to a competitor of the Company on the account of any substantial competitor of any client of the Company for which such Executive had substantial responsibility during the two-year period prior to the Termination Date and shall not work directly for such a competitor of such a client; and

(d) the Executive may not (i) directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person who, as of the Executive's Termination Date, was employed by the Company or was in the process of being recruited for employment by the Company, or (ii) induce any such person to terminate his or her employment with or recruitment by the Company.

4.3 Remedies.

(a) If the Company in good faith determines that the Executive has breached any of the restrictive covenants described in Section 4.1 or 4.2 as applicable, the Company shall cease providing any of the severance benefits described in Section 3.1 and the Executive shall promptly repay to the Company any amount equal to the aggregate of the severance payments described in Section 3.1(a) previously received from the Company.

(b) These restrictive covenants are in addition to any other rights the Company may have in law or at equity or under any other agreement.

(c) The Executive shall further agree that it is impossible to measure in money the damages which will accrue to the Company in the event the Executive breaches the restrictive covenants. Therefore, if the Company shall institute any action or proceeding to enforce the provisions hereof, the Executive shall agree to waive the claim or defense that the Company has an adequate remedy at law and the Executive shall agree not to assert in any such action or proceeding the claim or defense that the Company has an adequate remedy at law. The foregoing shall not prejudice the Company's right to require the Executive to account for and pay over to the Company any profit obtained by the Executive as a result of any transaction constituting a breach of the restrictive covenants.

Article 5. Administration.

5.1 Committee. The Plan shall be administered by the Committee. The Committee shall have full authority, consistent with the Plan, to administer the Plan, including the authority to make participation decisions and the authority to interpret and construe any provisions of the Plan. The Committee may, subject to the provisions of the Plan, establish such rules and regulations as it deems necessary or advisable for the proper administration of the Plan, and may make determinations and may take such other action in connection with or in relation to the Plan as it deems necessary or advisable. The decisions of the Committee shall be final and binding on all parties.

5.2 Indemnification. No member of the Board of the Directors of the Company or the Committee shall be liable for any action taken or determination made hereunder in good faith. Service on the Committee shall constitute service as a member of the Board so that the members of the Committee shall be entitled to indemnification and reimbursement as directors of the Company pursuant to the Company's Restated Certificate of Incorporation and By-Laws.

Article 6. Claims Procedure.

6.1 Claims Procedures.

(a) An Executive claiming a benefit under the Plan that has been denied for any reason may file a written claim with the Committee. The Executive will be notified in writing within 90 days after the claim is filed (or the Executive will receive a written notice within such 90 days stating an additional 90 days is needed to rule upon the claim, in which case the Executive will receive a written notice within 180 days). If the claim is denied, the notification will (i) indicate the reasons for the denial and cite the specific Plan provisions on which the denial is based; (ii) describe any additional information that may be needed for approval of the Executive's claim; and (iii) explain the review procedure.

(b) If this claim is denied, the Executive may request a review of the claim denial within 60 days after receipt of the denial notice. The Executive may request in writing the opportunity to review pertinent documents prior to submission of a written appeal. Within 60 days after receiving the written appeal, the Committee will notify the Executive in writing of its final decision (or the Executive will receive a written notice within such 60 days stating an additional 60 days is needed to rule upon the claim, in which case the Executive will receive a written notice within 120 days). This decision will contain specific reasons and cite the Plan provisions on which the denial is based.

6.2 Arbitration of Disputes.

(a) Any disagreement, dispute, controversy or claim arising out of or relating to the Plan or the interpretation or validity hereof not settled under the claims procedure in Section 6.1 shall be settled exclusively and finally by binding arbitration. It is specifically understood and agreed that any disagreement, dispute or controversy which cannot be resolved between the parties, including without limitation any matter relating to the interpretation of the Plan, shall be submitted to arbitration irrespective of the magnitude thereof, the amount in controversy or whether such disagreement, dispute or controversy would otherwise be considered justifiable or ripe for resolution by a court or arbitral tribunal.

(b) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the “Arbitration Rules”) of the American Arbitration Association (the “AAA”), except as otherwise provided below.

(c) The arbitral tribunal shall consist of one arbitrator. The parties to the arbitration jointly shall directly appoint such arbitrator within 30 days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed in accordance with the Arbitration Rules of the AAA and shall be a person who (i) maintains his or her or her principal place of business within 30 miles of the location of the arbitration as set forth in Section (d) of this Section 6.2 and (ii) has had substantial experience in mergers and acquisitions. The party who does not prevail in the arbitration shall pay all of the fees and expenses of such arbitrator and any related costs.

(d) The arbitration shall be conducted within 30 miles of the Participant’s principal work location, or in such other city in the United States of America as the parties to the dispute may designate by mutual written consent.

(e) At any oral hearing of evidence in connection with the arbitration, each party thereto or its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of any opposing party. No evidence of any witness shall be presented unless the opposing party or parties shall have the opportunity to cross-examine such witness, except as the parties to the dispute otherwise agree in writing.

(f) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to seek review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction.

(g) Nothing herein contained shall be deemed to give the arbitral tribunal any authority, power, or right to alter, change, amend, modify, add to, or subtract from any of the provisions of the Plan.

6.3 Limitations on Claims. The claims procedure described in Section 6.1 herein must be exhausted before the Executive or his representative can pursue the claim further. All claims, including claims not subject to the claims procedures, must be commenced within three years after the cause of action accrues; provided, however, that all claims for penalties for failure of the Committee to provide documents the Executive has requested must be commenced within one year after the first time the Executive requested the documents.

Article 7. Amendment and Termination of the Plan.

The Board of Directors of the Company has the right in its sole discretion to amend, reduce, suspend, modify and/or terminate the Plan in whole or in part at any time by formal written action, without either the consent of, or prior notification to, any Executive. Executives have no vested rights to any benefits under the Plan.

Article 8. Unfunded Status of Plan.

The Plan is intended to constitute an “unfunded” plan and Executives shall have no claim against the Company or its assets other than as unsecured general creditors.

Notwithstanding the foregoing, the Company may establish a trust or purchase other property to assist it in meeting its obligations hereunder; provided, however, that in no event shall any Executive have any interest in such trust or property other than as an unsecured general creditor, and this provision shall not apply to the extent funding would result in noncompliance with Section 409A(b) of the Code.

Article 9. Miscellaneous.

9.1 Nonalienation of Benefits. No Executive shall have the right to alienate, anticipate, commute, plead, encumber or assign any of the benefits or payments which he or she has not yet actually received under this Plan.

9.2 Employment Status. The employment of the Executive by the Company or Subsidiary is “at will.” The Plan does not constitute a contract of employment or impose on the Company or a Subsidiary any obligation to retain the Executive as an employee, to change the status of the Executive’s employment, or to change the policies of the Company or Subsidiary regarding termination of employment.

9.3 Payment Limitations. It is intended that all or most of the severance benefits payable under the Plan will be exempt from Section 409A of the Internal Revenue Code (“409A”) pursuant to Treas. Reg. §1.409A-1(b)(4) or §1.409A-1(b)(9)(iii) and (iv). If, however, on the Executive’s Termination Date he or she is a “Key Employee” as determined in accordance with the procedures set forth in Treas. Reg. §1.409A-1(i), any amounts payable to the Executive that are subject to Section 409A of the Internal Revenue Code shall not be paid until six months following the Executive’s Termination Date, or if earlier, the Executive’s subsequent death. For purposes of Treas. Reg. §1.409A-2(b)(2), each installment payment shall be treated as a separate payment.

9.4 Indemnification. The Company shall indemnify the Executive and hold the Executive harmless from and against any claim, loss or cause of action arising from or out of the Executive's performance as an officer, director or employee of the Company or any of its Subsidiaries or in any other capacity, including any fiduciary capacity, in which the Executive serves at the request of the Company to the maximum extent permitted by applicable law and the Company's Certificate of Incorporation and By-Laws, provided that in no event shall the protection afforded to the Executive hereunder be less than that afforded under the Company's Certificate of Incorporation and By-Laws.

9.5 Beneficiaries. Each Executive may designate one or more persons or entities as the primary and/or contingent beneficiaries of any amounts owing to the Executive under the Plan. Such designation must be in the form of a signed writing acceptable to the Committee. Executives may make or change such designations at any time.

9.6 Number. Except where otherwise indicated by the context, the plural shall include the singular, and the singular shall include the plural.

9.7 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of the Plan are not part of the provisions hereof and shall have no force and effect.

9.8 Applicable Law. To the extent not preempted by the laws of the United States, the laws of the State of Illinois shall be the controlling law in all matters relating to the Plan.

9.9 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Heidrick & Struggles International, Inc.
233 South Wacker Drive, Suite 4200
Chicago, Illinois 60606
Attention: General Counsel

If to an Executive, the Executive's last known address as indicated in the Company's personnel records, or to such other address as either party may have provided to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

9.10 Effective Date. The effective date of this Plan as amended and restated is December 31, 2010. The Plan shall apply with respect to any Executive's termination of employment occurring on and after such date.

Article 10. General Information.

Plan Name:	Heidrick & Struggles International, Inc. Management Severance Pay Plan
Type of Plan:	Welfare
Name and Address Plan Sponsor:	Heidrick & Struggles International, Inc. 233 S. Wacker Drive, Suite 4200 Chicago, IL 60606
Plan Sponsor EIN:	36-2681268 (Heidrick & Struggles International, Inc.)
Plan Administrator:	Human Resources & Compensation Committee Heidrick & Struggles International, Inc. 233 S. Wacker Drive, Suite 4200 Chicago, IL 60606 Attn: General Counsel
Plan Number:	506
Plan Year:	The 12-month period ending each December 31.
Agent for Service of Legal Process:	Service of legal process may be made upon the Company at the above address.
Plan Costs:	Costs of the Plan are paid by the Company out of its general assets.
Insurance:	Benefits provided by the Plan are not insured by the Pension Benefit Guaranty Corporation under Title IV of ERISA, because the insurance provisions under ERISA are not applicable to the Plan.

Article 11. Statement of ERISA Rights.

As a participant in the Plan, an Executive is entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants will be entitled to:

(1) examine, without charge, at the Committee’s office and at other specified locations, all Plan documents, including a copy of the latest annual report (Form 5500 Series), if any, filed by the Plan with the U. S. Department of Labor; and

(2) obtain, upon written request, copies of all Plan documents and other Plan information, including a copy of the latest annual report (Form 5500 Series). The Committee may make a reasonable charge for the copies.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Executives and their beneficiaries. No one, including an employer, union, or any other person, may fire an Executive or otherwise discriminate against an Executive in any way to prevent him or her from obtaining a benefit or from exercising their rights under ERISA.

If a claim for a benefit is denied or ignored in whole or in part, the Executive must receive a written explanation of the reason for the denial. In addition, the Executive has a right to obtain copies of documents relating to the decision without charge. An Executive has the right to have the Committee review and reconsider the claim.

Under ERISA, there are steps the Executive can take to enforce the above rights. For instance, if the Executive requests a copy of Plan documents or the latest annual report for the Plan from the Committee and does not receive them within 30 days, he or she may file suit in a federal court. In such a case, the court may require the Committee to provide the materials and pay the Executive up to $110 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Committee.

If the Executive has a claim for benefits which is denied or ignored, in whole or in part, the Executive may file suit in a state or federal court, subject to the Plan's claims procedures, including any arbitration requirements. If it should happen that Plan fiduciaries misuse the Plan's money (if any), or if the Executive is discriminated against for asserting his or her rights, the Executive may seek assistance from the U.S. Department of Labor, or the Executive may file suit in a federal court, subject to the Plan's claims procedures, including any arbitration requirements.

If an Executive has any questions about the Plan, he or she should contact the Committee. If an Executive has any questions about this statement, or about his or her rights under ERISA, or if the Executive needs assistance in obtaining documents from the Committee, the Executive should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or at 200 Constitution Avenue N.W., Washington, D.C. 20210. The Executive may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Exhibit 99.1

HEIDRICK & STRUGGLES

News FOR IMMEDIATE RELEASE

Heidrick & Struggles Reports Third Quarter 2011 Financial Results

CHICAGO (October 25, 2011) — Heidrick & Struggles International, Inc. (Nasdaq: HSII), the leadership advisory firm providing executive search and leadership consulting services worldwide, today announced financial results for its third quarter ended September 30, 2011.

Third quarter 2011 Year-over-year Highlights

- Net revenue of $142.2 million increased 12.8%, approximately 8% on a constant currency basis
- Impairment charge of $26.4 million taken to write off remaining goodwill and intangible assets of European business
- Operating income improved to $13.7 million and the operating margin improved to 9.7%, excluding the impairment charge (1)
- General and administrative expenses declined $3.7 million or 11.5%
- 2011 net revenue and operating margin, excluding impairment and restructuring charges, are still on track to be within ranges issued in guidance

Commenting on the third quarter results, Chief Executive Officer L. Kevin Kelly said, “Our third quarter operating results, excluding impairment charges, showed sound improvement, especially at the margin where we are finally starting to see the impact of our cost savings initiatives. The expected savings from our previously announced restructuring plan, starting in the fourth quarter, will further strengthen our financial position and our ability to deliver improving results to shareholders.”

(1) These represent non-GAAP financial measures because the impairment charge is excluded. Including the impairment charge, the operating loss was $12.6 million for the 2011 third quarter.

Consolidated net revenue of $142.2 million increased 12.8 percent (approximately 8 percent on a constant currency basis) from $ 126.1 million in the 2010 third quarter. Exchange rate fluctuations positively impacted net revenue by $5.7 million. Year over year, net revenue increased 15.4 percent in the Americas and 35.6 percent in Europe (approximately 25 percent on a constant currency basis), and declined 13.0 percent in Asia Pacific (a decline of approximately 20 percent on a constant currency basis). The Consumer, Industrial, and Life Sciences practices achieved the largest revenue gains, although their growth was partially offset by the Financial Services practice, which was down compared to last year. Net revenue from Leadership Consulting Services increased 30.6 percent to $12.9 million and represented 9.1 percent of consolidated net revenue in the quarter.

The number of executive search and leadership consulting consultants at September 30, 2011 was 386, compared to 343 at September 30, 2010, and 386 at June 30, 2011. The number of executive search confirmations in the quarter increased 8.0 percent compared to the 2010 third quarter, and, consistent with historical seasonality, declined 9.6 percent compared to the 2011 second quarter. Productivity, as measured by annualized net revenue per consultant, was $1.5 million, the same as in the 2010 third quarter and the 2011 second quarter. The average revenue per executive search increased to $117,600 compared to $114,200 in the 2010 third quarter and $107,400 in the 2011 second quarter.

Salaries and employee benefits increased 12.9 percent to $99.7 million, from $88.3 million in the comparable quarter of 2010. The increase reflects an increase in fixed compensation associated with a 10 percent increase in headcount compared to last year, as well as an increase in the variable component of compensation associated with the increase in net revenue. Salaries and employee benefits were 70.1 percent of net revenue for the quarter, compared to 70.0 percent in the 2010 third quarter.

General and administrative expenses declined 11.5 percent to $28.8 million, from $32.5 million in the 2010 third quarter, as a result of a number of expense reductions. As a percentage of net revenue, consolidated general and administrative expenses were 20.2 percent, compared to 25.8 percent in the 2010 third quarter.

In the third quarter, the company recorded a non-cash impairment charge in the amount of $26.4 million to write off the entire carrying value of the goodwill and intangible assets related to its European business. The company's planned restructuring initiatives in the fourth quarter, which are primarily related to Europe, (part of company-wide restructuring plan announced October 11, 2011) and the current volatility associated with the economic outlook for Europe, including political and economic uncertainty in that region, prompted the company to perform interim goodwill impairment testing. This resulted in the determination that the goodwill and intangible assets were impaired. This non-cash charge does not impact the company's normal business operations, cash flow from operating activities, free cash flow, liquidity, or availability under its credit facilities.

The company reported an operating loss of $12.6 million, driven by the goodwill impairment charge. Excluding the impairment charge of $26.4 million, which management believes more appropriately reflects core operations, operating income was $13.7 million and the operating margin was 9.7 percent. This compares favorably to operating income of $4.4 million and an operating margin of 3.5 percent in the 2010 third quarter.

The net loss was $32.4 million and the net loss per share was $1.82 based on a negative tax rate in the quarter of 129.2 percent. The higher than expected tax rate in the quarter was primarily a result of income that was reduced by the goodwill impairment charge without any tax benefit, establishment of valuation allowances that increased tax expense, and an inability to recognize losses in certain jurisdictions at this time. In the 2010 third quarter, net income was $1.2 million and diluted earnings per share were $0.07, which reflected an effective tax rate of 77.5 percent.

Net cash provided by operating activities in the quarter was $51.0 million, compared to $31.4 million in the 2010 third quarter. Cash and cash equivalents at September 30, 2011 were $135.5 million compared to $122.8 million at September 30, 2010, and $103.1 million at June 30, 2011.

Regional Review

For segment purposes, reimbursements of out-of-pocket expenses classified as revenue, restructuring charges, impairment charges, and other operating income are reported separately and, therefore are not included in the results of each geographic region. The company believes that analyzing trends in net revenue (before reimbursements) and operating income (loss) excluding restructuring charges, impairment charges, and other operating income more appropriately reflects the company's core operations.

$ in millions	**3Q 11**	3Q 10	Change	2Q 11	Change
Americas					
Net revenue	**$76.9**	$ 66.6	$ 10.3	$ 76.7	$ 0.1
Operating income	**$17.9**	$ 11.9	$ 6.0	$ 18.7	$ (0.9)
Consultants	**176**	155	21	178	(2)
Europe					
Net revenue	**$37.8**	$ 27.9	$ 9.9	$ 34.5	$ 3.3
Operating income (loss)	**$ 2.4**	$ (1.4)	$ 3.9	$ (2.4)	$ 4.8
Consultants	**126**	113	13	128	(2)
Asia Pacific					
Net revenue	**$27.5**	$ 31.7	$ (4.1)	$ 31.5	$ (4.0)
Operating income	**$ 2.8**	$ 7.8	$ (5.0)	$ 4.9	$ (2.1)
Consultants	**84**	75	9	80	4
Global Operations Support	**$ (9.3)**	$ (13.0)	$ 3.6	$ (10.9)	$ 1.6
Total operating income (loss)	**$13.7**	$ 5.3	$ 8.4	$ 10.3	$ 3.4

Totals and subtotals may not equal the sum of individual line items due to rounding.

Net revenue in the Americas increased 15.4 percent year over year and 0.2 percent compared to the 2011 second quarter. The Consumer and Financial Services practices were the largest drivers of year-over-year growth. Third quarter operating income increased 50.6 percent year-over-year, and the operating margin was 23.3 percent.

Net revenue in Europe increased 35.6 percent year over year (approximately 25 percent on a constant currency basis) and increased 9.5 percent sequentially (approximately 11 percent on a constant currency basis). Exchange rate fluctuations positively impacted year-over-year net revenue by $2.9 million. The Industrial Practice was the key driver of the reported year-over-year and sequential growth in this region, but the Life Sciences practice was also an important contributor to year-over-year and sequential growth. Operating income was $2.4 million and the operating margin was 6.4 percent compared to an operating loss of $1.4 million in the 2010 third quarter.

The Asia Pacific region reported a 13.0 percent year-over-year decline in third quarter net revenue (a decline of approximately 20 percent on a constant currency basis) and a 12.7 percent decline sequentially (approximately 13 percent on a constant currency basis). Exchange rate fluctuations positively impacted year-over-year net revenue by $2.3 million. Net revenue was negatively impacted by year-over-year and sequential declines in the Financial Services and Industrial practices. Operating income declined 64.3 percent compared to the 2010 third quarter and the operating margin was 10.1 percent primarily reflecting higher base compensation and payroll taxes associated with an investment in new hires. Employee headcount was increased 17 percent in this region over the last year and includes consultants who have yet to reach expected productivity levels.

Expenses related to Global Operations Support declined 27.8 percent, or $3.6 million, compared to the 2010 third quarter. A decline in general and administrative expenses, primarily related to professional fees, was the largest driver of the decline.

Nine Months Results

For the nine months ended September 30, 2011 consolidated net revenue of $400.6 million increased 9.5 percent (approximately 5 percent on a constant currency basis) from $365.9 million in the first nine months of 2010. Exchange rate fluctuations positively impacted net revenue by $15.8 million. Productivity, as measured by annualized net revenue per consultant, was $1.4 million, the same as the first nine months of 2010. The number of executive searches confirmed in the first nine months of 2011 increased 6.2 percent compared to the first nine months of 2010. The average revenue per executive search was $108,800 compared to $106,900 for the same period in 2010. The reported operating loss for the first nine months was $6.4 million, reflecting an impairment charge of $26.4 million in the 2011 third quarter. Excluding this impairment charge, which management believes more appropriately reflects core operations, operating income would have been $20.0 million and the operating margin would have been 5.0 percent. This compares to operating income of $8.2 million for the first nine months of 2010 and an operating margin of 2.2 percent. The reported net loss for the first nine months of 2011 was $29.6 million and the loss per share was $1.67 reflecting a negative tax rate of 227.9 percent. The higher than expected tax rate for the first nine months was primarily a result of income that was reduced by the goodwill impairment charge without any tax benefit, establishment of valuation allowances that increased tax expense, and an inability to recognize losses in certain jurisdictions at this time. The reported net income for the first nine months of 2010 was $2.3 million and diluted earnings per share were $0.13, reflecting an effective tax rate of 67.5 percent.

2011 Outlook

Based on year-to-date results, including the improvement achieved in operating results in the third quarter, the company's outlook for net revenue and operating margin (excluding third quarter impairment charges and fourth quarter restructuring charges) remain within the guidance provided throughout 2011. 2011 net revenue is expected to be between $525 million and $540 million, and the operating margin, excluding impairment and restructuring charges, is expected to be at the lower end of its range of 6 percent to 8 percent.

Kelly added, "With the exception of impairment and restructuring charges, our 2011 operating results remain in line with expectations, showing good improvement over the same period of 2010. Our outstanding search and leadership consulting teams have the capacity for driving higher revenue and we have an improving cost structure to achieve higher operating margins. We are looking forward to capitalizing on our strengths, especially if economic conditions improve in 2012."

Quarterly Conference Call

Executives of Heidrick & Struggles will host a conference call to review the third quarter 2011 results today, October 25, at 9:00 am Central Time. Participants may access the company's call and supporting slides through the internet at www.heidrick.com. For those unable to participate on the live call, a webcast and copy of the slides will be archived at www.heidrick.com and available for up to 30 days following the investor call.

About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc., (Nasdaq:HSII) is the leadership advisory firm providing executive search and leadership consulting services, including succession planning, executive assessment, talent retention management, executive development, transition consulting for newly appointed executives, and M&A human capital integration consulting. For almost 60 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles leadership experts operate from principal business centers around the world. For more information about Heidrick & Struggles, please visit www.heidrick.com.

Non-GAAP Financial Measures

This earnings release contains certain non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. Pursuant to the requirements of Regulation G, we have provided a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure.

The non-GAAP financial measures used within this earnings release are:

- Operating income (loss), net income (loss), and operating margin to the extent presented as "excluding the impairment charge" or "excluding impairment and restructuring charges"; and
- Constant currency amounts that represent the outcome that would have resulted had exchange rates in the reported period been the same as those in effect in the comparable prior year period.

These measures are presented because management uses this information to monitor and evaluate financial results and trends. Management believes this information is also useful for investors.

Safe Harbor Statement

This press release 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; our ability to develop and maintain strong, long-term relationships with our clients; 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; 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 losses; the timing of the establishment or reversal of valuation allowance on deferred tax assets; the mix of profit and loss by country; the effect of our goodwill impairment charges and our restructuring initiatives; delays in the development and/or implementation of new or improved technology and systems; and the ability to align our cost structure and headcount with net revenue. Our reports filed with the U.S. Securities and Exchange Commission also include information on factors that may affect the outcome of forward-looking statements. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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Heidrick & Struggles International, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	$ Change	% Change
Revenue:				
Revenue before reimbursements (net revenue)	$142,213	$126,129	$ 16,084	12.8%
Reimbursements	7,092	5,099	1,993	39.1%
Total revenue	149,305	131,228	18,077	13.8%
Operating expenses:				
Salaries and employee benefits	99,700	88,324	11,376	12.9%
General and administrative expenses	28,782	32,505	(3,723)	-11.5%
Reimbursed expenses	7,092	5,099	1,993	39.1%
Restructuring charges	—	920	(920)	-100.0%
Impairment charges	26,366	—	26,366	
Total operating expenses	161,940	126,848	35,092	27.7%
Operating income (expense)	(12,635)	4,380	(17,015)	-388.5%
Non-operating income (expense):				
Interest income, net	300	157		
Other, net	(1,803)	733		
Net non-operating income (expense)	(1,503)	890		
Income (loss) before income taxes	(14,138)	5,270		
Provision for income taxes	18,263	4,086		
Net income (loss)	$ (32,401)	$ 1,184		
Basic weighted average common shares outstanding	17,840	17,524		
Diluted weighted average common shares outstanding	17,840	17,793		
Basic earnings (loss) per common share	$ (1.82)	$ 0.07		
Diluted earnings (loss) per common share	$ (1.82)	$ 0.07		
Salaries and employee benefits as a percentage of net revenue	70.1%	70.0%		
General and administrative expense as a percentage of net revenue	20.2%	25.8%		
Operating income (loss) as a percentage of net revenue	-8.9%	3.5%		
Effective income tax rate	-129.2%	77.5%		

Heidrick & Struggles International, Inc.
Segment Information
(In thousands)
(Unaudited)

	Three Months Ended September 30,					
	2011	2010	$ Change	% Change	2011 Margin *	2010 Margin *
Revenue:						
Americas	$ 76,886	$ 66,601	$ 10,285	15.4%		
Europe	37,780	27,864	9,916	35.6%		
Asia Pacific	27,547	31,664	(4,117)	-13.0%		
Revenue before reimbursements (net revenue)	142,213	126,129	16,084	12.8%		
Reimbursements	7,092	5,099	1,993	39.1%		
Total revenue	$149,305	$131,228	$ 18,077	13.8%		
Americas	$ 17,877	$ 11,870	$ 6,007	50.6%	23.3%	17.8%
Europe	2,410	(1,444)	3,854	266.9%	6.4%	
Asia Pacific	2,792	7,829	(5,037)	-64.3%	10.1%	24.7%
Total regions	23,079	18,255	4,824	26.4%	16.2%	14.5%
Global Operations Support	(9,348)	(12,955)	3,607	27.8%		
Operating income before restructuring and impairment charges	13,731	5,300	8,431	159.1%	9.7%	4.2%
Restructuring charges	—	(920)	920			
Impairment charges	(26,366)	—	(26,366)			
Operating income (loss):	$ (12,635)	$ 4,380	$(17,015)	-388.5%		3.5%

* Margin based on revenue before reimbursements (net revenue).

Heidrick & Struggles International, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010	$ Change	% Change
Revenue:				
Revenue before reimbursements (net revenue)	$400,634	$365,868	$ 34,766	9.5%
Reimbursements	19,164	14,374	4,790	33.3%
Total revenue	419,798	380,242	39,556	10.4%
Operating expenses:				
Salaries and employee benefits	287,300	257,449	29,851	11.6%
General and administrative expenses	93,381	95,455	(2,074)	-2.2%
Reimbursed expenses	19,164	14,374	4,790	33.3%
Restructuring charges	—	1,621	(1,621)	-100.0%
Impairment charges	26,366	—	26,366	
Other operating income	—	(1,072)	1,072	100.0%
Total operating expenses	426,211	372,045	54,166	14.6%
Operating income (loss)	(6,413)	8,197	(14,610)	-178.2%
Non-operating income (expense):				
Interest income, net	853	573		
Other, net	(3,477)	(1,661)		
Net non-operating expense	(2,624)	(1,088)		
Income (loss) before income taxes	(9,037)	7,109		
Provision for income taxes	20,596	4,799		
Net income (loss)	$ (29,633)	$ 2,310		
Basic weighted average common shares outstanding	17,756	17,400		
Diluted weighted average common shares outstanding	17,756	17,862		
Basic earnings (loss) per common share	$ (1.67)	$ 0.13		
Diluted earnings (loss) per common share	$ (1.67)	$ 0.13		
Salaries and employee benefits as a percentage of net revenue	71.7%	70.4%		
General and administrative expense as a percentage of net revenue	23.3%	26.1%		
Operating income (loss) as a percentage of net revenue	-1.6%	2.2%		
Effective income tax rate	-227.9%	67.5%		

Heidrick & Struggles International, Inc.
Segment Information
(In thousands)
(Unaudited)

	Nine Months Ended September 30,					
	2011	2010	$ Change	% Change	2011 Margin *	2010 Margin *
Revenue:						
Americas	$217,108	$189,177	$ 27,931	14.8%		
Europe	99,858	92,388	7,470	8.1%		
Asia Pacific	83,668	84,303	(635)	-0.8%		
Revenue before reimbursements (net revenue)	400,634	365,868	34,766	9.5%		
Reimbursements	19,164	14,374	4,790	33.3%		
Total revenue	$419,798	$380,242	$ 39,556	10.4%		
Americas	$ 44,254	$ 30,092	$ 14,162	47.1%	20.4%	15.9%
Europe	(2,012)	(4,948)	2,936	59.3%		
Asia Pacific	10,197	18,201	(8,004)	-44.0%	12.2%	21.6%
Total regions	52,439	43,345	9,094	21.0%	13.1%	11.8%
Global Operations Support	(32,486)	(34,599)	2,113	6.1%		
Operating income before restructuring and impairment charges	19,953	8,746	11,207	128.1%	5.0%	2.4%
Restructuring charges	—	(1,621)	1,621			
Impairment charges	(26,366)	—	(26,366)			
Other operating income	—	1,072	(1,072)			
Operating income (loss):	$ (6,413)	$ 8,197	$(14,610)	-178.2%		2.2%

* Margin based on revenue before reimbursements (net revenue).

Heidrick & Struggles International, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

	September 30, 2011	December 31, 2010
Current assets:		
Cash and cash equivalents	$ 135,499	$ 181,124
Restricted cash	442	393
Accounts receivable, net	101,664	83,360
Other receivables	9,166	7,724
Prepaid expenses	17,483	15,323
Other current assets	1,482	1,871
Deferred income taxes	9,792	10,759
Total current assets	289,522	312,466
Non-current assets:		
Property and equipment, net	47,491	34,406
Restricted cash	1,504	1,609
Assets designated for retirement and pension plans	23,668	23,647
Investments	9,524	11,021
Other non-current assets	7,920	8,593
Goodwill	90,421	109,888
Other intangible assets, net	2,725	6,480
Deferred income taxes	27,876	36,917
Total non-current assets	211,129	232,561
Total assets	$ 500,651	$ 545,027
Current liabilities:		
Accounts payable	$ 10,438	$ 8,408
Accrued salaries and employee benefits	115,841	124,969
Other current liabilities	33,208	34,064
Income taxes payable	7,394	3,208
Deferred income taxes	1,895	1,807
Total current liabilities	168,776	172,456
Non-current liabilities:		
Retirement and pension plans	31,393	30,907
Other non-current liabilities	43,749	47,015
Deferred income taxes	219	107
Total non-current liabilities	75,361	78,029
Stockholders' equity	256,514	294,542
Total liabilities and stockholders' equity	$ 500,651	$ 545,027

Heidrick & Struggles International, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010
Cash flows from operating activities:		
Net income (loss)	$ (32,401)	$ 1,184
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,896	2,129
Deferred income taxes	11,065	2,096
Net realized and unrealized losses on investments	233	784
Stock-based compensation expense	1,013	1,518
Allowance for doubtful accounts	(408)	486
Impairment charges	26,366	—
Restructuring charges	—	920
Cash paid for restructuring charges	(98)	(998)
Changes in assets and liabilities:		
Trade and other receivables	5,110	(12,062)
Accounts payable	(1,157)	1,482
Accrued expenses	29,022	34,278
Income taxes recoverable, net	4,911	3,669
Retirement and pension assets and liabilities	(872)	41
Prepayments	1,591	(1,423)
Other assets and liabilities, net	3,726	(2,624)
Net cash provided by operating activities	50,997	31,480
Cash flows from investing activities:		
Restricted cash	705	—
Acquisition earnout payments	(3,930)	—
Capital expenditures	(6,463)	(4,657)
Purchases of available for sale investments	(192)	(113)
Proceeds from sale of available for sale investments	28	72
Other, net	89	—
Net cash used in investing activities	(9,763)	(4,698)
Cash flows from financing activities:		
Cash dividends paid	(2,324)	(2,282)
Payment of employee tax withholdings on equity transactions	(3)	(23)
Net cash used in financing activities	(2,327)	(2,305)
Effect of exchange rate fluctuations on cash and cash equivalents	(6,486)	5,693
Net increase in cash and cash equivalents	32,421	30,170
Cash and cash equivalents at beginning of period	103,078	92,593
Cash and cash equivalents at end of period	$135,499	$122,763

Heidrick & Struggles International, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Cash flows from operating activities:		
Net income (loss)	$ (29,633)	$ 2,310
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	7,207	9,324
Write-off of investment	2,810	—
Deferred income taxes	9,815	3,151
Net realized and unrealized losses on investments	488	1,017
Stock-based compensation expense, net	4,161	6,027
Other operating income	—	(1,072)
Allowance for doubtful accounts	(667)	1,479
Impairment charges	26,366	—
Restructuring charges		1,621
Cash paid for restructuring charges	(658)	(2,818)
Changes in assets and liabilities:		
Trade and other receivables	(20,487)	(49,209)
Accounts payable	889	4,675
Accrued expenses	(12,716)	51,021
Income taxes recoverable, net	1,658	1,317
Retirement and pension plan assets and liabilities	(290)	392
Prepayments	(1,988)	(3,712)
Other assets and liabilities, net	2,393	(2,315)
Net cash (used in) provided by operating activities	(10,652)	23,208
Cash flows from investing activities:		
Restricted cash	13	2,762
Acquisition earnout payments	(3,930)	(554)
Capital expenditures	(16,250)	(16,066)
Purchases of available for sale investments	(799)	(547)
Proceeds from sale of available for sale investments	58	280
Loan to equity method investment	(1,008)	—
Other, net	89	—
Net cash used in investing activities	(21,827)	(14,125)
Cash flows from financing activities:		
Cash dividends paid	(7,380)	(7,367)
Payment of employee tax withholdings on equity transactions	(2,752)	(4,569)
Net cash used in financing activities	(10,132)	(11,936)
Effect of exchange rate fluctuations on cash and cash equivalents	(3,014)	2,586
Net decrease in cash and cash equivalents	(45,625)	(267)
Cash and cash equivalents at beginning of period	181,124	123,030
Cash and cash equivalents at end of period	$135,499	$122,763