

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report: October 30, 2003
(Date of earliest event reported)

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

Delaware (State or other jurisdiction of incorporation)	000-25837 (Commission File No.)	36-2681268 (IRS Employer Identification No.)
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233 South Wacker Drive, Suite 4200
Chicago, Illinois 60606-6303
(Address of Principal Executive Offices)

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

n/a
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
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99.1	Heidrick & Struggles International, Inc. News Release Dated October 30, 2003
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Item 12. Results of Operations and Financial Conditions

On October 30, 2003, Heidrick & Struggles International, Inc. issued a news release reporting its 2003 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. The information in Exhibit 99.1 is being furnished pursuant to both Item 9 and Item 12 of Form 8-K.

The information being furnished shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURE

Pursuant to the requirements of the Securities and 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.

/s/ Fritz E. Freidinger

Fritz E. Freidinger, Secretary

Dated: October 30, 2003

HEIDRICK & STRUGGLES

NEWS

FOR IMMEDIATE RELEASE

HEIDRICK & STRUGGLES REPORTS
2003 THIRD QUARTER FINANCIAL RESULTS

View on 2003 Fourth Quarter Also Provided

CHICAGO (October 30, 2003)--Heidrick & Struggles International, Inc. (Nasdaq: HSII), the world's premier executive search and leadership consulting firm, today announced its financial results for the 2003 third quarter.

2003 Third Quarter Overview

- . Consolidated net revenue was \$76.9 million, a decrease of 12 percent from \$87.4 million in the 2002 third quarter.
- . Operating income was \$3.3 million, a decrease of 7 percent from \$3.6 million last year.
- . Net income was \$1.1 million, an increase of 14 percent from \$924,000 last year.
- . Diluted earnings per share were \$0.05, even with last year.
- . Results include a \$1.4 million restructuring charge to increase the previously established accruals for unused office space in the U.S.

In the quarter, the effects on net revenue from the continuing weakness in the global business environment were partially offset by a positive contribution from foreign currency exchange rate fluctuations. Excluding the positive impact of currency of approximately \$2.8 million in the 2003 third quarter, net revenue decreased by 15 percent from the 2002 third quarter.

"Our results are mixed this quarter as evidence of an economic rebound remains uneven across industries and regions," said Thomas J. Friel, Chairman and Chief Executive Officer of Heidrick & Struggles. "We are encouraged, however, by the progress we continue to make on our profitability, as all regions except Europe were profitable in the quarter."

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Consolidated salaries and employee benefits expense in the 2003 third quarter was \$51.1 million, down 9 percent from \$56.2 million in the comparable quarter last year. Reductions in the company's workforce during the past year contributed to the decrease. In addition, the improvement was due to a favorable adjustment to employee benefits accruals. Partially offsetting these factors was an increase in bonus accruals in the third quarter of 2003 compared to the same period last year. In the 2002 third quarter the bonus accrual was unusually low, as an adjustment was made to the annual estimate because of declining net revenue.

Consolidated general and administrative expenses declined 24 percent to \$21.1 million in the 2003 third quarter, compared to \$27.6 million in the 2002 third quarter. The decrease was due to several factors, including reduced spending on discretionary items, lower bad debt expense, and lower infrastructure costs.

In the 2003 third quarter, the number of confirmed executive searches decreased 3 percent from the 2002 third quarter. As of September 30, 2003 the company employed 317 consultants, compared to 318 as of June 30, 2003, and 376 as of September 30, 2002.

Results by Segment

Net revenue in North America was \$42.8 million, a decrease of 10 percent from \$47.4 million in the 2002 third quarter. The Financial Services and Professional Services practices reported the largest increases in the 2003 third quarter compared to the 2002 third quarter, while the Technology practice reported the most significant decline. Operating income for the region increased 17 percent in the quarter to \$12.0 million from \$10.3 million in last year's third quarter primarily because of lower headcount, a favorable adjustment to employee benefits accruals, and reductions in both fixed and discretionary general and administrative spending. The operating margin increased to 28.0 percent from 21.7 percent in the 2002 third quarter.

In Latin America, net revenue was \$3.3 million, an increase of 3 percent from \$3.2 million in the 2002 third quarter. Operating income in the 2003 third quarter was \$598,000, compared to an operating loss of \$1.1 million in the 2002 third quarter. The prior-year loss included a one-time adjustment for value-added taxes (VAT) and costs associated with converting certain wholly owned subsidiaries into licensees.

Net revenue in Europe was \$25.9 million, a decrease of 17 percent from \$31.2 million in the 2002 third quarter. Excluding the positive impact of currency exchange rates of \$2.6 million, net revenue decreased by 25 percent from the same quarter in 2002. The Financial Services practice experienced a particularly weak 2003 third quarter. The region recorded an operating loss of \$2.2 million in the 2003 third quarter, compared to operating income of \$1.0 million in last year's third quarter, due to the lower net revenue levels that were partially offset by lower discretionary spending.

In Asia Pacific, net revenue was \$5.0 million, a decrease of 10 percent from \$5.5 million in the 2002 third quarter. Operating income was \$384,000 in the 2003 third quarter, a decrease of 11 percent from \$431,000 in the same period of 2002.

Corporate expense declined 14 percent to \$6.1 million in the 2003 third quarter, compared to \$7.1 million last year, due to lower salary and employee benefits expense and lower systems-related spending.

Nine Month Results

For the nine months ended September 30, 2003, consolidated net revenue was \$235.9 million, a decrease of 13 percent from \$272.6 million for the first nine months of 2002. There was a loss per share of \$0.46 compared to a loss per share of \$1.12 in the same period last year. The operating loss was \$3.2 million compared to an operating loss of \$23.6 million in last year's comparable period. The net loss was \$8.3 million, compared to a net loss of \$20.2 million for the first nine months of 2002.

Despite a pre-tax loss of \$2.6 million during the nine months ended September 30, 2003, the company recorded \$5.7 million in income tax expense. This includes a \$4.3 million deferred tax asset write-off required to be recorded upon the vesting of restricted stock units during the first half of the year, and \$1.4 million of income tax expense primarily related to certain non-U.S. operations.

2003 Fourth Quarter Outlook and Restructuring Charge

For the 2003 fourth quarter, net revenue is anticipated to be in the range of \$70 million to \$80 million. At those net revenue levels, the company estimates that the corresponding results would range from a loss per share of \$0.07 to diluted earnings per share of \$0.10, excluding the effects of the restructuring charge discussed below.

The company expects to record a restructuring charge of \$15 million to \$20 million in the 2003 fourth quarter to better align the cost structure in Europe with its current net revenue level and also to increase the previously established accruals for unused office space. The company also is updating its evaluation of goodwill impairment, which may result in an additional charge.

Webcast of Investor Call Available Today

The company will provide a real-time webcast of its investor call on Thursday, October 30, 2003 at 9:00 a.m. Chicago Time to review its 2003 third quarter financial results. The call will last up to one hour and will feature remarks by Chairman and CEO Thomas J. Friel and Chief Financial Officer Kevin J. Smith. The webcast will be available online, along with any slides accompanying management's remarks, at www.heidrick.com or through CCBN's individual investor center at www.companyboardroom.com. Listeners should log on approximately ten minutes in advance to ensure they are set up to receive the webcast. A replay will be available for up to 30 days following the investor call.

About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc. is the world's premier provider of senior-level executive search, interim executive placement, and leadership services, including executive assessment and professional development. For 50 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 in North America, Latin America, Europe, and Asia Pacific. For more information about Heidrick & Struggles, visit www.heidrick.com.

Safe Harbor Statement

This news 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," 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; continuing weakness of the economies in the United States, Europe, or elsewhere; social or political instability in markets where we operate; price competition; an inability to achieve the planned cost savings from our cost-reduction initiatives; an inability to sublease or assign unused office space; our ability to generate profits in order to ensure that our deferred tax assets are realizable; and delays in the development and/or implementation of new technology and systems. 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)

	Three Months Ended September 30,		\$ Change	% Change
	2003	2002		
Revenue:				
Revenue before reimbursements (net revenue)	\$76,941	\$87,356	(10,415)	-11.9%
Reimbursements	5,531	6,507	(976)	-15.0%
Total revenue	82,472	93,863	(11,391)	-12.1%
Operating expenses:				
Salaries and employee benefits	51,148	56,244	(5,096)	-9.1%
General and administrative expenses	21,081	27,558	(6,477)	-23.5%
Reimbursed expenses	5,531	6,507	(976)	-15.0%
Restructuring charges (1)	1,413	-	1,413	
Total operating expenses	79,173	90,309	(11,136)	-12.3%
Operating income	3,299	3,554	(255)	-7.2%
Non-operating income (expense):				
Interest income	383	479		
Interest expense	(20)	(71)		
Net realized and unrealized gains (losses) on equity and warrant portfolio (2)	199	(801)		
Other, net	115	(576)		
Net non-operating income (expense)	677	(969)		
Income before income taxes	3,976	2,585		
Provision for income taxes	2,924	1,661		
Net income	\$ 1,052	\$924		
	=====	=====		
Basic earnings per common share	\$ 0.06	\$ 0.05		
Basic weighted average common shares outstanding	18,261	18,129		
Diluted earnings per common share	\$ 0.05	\$ 0.05		
Diluted weighted average common shares outstanding	19,141	19,008		
Salaries and employee benefits as a percentage of net revenue	66.5%	64.4%		
General and administrative expenses as a percentage of net revenue	27.4%	31.5%		
Effective tax rate	73.5%	64.3%		

Heidrick & Struggles International, Inc.

Segment Information

(In thousands)

	Three Months Ended September 30,				2003	2002
	2003	2002	\$ Change	% Change	Margin *	Margin *
Revenue:						
North America	\$42,786	\$47,426	\$ (4,640)	-9.8%		
Latin America	3,299	3,199	100	3.1%		
Europe	25,855	31,182	(5,327)	-17.1%		
Asia Pacific	5,001	5,549	(548)	-9.9%		
Revenue before reimbursements (net revenue)	76,941	87,356	(10,415)	-11.9%		
Reimbursements	5,531	6,507	(976)	-15.0%		
Total revenue	\$82,472	\$93,863	\$(11,391)	-12.1%		
Operating Income (Loss):						
North America	\$11,987	\$10,274	\$ 1,713	16.7%	28.0%	21.7%
Latin America	598	(1,071)	1,669		18.1%	
Europe	(2,158)	1,028	(3,186)			3.3%
Asia Pacific	384	431	(47)	-10.9%	7.7%	7.8%
Total regions	10,811	10,662	149	1.4%	14.1%	12.2%
Corporate	(6,099)	(7,108)	1,009	14.2%		
Operating income before restructuring charges	4,712	3,554	1,158	32.6%	6.1%	4.1%
Restructuring charges (1)	(1,413)	-	(1,413)			
Operating income	\$3,299	\$3,554	\$ (255)			

* Margin based on revenue before reimbursements (net revenue)

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

	Nine Months Ended September 30,		\$ Change	% Change
	2003	2002		
Revenue:				
Revenue before reimbursements (net revenue)	\$235,926	\$272,555	(36,629)	-13.4%
Reimbursements	17,417	19,824	(2,407)	-12.1%
Total revenue	253,343	292,379	(39,036)	-13.4%
Operating expenses:				
Salaries and employee benefits (4)	168,215	189,414	(21,199)	-11.2%
General and administrative expenses	64,041	83,618	(19,577)	-23.4%
Reimbursed expenses	17,417	19,824	(2,407)	-12.1%
Restructuring charges (1)	6,913	23,169	(16,256)	
Total operating expenses	256,586	316,025	(59,439)	-18.8%
Operating loss	(3,243)	(23,646)	20,403	-86.3%
Non-operating income (expense):				
Interest income	1,343	1,390		
Interest expense	(110)	(159)		
Net realized and unrealized gains (losses) on equity and warrant portfolio (2)	447	(2,043)		
Write-down of long-term investment (5)	-	(5,000)		
Other, net	(1,022)	(469)		
Net non-operating income (expense)	658	(6,281)		
Loss before income taxes	(2,585)	(29,927)		
Provision for (benefit from) income taxes (3)	5,709	(9,719)		
Net loss	\$ (8,294)	\$(20,208)		
Basic loss per common share				
Basic loss per common share	\$(0.46)	\$(1.12)		
Basic weighted average common shares outstanding	18,186	18,093		
Diluted loss per common share				
Diluted loss per common share	\$(0.46)	\$(1.12)		
Diluted weighted average common shares outstanding	18,186	18,093		
Salaries and employee benefits as a percentage of net revenue				
Salaries and employee benefits as a percentage of net revenue	71.3%	69.5%		
General and administrative expense as a percentage of net revenue				
General and administrative expense as a percentage of net revenue	27.1%	30.7%		
Effective tax rate				
Effective tax rate	-	32.5%		

Heidrick & Struggles International, Inc.

Segment Information

(In thousands)

	Nine Months Ended September 30,				2003 Margin *	2002 Margin *
	2003	2002	\$ Change	% Change		
Revenue:						
North America	\$129,332	\$149,487	\$(20,155)	-13.5%		
Latin America	8,235	8,670	(435)	-5.0%		
Europe	82,293	97,477	(15,184)	-15.6%		
Asia Pacific	16,066	16,921	(855)	-5.1%		
Revenue before reimbursements (net revenue)	235,926	272,555	(36,629)	-13.4%		
Reimbursements	17,417	19,824	(2,407)	-12.1%		
Total revenue	\$253,343	\$292,379	\$(39,036)	-13.4%		
Operating Income (Loss):						
North America (4)	\$ 28,029	\$ 22,883	\$ 5,146	22.5%	21.7%	15.3%
Latin America	578	(2,648)	3,226		7.0%	
Europe (4)	(3,542)	(229)	(3,313)			
Asia Pacific (4)	1,913	1,522	391	25.7%	11.9%	9.0%
Total regions	26,978	21,528	5,450	25.3%	11.4%	7.9%
Corporate (4)	(23,308)	(22,005)	(1,303)	-5.9%		
Operating income (loss) before restructuring charges	3,670	(477)	4,147		1.6%	
Restructuring charges (1)	(6,913)	(23,169)	16,256			
Operating loss	\$ (3,243)	\$(23,646)	\$ 20,403			

* Margin based on revenue before reimbursements (net revenue)

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

	September 30, 2003	December 31, 2002
	-----	-----
Current assets:		
Cash and cash equivalents	\$ 110,164	\$ 110,220
Accounts receivable, net of allowance for doubtful accounts	50,403	41,774
Other receivables	3,236	3,552
Prepaid expenses	9,433	11,881
Income taxes recoverable	-	6,125
Deferred income taxes, net	22,262	24,924
	-----	-----
Total current assets	195,498	198,476
	-----	-----
Property and equipment, net	34,684	38,230
	-----	-----
Other non-current assets:		
Assets designated for retirement and pension plans	26,489	21,196
Investments	2,576	3,007
Other non-current assets	4,145	9,478
Deferred income taxes, net	25,592	32,176
Goodwill, net	50,648	50,271
Other intangibles, net	9,140	10,230
	-----	-----
Total other non-current assets	118,590	126,358
	-----	-----
Total assets	\$ 348,772	\$ 363,064
	=====	=====

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

	September 30, 2003 -----	December 31, 2002 -----
Current liabilities:		
Current maturities of long-term debt	\$ 660	\$ 1,161
Accounts payable	6,665	8,887
Accrued expenses:		
Salaries and employee benefits	62,921	67,514
Other	18,591	20,704
Current portion of accrued restructuring charges	13,263	20,705
Income taxes payable	3,350	-
	-----	-----
Total current liabilities	105,450	118,971
	-----	-----
Non-current liabilities:		
Long-term debt, less current maturities	78	294
Retirement and pension plans	29,584	25,234
Non-current portion of accrued restructuring charges	16,275	18,531
Other non-current liabilities	1,460	323
	-----	-----
Total non-current liabilities	47,397	44,382
	-----	-----
Stockholders' equity	195,925	199,711
	-----	-----
Total liabilities and stockholders' equity	\$348,772	\$363,064
	=====	=====

Schedule Notes:

- (1) In June 2001, October 2001 and October 2002 the Company announced reductions in its workforce and the consolidation and closing of offices and as a result recorded restructuring charges of \$53.2 million and \$48.5 million in 2001 and 2002, respectively.

In the first quarter of 2003, the Company recorded an additional \$5.5 million of restructuring charges to increase previously established accruals for unused office space. By segment, the restructuring charges recorded in the 2003 first quarter are: North America \$0.4 million; Europe \$5.1 million.

In the third quarter of 2003, the Company recorded an additional \$1.4 million of restructuring charges to increase previously established accruals for unused office space in North America.

In the first quarter of 2002, the Company recorded \$23.2 million of restructuring charges related to reductions in its workforce and the consolidation and closing of offices. The 2002 first quarter restructuring charges include \$10.4 million of severance and other employee-related costs and \$12.8 million related to the consolidation and closing of offices. By segment, the restructuring charges recorded in the first quarter of 2002 are as follows: North America \$13.3 million; Latin America \$0.1 million; Europe \$7.0 million; Asia Pacific \$0.3 million; Corporate \$2.5 million.

- (2) The Company receives warrants for equity securities in its client companies, in addition to its cash fee, for services rendered on some searches. The warrants are recorded at fair value, net of consultants' bonuses. Some of the warrants meet the definition of a derivative instrument under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its subsequent amendments. In accordance with SFAS No. 133, changes in the fair value of the derivative instruments are recorded in the Consolidated Statements of Operations. Other warrants received and which do not meet the definition of a derivative under SFAS No. 133 are regularly reviewed for declines in fair value. Upon a value event such as an initial public offering or an acquisition, the equity securities arising from the exercise of the warrants are monetized, resulting in a realized gain, net of consultants' bonuses and other costs.
- (3) The Company's year-to-date tax provision reflects the write-down of \$4.3 million of deferred tax assets, related to the excess of expense for accounting purposes over the related deduction for tax purposes, required to be recorded upon the vesting of restricted stock units in the first half of 2003, and \$1.4 million of income tax expense primarily related to certain non-U.S. operations.
- (4) In the second quarter of 2003, Mr. Piers Marmion resigned as Chief Executive Officer. In addition, Mr. David Anderson, who was previously the President and Chief Operating Officer, also resigned. As a result, the Company recorded a charge of \$5.2 million in the second quarter of 2003 for their separation agreements. These charges are included in the Corporate segment.
- Also in the second quarter of 2003, the Company recorded other severance costs of \$2.8 million. By segment, these severance charges are as follows: North America \$0.5 million; Europe \$2.0 million; Asia Pacific \$0.2 million; Corporate \$0.1 million.
- (5) During the second quarter of 2002, the Company wrote down its remaining investment in ETF Group, incurring a non-cash charge of \$5.0 million.