UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002 or

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 0-25837

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	36-2681268
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S.Employer Identification Number)

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)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares outstanding of the Company's common stock as of May 10, 2002 was 18,091,403.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

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HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	March 31, 2002 (unaudited)	December 31, 2001
Current assets:		
Cash and cash equivalents	$ 68,550	$108,732
Accounts receivable, net of allowance for doubtful accounts	69,785	54,241
Other receivables	3,012	5,870
Prepaid expenses	10,001	11,445
Income taxes recoverable	13,420	22,958
Deferred income taxes, net	36,528	36,605
Total current assets	201,296	239,851
Non-current assets:		
Property and equipment, net	45,205	54,364
Assets designated for pension plans	16,191	16,624
Investments	15,009	14,836
Other assets	11,494	14,637
Income taxes recoverable	10,665	-
Deferred income taxes, net	6,995	7,089
Goodwill, net	51,027	51,110
Other intangibles, net	12,005	12,595
Total non-current assets	168,591	171,255
Total assets	$369,887	$411,106

The accompanying notes are an integral part
of these consolidated financial statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	March 31, 2002 (unaudited)	December 31, 2001
Current liabilities:		
Current maturities of long-term debt	$ 1,950	$ 2,480
Accounts payable	11,878	13,391
Accrued expenses:		
Salaries and employee benefits	68,199	101,341
Other	36,047	29,970
Total current liabilities	118,074	147,182
Non-current liabilities:		
Long-term debt, less current maturities	1,905	1,959
Retirement and pension plans	20,128	19,092
Non-current portion of special charges	17,156	13,282
Total non-current liabilities	39,189	34,333
Total liabilities	157,263	181,515
Stockholders' equity		
Preferred stock, $.01 par value, 10,000,000 shares authorized, no shares issued at March 31, 2002 and December 31, 2001.	-	-
Common stock, $.01 par value, 100,000,000 shares authorized, of which 18,091,800 and 18,040,779 shares were issued and outstanding at March 31, 2002 and December 31, 2001, respectively.	195	195
Treasury stock at cost, 1,439,532 and 1,435,500 shares at March 31, 2002 and December 31, 2001, respectively.	(27,540)	(27,459)
Additional paid in capital	261,508	258,699
Retained earnings (accumulated deficit)	(3,800)	13,935
Cumulative foreign currency translation adjustment	(7,105)	(5,881)
Unrealized gain on available-for-sale investments, net of tax	5	9
Deferred compensation	(10,639)	(9,907)
Total stockholders' equity	212,624	229,591
Total liabilities and stockholders' equity	$369,887	$411,106

The accompanying notes are an integral part
of these consolidated financial statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Revenue	$ 91,723	$139,268
Operating expenses:		
Salaries and employee benefits	68,897	87,090
General and administrative expenses	27,813	44,329
Special charges	23,169	-
Total operating expenses	119,879	131,419
Operating income (loss)	(28,156)	7,849
Non-operating income (expense):		
Interest income	528	2,061
Interest expense	(51)	(41)
Realized gains on investments	-	254
Net unrealized gain (loss) on derivative instruments	143	(1,475)
Other, net	251	(162)
Net non-operating income	871	637
Income (loss) before income taxes and cumulative effect of accounting change	(27,285)	8,486
Provision for (benefit from) income taxes	(9,550)	3,649
Net income (loss) before cumulative effect of accounting change	(17,735)	4,837
Cumulative effect of accounting change, net of tax	-	4,494
Net income (loss)	$(17,735)	$ 9,331
Basic earnings (loss) per common share:		
Income (loss) before cumulative effect of accounting change	$ (0.98)	$ 0.25
Cumulative effect of accounting change	-	0.23
Total basic earnings (loss) per common share	$ (0.98)	$ 0.48
Diluted earnings (loss) per common share:		
Income (loss) before cumulative effect of accounting change	$ (0.98)	$ 0.24
Cumulative effect of accounting change	-	0.22
Total diluted earnings (loss) per common share	$ (0.98)	$ 0.45
Weighted average common shares outstanding:		
Basic	18,050	19,374
Diluted	18,050	20,571

The accompanying notes are an integral part
of these consolidated financial statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Other Comprehensive Income (Loss)	Deferred Compensation	Total
Balance as of December 31, 2001	18,041	$195	$(27,459)	$258,699	$13,935	$(5,872)	$ (9,907)	$229,591
Net loss	-	-	-	-	(17,735)	-	-	(17,735)
Other comprehensive loss:								
Unrealized loss on available-for-sale investments, (pretax $6)	-	-	-	-	-	(4)	-	(4)
Foreign currency translation adjustment	-	-	-	-	-	(1,224)	-	(1,224)
Total comprehensive loss	-	-	-	-	(17,735)	(1,228)	-	(18,963)
Treasury and common stock transactions:								
Issuance of common stock	50	-	-	914	-	-	-	914
Exercise of stock options	5	-	-	70	-	-	-	70
Purchases of treasury stock	(4)	-	(81)	-	-	-	-	(81)
Issuance of restricted stock units	-	-	-	1,825	-	-	(1,825)	-
Amortization of deferred compensation	-	-	-	-	-	-	1,093	1,093
Balance as of March 31, 2002	18,092	$195	$(27,540)	$261,508	$(3,800)	$(7,100)	$(10,639)	$212,624

The accompanying notes are an integral part of these consolidated financial statements.

HEIDRICK & STRUGGLES INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Cash flows from operating activities:		
Net income (loss)	$(17,735)	$ 9,331
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,854	4,933
Gain on sale of equity securities, net	-	(254)
Deferred income taxes	(155)	(1,075)
Unrealized (gain) loss on derivative instruments	(143)	1,475
Cumulative effect of accounting change, net of tax	-	(4,494)
Stock-based compensation expense, net	2,006	635
Special charges	23,169	-
Cash paid for special charges	(7,029)	-
Changes in assets and liabilities:		
Trade and other receivables	(14,665)	3,106
Accounts payable	(1,398)	3,976
Accrued expenses	(28,036)	(53,839)
Income taxes recoverable, current	9,667	(2,012)
Income taxes recoverable, non-current	(10,665)	-
Other, net	4,260	(4,363)
Net cash used in operating activities	(36,870)	(42,581)
Cash flows from investing activities:		
Purchases of property and equipment	(1,637)	(4,291)
Proceeds from sales of equity securities, net	-	254
Other, net	69	925
Net cash used in investing activities	(1,568)	(3,112)
Cash flows from financing activities:		
Payments of long-term debt	(693)	-
Proceeds from stock options exercised	70	25
Purchases of treasury stock	(81)	-
Net cash provided by (used in) financing activities	(704)	25
Effect of foreign currency exchange rates on cash and cash equivalents	(1,040)	(2,707)
Net decrease in cash and cash equivalents	(40,182)	(48,375)
Cash and cash equivalents:		
Beginning of period	108,732	184,836
End of period	$ 68,550	$136,461

The accompanying notes are an integral part of these consolidated financial statements.

1. Interim Financial Data

The accompanying unaudited consolidated financial statements of Heidrick & Struggles International, Inc. and Subsidiaries (the "Company"), included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates. In the opinion of management, the statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company's financial position, results of operations, stockholders' equity and cash flows. Certain prior year amounts have been reclassified to conform to the 2002 classifications. These financial statements and notes are to be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto included in the Company's Annual Report to Shareholders on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission on March 29, 2002.

2. Derivative Instruments

The Company receives warrants for equity securities in its client companies, in addition to its cash fee, for services rendered on some searches. Some of the warrants meet the definition of a derivative instrument under Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its subsequent amendments. Upon adoption of SFAS No. 133 on January 1, 2001, subsequent changes in the fair value of the derivatives are recorded in earnings. Each quarter's earnings are affected by the fluctuations in the fair value of these derivative instruments. The Company recognized a net unrealized gain of $143,000 and a net unrealized loss of $1.5 million in earnings, net of consultants' bonuses and administrative and other costs, during the three months ended March 31, 2002 and 2001, respectively.

3. Cumulative Effect of Change in Accounting Principle

As a result of the adoption of SFAS No. 133 on January 1, 2001, the Company recorded, as a cumulative effect of accounting change, a transition adjustment to income of $4.5 million, net of consultants' bonuses, administrative and other costs, and taxes (See Note 2).

4. Goodwill and Other Intangible Assets

In June 2001, the Financial Accounting Standards Board issued SFAS No. 142, "Goodwill and Other Intangible Assets." Under the new rule, goodwill and intangible assets that have indefinite useful lives are no longer amortized. Rather, these assets are subject to, at a minimum, an annual assessment for impairment by applying a fair-value based test. Intangible assets that have finite useful lives continue to be amortized over their useful lives.

The Company adopted SFAS No. 142 on January 1, 2002. A fair-value based test was performed and indicated that the fair-value of each reporting unit exceeded its carrying amount. As a result, no impairment charge was necessary. Intangible assets continue to be amortized over their estimated useful lives and have been segregated on a separate line in the Consolidated Balance Sheet. As of January 1, 2002, the Company no longer amortizes goodwill. Operating results excluding goodwill amortization are as follows:

	Three Months Ended March 31,	
	2002	2001
Reported net income (loss)	$(17,735)	$ 9,331
Addback: Goodwill amortization, net of tax	-	320
Adjusted net income (loss)	$(17,735)	$ 9,651
Basic earnings (loss) per common share:		
Reported net income (loss)	$ (0.98)	$ 0.48
Goodwill amortization	-	0.02
Adjusted net income (loss)	$ (0.98)	$ 0.50
Diluted earnings (loss) per common share:		
Reported net income (loss)	$ (0.98)	$ 0.45
Goodwill amortization	-	0.02
Adjusted net income (loss)	$ (0.98)	$ 0.47

The following tables provide the carrying amount of amortizable intangible assets and the related accumulated amortization at March 31, 2002, the aggregate amortization expense for the three months ended March 31, 2002 and estimated amortization expense for each of the next five years.

	March 31, 2002		
Amortizable Intangible Assets:	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Client relationships	$ 13,275	$ (2,408)	$ 10,867
Other intangibles	2,370	(1,232)	1,138
Total	$ 15,645	$ (3,640)	$ 12,005
Aggregate Amortization Expense:			
For the three months ended March 31, 2002			$ 538
Estimated Amortization Expense:			
For the year ending December 31, 2003			$ 1,677
For the year ending December 31, 2004			1,426
For the year ending December 31, 2005			1,193
For the year ending December 31, 2006			1,009
For the year ending December 31, 2007			940

Changes in the carrying amount of goodwill for the three months ended March 31, 2002 are as follows:

	North America	Europe	Asia Pacific	Total
Balance at December 31, 2001	$18,362	$31,645	$ 1,103	$51,110
Currency effect	-	(79)	(4)	(83)
Balance at March 31, 2002	$18,362	$31,566	$ 1,099	$51,027

5. Basic and Diluted Earnings Per Share

Basic earnings per common share is computed by dividing net income by the weighted average common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted. At March 31, 2002, there were 811 dilutive common shares that were not included in the computation of the diluted loss per common share because the effect of their inclusion would be antidilutive.

The following is a reconciliation of the shares used in the computation of basic and diluted earnings (loss) per common share.

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Basic earnings (loss) per common share:		
Income (loss) available to common stockholders	$(17,735)	$ 9,331
Weighted average common shares outstanding	18,050	19,374
Basic earnings (loss) per common share	$ (0.98)	$ 0.48
Diluted earnings (loss) per common share:		
Income (loss) available to common stockholders	$(17,735)	$ 9,331
Weighted average common shares outstanding	18,050	19,374
Dilutive common shares	-	1,197
Weighted average diluted common shares outstanding	18,050	20,571
Diluted earnings (loss) per common share	$ (0.98)	$ 0.45

6. Segment Information

The Company operates its Executive Search and complementary services in four geographic regions: North America which includes the United States (except Miami) and Canada; Latin America which includes Mexico and the rest of Latin America, as well as Miami, which serves as the gateway office to the region; Europe (which includes the Middle East); and Asia Pacific.

As of January 1, 2002 the Company completed the integration of LeadersOnline, the Company's mid-level management recruiting service into the Executive Search business. As a result, the Company no longer reports LeadersOnline as a separate segment. As LeadersOnline was all North America based, the revenue and operating income has been included as part of the North America region. Also, in conjunction with the adoption of SFAS No. 142 on January 1, 2002, all goodwill and intangible assets have been assigned to the appropriate reporting unit. Goodwill previously included as part of the corporate identifiable assets has been assigned to the Europe region. Prior period segment disclosures were revised to reflect these changes.

	Three Months Ended March 31,	
	2002	2001
Revenue:		
North America	$ 49,835	$ 75,306
Latin America	2,896	4,335
Europe	33,428	51,744
Asia Pacific	5,564	7,883
Total	$ 91,723	$139,268
Operating Income (Loss):		
North America	$ 3,002	$ 5,602
Latin America	(353)	(217)
Europe	(957)	9,436
Asia Pacific	659	734
Total Regions	2,351	15,555
Corporate	(7,338)	(7,706)
Operating income (loss) before special charges	(4,987)	7,849
Special charges	(23,169)	-
Total	$(28,156)	$ 7,849

	As of March 31, 2002	As of December 31, 2001
Identifiable Assets:		
North America	$ 85,997	$ 90,202
Latin America	7,379	8,506
Europe	151,947	159,995
Asia Pacific	21,082	21,346
Total Regions	266,405	280,049
Corporate	103,482	131,057
Total	$369,887	$411,106

7. Special Charges

In June 2001 and October 2001, we announced company-wide cost reduction initiatives to better align costs with the expected revenue levels. Through December 31, 2001, we incurred $53.2 million of special charges related to reductions in headcount and the consolidation and closing of offices. During the 2002 first quarter, we incurred an additional $23.2 million of special charges related to these announced initiatives.

The actions which occurred during the 2002 first quarter, affected 166 employees, including 51 executive search and management search consultants and 115 search support and corporate staff. Over two -thirds of the layoffs were in North America, 20% were in Europe and the remainder were in Latin America and Asia Pacific.

The 2002 first quarter special charges include severance and other employee-related costs of $10.4 million. In addition, the special charges include $12.8 million related to the consolidation and closing of offices. By segment, the special charges for the three months ended March 31, 2002 are as follows: North America $13.3 million, Latin America $0.1 million, Europe $7.0 million, Asia Pacific $0.3 million and Corporate $2.5 million.

In the Consolidated Statements of Operations, the charges have been segregated on a separate line titled, "Special charges." For segment reporting, the special charges have been segregated and therefore do not impact the quarter-to-quarter comparisons. The special charges for severance and office closings were recorded in accordance with Emerging Issue Task Force No. 94-3 and Staff Accounting Bulletin No. 100.

The table below outlines the special charges incurred in 2001 and for the three months ended March 31, 2002 along with related cash payments and non-cash charges.

	Severance and Other Employee-Related Costs	Office Closings	Other Cash Charges	Total
Total special charges incurred in 2001	$ 23,740	$28,067	$ 1,423	$ 53,230
Cash payments	(18,759)	(877)	(1,156)	(20,792)
Non-cash charges	-	(3,908)	-	(3,908)
Special charges unpaid as of December 31, 2001	4,981	23,282	267	28,530
Total special charges incurred in 2002	10,373	12,796	-	23,169
Cash payments	(3,712)	(3,050)	(267)	(7,029)
Non-cash charges	(2,282)	(5,686)	-	(7,968)
Special charges unpaid as of March 31, 2002	$ 9,360	$27,342	$ -	$ 36,702

8. Recently Issued Financial Accounting Standards

In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which replaces SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." This statement establishes a number of rules for the recognition, measurement and display of long-lived assets which are impaired and either held for sale or for continuing use within the business. In addition, the statement broadly expands the definition of a discontinued operation to individual reporting units or asset groupings for which identifiable cash flows exist. The recognition of discontinued operations will become more common as a result of these new guidelines. The Company adopted SFAS No. 144 on January 1, 2002. We do not anticipate that adoption of SFAS No. 144 will have a material impact on our financial condition or results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Management's Discussion and Analysis of Financial Condition and Results of Operations as well as other sections of this Quarterly Report on Form 10-Q contain 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; a continuing economic downturn in the United States or a material economic downturn in Europe or elsewhere, or social or political instability in overseas markets; price competition; bad debt write-offs far in excess of allowances for doubtful accounts; losses in our venture capital investments; an inability to achieve the planned cost savings from our cost reduction initiatives; and delays in the development and/or implementation of new technology and systems. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

General

Heidrick & Struggles International, Inc. is a premier provider of executive-level search and leadership consulting services. We help our clients build leadership teams by facilitating the recruitment, development and retention of their executive and mid-level management positions. We also provide other human capital management services, including management assessment and placement of interim executive management.

On February 26, 1999, Heidrick & Struggles, Inc., which operated primarily in North America, Latin America and Asia Pacific, merged with and into Heidrick & Struggles International, Inc. ("HSI"), which operated in Europe, (the "Merger"). The resulting company was named Heidrick & Struggles International, Inc. In addition to the Merger, our results of operations reflect the operations of several entities acquired in 1999, 2000 and 2001, accounted for using the purchase method. The results of these acquired companies are included in the consolidated financial statements beginning with the date of acquisition. These acquisitions did not have a material effect on the consolidated financial statements. In addition, in 1999, we merged with one entity and accounted for this merger using the pooling of interests method.

During 1999 and 2000, the executive search industry experienced a dramatic increase in demand for its services in all markets based on increased competition for executive talent, the need for executives with diverse and global leadership skills, and the proliferation of Internet and e-commerce businesses. Our rate of growth in revenue during this period exceeded both the industry trend and our historical average because of the need for management at start-up companies, the creation of new e-commerce positions at more established companies and the growth in the financial services industry. We responded to these trends by increasing the number of consultants and the number of offices from which we served our clients. In 2000, we added more than 100 consultants, including consultants experienced in executive search and employees from other disciplines who were new to the search profession.

The United States economy began to slowdown early in 2001, especially in the financial services and technology sectors, followed by a slowdown in other geographic markets, created an environment where these trends began to reverse. Commencing in June 2001, when we anticipated a reduction in revenue compared to 2000, we took steps to reduce our cost base by reducing our workforce while retaining capacity to meet additional demand when the economy recovers. In October 2001, we announced further reductions in our workforce and consolidated or eliminated office space.

The actions related to these announcements were completed during the 2002 first quarter. We do not anticipate any additional special charges for the foreseeable future.

We operate our Executive Search and complementary services in four geographic regions: North America which includes the United States (except Miami) and Canada; Latin America which includes Mexico and the rest of Latin America, as well as Miami, which serves as our gateway office to the region; Europe (which includes the Middle East); and Asia Pacific. As of January 1, 2002 we completed the integration of LeadersOnline (now called Management Search), our mid-level management recruiting service, into our Executive Search business. As a result, we no longer report LeadersOnline as a separate segment.

Results of Operations

The following table summarizes, for the periods indicated, the results of our operations as a percentage of revenue:

	Three Months Ended March 31,	
	2002	2001
Revenue	100.0%	100.0%
Operating expenses:		
Salaries and employee benefits	75.1	62.5
General and administrative expenses	30.3	31.8
Special charges	25.3	-
Total operating expenses	130.7	94.4
Operating income (loss)	(30.7)	5.6
Non-operating income (expense):		
Interest income	0.6	1.5
Interest expense	(0.1)	-
Realized gains on investments	-	0.2
Net unrealized gain (loss) on derivative instruments	0.2	(1.1)
Other, net	0.3	(0.1)
Net non-operating income	0.9	0.5
Income (loss) before income taxes and cumulative effect of accounting change	(29.7)	6.1
Provision for (benefit from) income taxes	(10.4)	2.6
Net income (loss) before cumulative effect of accounting change	(19.3)	3.5
Cumulative effect of accounting change, net of tax	-	3.2
Net income (loss)	(19.3)%	6.7%

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Note: Tables may not equal the sum of individual line items due to rounding.

The following table sets forth, for the periods indicated, our revenue and operating income (loss) by segment. As a result of the integration of LeadersOnline into our Executive Search business, we no longer report our mid-level management recruiting service as a separate segment. As LeadersOnline was all North America based, the revenue and operating income has been included as part of the North America region. Prior period segment disclosures were revised to reflect these changes.

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Revenue:		
North America	$ 49,835	$ 75,306
Latin America	2,896	4,335
Europe	33,428	51,744
Asia Pacific	5,564	7,883
Total	$ 91,723	$139,268
Operating Income (Loss):		
North America	$ 3,002	$ 5,602
Latin America	(353)	(217)
Europe	(957)	9,436
Asia Pacific	659	734
Total Regions	2,351	15,555
Corporate	(7,338)	(7,706)
Operating income (loss) before special charges	(4,987)	7,849
Special charges	(23,169)	-
Total	$(28,156)	$ 7,849

Three Months Ended March 31, 2002 Compared to the Three Months Ended March 31, 2001

Revenue. Our consolidated revenue decreased $47.6 million, or 34.1%, to $91.7 million for the three months ended March 31, 2002 from $139.3 million for the three months ended March 31, 2001. Excluding the effect of foreign currency translation into the U.S. dollar, revenue would have declined by 32%. The decline was due to decreased demand for our executive search services across most industries and disciplines, especially the Technology, Financial Services, and Industrial practice groups. We believe this decrease reflects the impact of the recent global economic slowdown.

The number of confirmed executive searches decreased 34% from the first quarter of 2001. The average fee per search declined approximately 4%.

Revenue in North America was $49.8 million for the three months ended March 31, 2002, a decrease of $25.5 million, or 33.8%, from $75.3 million for the three months ended March 31, 2001. Almost all of the practices produced lower revenue in the first quarter compared to last year. In Latin America, 2002 first quarter revenue was $2.9 million, a decrease of $1.4 million, or 33.2%, from $4.3 million in the 2001 first quarter. Most of the practices reported declines, although the Industrial practice reported an increase. Revenue in Europe was $33.4 million for the 2002 first quarter, a decrease of $18.3 million, or 35.4%, from $51.7 million in the 2001 first quarter. Excluding the impact of foreign currency translation into the U.S. dollar, revenue declined by 32% on a local currency basis compared to the comparable quarter in 2001. All practice groups experienced declines compared to the 2001 first quarter. In Asia Pacific, revenue was $5.6 million in the 2002 first quarter, a decrease of $2.3 million, or 29.4%, from $7.9 million in the 2001 first quarter. Excluding the impact of foreign currency translation into the U.S. dollar, revenue decreased 26% on a local currency basis over the comparable quarter in 2001. Most practice groups experienced a decrease in revenue.

Salaries and employee benefits. Our consolidated salaries and employee benefits decreased $18.2 million, or 20.9%, to $68.9 million for the three months ended March 31, 2002 from $87.1 million for the three months ended March 31, 2001. The decrease in dollar terms was primarily attributed to lower fixed costs as a result of the elimination of more than 600 people from our workforce since the 2001 first quarter and lower performance-based compensation reflective of the lower revenue levels. As a percentage of revenue, salaries and employee benefits increased to 75.1% in the 2002 first quarter from 62.5% in the 2001 first quarter. The 2001 first quarter included approximately $13.0 million of expense reductions, primarily related to performance-based compensation, which drove down the salaries and benefits as a percent of revenue.

General and administrative expenses. Our consolidated general and administrative expenses decreased $16.5 million, or 37.3%, to $27.8 million for the three months ended March 31, 2002 from $44.3 million for the three months ended March 31, 2001 due primarily to lower fixed costs resulting from office consolidations, reduced spending on discretionary items such as marketing, internal meetings and non-client related travel, and lower bad debt expense. As a percentage of revenue, general and administrative expenses declined to 30.3% in the 2002 first quarter from 31.8% in the 2001 first quarter.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," goodwill and those intangible assets that have indefinite useful lives are no longer amortized. We adopted SFAS No. 142 on January 1, 2002 and, as a result, no goodwill amortization was recorded for the three months ended March 31, 2002. For the three months ended March 31, 2001, general and administrative expenses include $0.6 million of goodwill amortization.

Special charges. In June 2001 and October 2001, we announced company-wide cost reduction initiatives to better align costs with the expected revenue levels. Through December 31, 2001, we incurred $53.2 million of special charges related to reductions in headcount and the consolidation and closing of offices. During the 2002 first quarter, we incurred an additional $23.2 million of special charges related to these announced initiatives. The actions which occurred during the 2002 first quarter, affected 166 people, including 51 executive search and management search consultants. The remainder was search and corporate support staff. Over two -thirds of the layoffs were in North America, 20% were in Europe, and the rest were in Latin America and Asia Pacific. The layoffs impacted virtually all practice groups.

Approximately $15.2 million of the $23.2 million of special charges incurred in the 2002 first quarter represents cash charges. We do not anticipate incurring additional special charges beyond the 2002 first quarter.

Operating income (loss). The following table summarizes our consolidated operating income (loss) for the quarters ended March 31, 2002 and 2001, respectively:

Consolidated operating income (loss)	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Increase (decrease) in operating income
	(In millions)		
Total regions	$ 2.4	$ 15.6	$ (13.2)
Corporate	(7.3)	(7.7)	0.4
Operating income (loss) before special charges	(5.0)	7.8	(12.8)
Special charges	(23.2)	-	(23.2)
Consolidated operating income (loss)	$ (28.2)	$ 7.8	$ (36.0)

Note: Tables may not equal the sum of individual line items due to rounding.

Our operating loss was $28.2 million for the three months ended March 31, 2002, a decrease of $36.0 million from $7.8 million of operating income for the three months ended March 31, 2001. All regions experienced a decline in operating income when compared to the three months ended March 31, 2001. This was primarily driven by a $47.6 million decline in revenue compared to the 2001 first quarter.

In North America, operating income decreased $2.6 million, or 46.4%, to $3.0 million for the three months ended March 31, 2002 from $5.6 million for the three months ended March 31, 2001. The decline in North America's revenue of $25.5 million was offset by lower levels of fixed salary and benefit expenses, and lower general and administrative expenses, primarily bad debt expense. In Latin America, our operating loss was $0.4 million for the three months ended March 31, 2002, compared to an operating loss of $0.2 million for the three months ended March 31, 2001. The decline in Latin America's revenue of $1.4 million was primarily offset by lower salary and benefit expenses. In Europe, our operating loss was $1.0 million for the three months ended March 31, 2002, a decrease of $10.4 million compared to operating income of $9.4 million for the three months ended March 31, 2001. The decline in Europe's revenue of $18.3 million was partially offset by lower salary and benefit expenses. Cost savings in most general and administrative expense categories were offset by an increase in bad debt expense, as in the three months ended March 31, 2001, Europe's operating income had benefited from a reduction in its allowance for doubtful accounts. In Asia Pacific, our operating income for the three months ended March 31, 2002 was $0.7 million, essentially unchanged compared to the three months ended March 31, 2001. The decline in Asia Pacific's revenue of $2.3 million was offset by lower salary and benefit expenses, primarily performance-based compensation. Corporate expenses declined $0.4 million, or 4.8%, to $7.3 million for the three months ended March 31, 2002 from $7.7 million for the three months ended March 31, 2001 as lower discretionary spending, reduced costs associated with corporate staffing, and the elimination of goodwill amortization were partially offset by an increase in systems-related spending.

Net non-operating income (expense). Our net non-operating income was $0.9 million for the three months ended March 31, 2002, compared to $0.6 million for the three months ended March 31, 2001. The following table presents the components of our net non-operating income (expense) for the three months ended March 31, 2002 and 2001, respectively:

Consolidated net non-operating income (expense)	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001	Increase (decrease) in net non-operating income
	(In millions)		
Interest income	$ 0.5	$ 2.1	$ (1.5)
Interest expense	(0.1)	-	-
Realized gains on investments	-	0.3	(0.3)
Net unealized gain (loss) on derivative instruments	0.1	(1.5)	1.6
Other, net	0.3	(0.2)	0.4
Consolidated net non-operating income	$ 0.9	$ 0.6	$ 0.2

Note: Tables may not equal the sum of individual line items due to rounding.

Interest income declined by $1.5 million, reflecting lower cash balances available for investment and lower yields on invested balances.

During the three months ended March 31, 2001, we recognized $0.3 million of realized gains, net of consultants' bonuses and administrative and other costs, from the sale of equity obtained as part of our warrant program. No realized gains were recognized during the three months ended March 31, 2002.

In accordance with SFAS No. 133, we recognized during the three months ended March 31, 2002, an unrealized gain, net of consultants' bonuses and administrative and other costs, of $0.1 million. During the comparable period in 2001, we recognized an unrealized loss of $1.5 million, net of consultants' bonuses and administrative and other costs. (See Note 2 in the Notes to Consolidated Financial Statements).

Cumulative effect of change in accounting principle. On January 1, 2001 we adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its subsequent amendments. As a result, we recorded as a cumulative effect of change in accounting principle, a transition adjustment to income of $4.5 million, net of consultants' bonuses, administrative and other costs, and taxes. (See Note 3 in the Notes to Consolidated Financial Statements).

On January 1, 2002, we adopted SFAS No. 142. As a result of the adoption, we will no longer recognize approximately $2.5 million of goodwill amortization in 2002. No impairment charge was recorded upon adoption of SFAS No. 142.

Income taxes. For the three months ended March 31, 2002 and 2001, the effective tax rate was 35% and 43%, respectively. During the three months ended March 31, 2002, we had a pretax loss of $27.3 million compared to income before taxes and cumulative effect of the accounting change of $8.5 million for the three months ended March 31, 2001. We may not receive a benefit on the losses in certain jurisdictions, thus reducing the effective tax rate.

Liquidity and Capital Resources

General. We continually evaluate our liquidity requirements, capital needs and availability of capital resources based on our operating needs. Historically, we have financed our operations with cash on hand and funds generated by operations, together with the net proceeds of our initial public offering in April 1999 and follow-on public offering in February 2000.

We believe that the remainder of the net proceeds from our common stock offerings, together with funds expected to be generated from operations and funds available under our line of credit will be sufficient to finance our operations for the foreseeable future, as well as to finance the cash payments associated with our special charges. We historically have paid a portion of our bonuses in December and the remainder in March. Employee bonuses are accrued throughout the year and are based on our performance and the performance of the individual employee. Our ability to undertake acquisitions may depend, in part, on access to additional funds.

We do not have material off-balance sheet arrangements including special purpose entities, trading activities of non-exchange traded contracts, or transactions with related parties except as relates to our investment in Silicon Valley Internet Capital (See Note 9 in the Notes to Consolidated Financial Statements included in our Annual Report to Shareholders on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission on March 29, 2002).

Line of credit. In December 2001 we replaced our existing $40.0 million revolving credit facility which expired on December 31, 2001, with a new $50.0 million revolving credit facility. The new facility will expire on December 28, 2004. There were no borrowings outstanding under either line of credit at March 31, 2002 or December 31, 2001.

Under the new facility, as amended on March 25, 2002, we may borrow U.S. dollars, euros, or other major currencies, as agreed with the banks. Borrowings under this facility bear interest at the existing ABR (Alternate Base Rate) or LIBOR, plus a margin as determined by certain tests of our financial condition. The new facility has certain financial covenants we must meet relating to consolidated EBITDA (defined as earnings before interest, taxes, depreciation and amortization, and designated special charges), fixed charges (defined as the ratio of EBITDA to interest and capital expenditures), leverage (defined as the ratio of total indebtedness to EBITDA), tangible net worth, working capital and capital expenditures. In addition, the new facility restricts our ability to pay dividends, make acquisitions and incur additional debt. At March 31, 2002 and December 31, 2001 we were in compliance with these financial covenants, and no event of default existed.

Cash and cash equivalents. Cash and cash equivalents at March 31, 2002 and 2001 amounted to $68.6 million and $136.5 million, respectively. The amount of cash and cash equivalents at December 31, 2001 was $108.7 million.

Cash provided by (used in) operations. For the three months ended March 31, 2002, cash used in operating activities was $36.8 million, reflecting the payment of bonuses in March 2002, payments related to our special charges and our net loss, offset by the refund of approximately $10 million of estimated income taxes paid during 2001.

For the three months ended March 31, 2001, cash used in operating activities was $42.6 million, due primarily to the payment of the remaining bonuses related to the year 2000.

Cash provided by (used in) investing activities. Cash used in investing activities was $1.6 million for the three months ended March 31, 2002 and $3.1 million for the three months ended March 31, 2001. This decrease between the periods was primarily due to a lower level of investments in office furniture and fixtures, leasehold improvements, and computer equipment. Capital expenditures were $1.6 million and $4.3 million for the three months ended March 31, 2002 and 2001, respectively.

During the three months ended March 31, 2001, the amount of cash received from the sale of equity securities received as part of our warrant program was $0.3 million. No gains were recognized from the sale of equity securities during the three months ended March 31, 2002.

Cash provided by (used in) financing activities. Cash used in financing activities for the three months ended March 31, 2002 was $0.7 million, resulting primarily from payments on debt related to acquisitions.

On March 16, 2001, we announced that our Board of Directors had authorized management to repurchase up to two million shares of our common stock over the subsequent two years. During the three months ended March 31, 2002 we repurchased 4,032 shares of common stock. During the three months ended March 31, 2001, we repurchased 25,000 shares of our common stock for which the cash settlement occurred in April 2001.

Significant Accounting Policies

The preparation of our consolidated financial statements requires management to make certain estimates and assumptions required under generally accepted accounting principles which may differ from the actual results. The more significant areas requiring management estimates include revenue recognition, accruals for compensation and employee benefits, allowance for doubtful accounts, allowance for deferred tax assets and investment valuations. See Note 1 in the Notes to Consolidated Financial Statements included in our Annual Report to Shareholders on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission on March 29, 2002.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Derivative Instruments. We receive warrants for equity securities in our client companies, in addition to our cash fee, for services rendered on some searches. 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. Upon adoption of SFAS No. 133 on January 1, 2001, subsequent changes in the fair value of the derivatives are recorded in earnings. Each quarter's earnings are affected by the fluctuations in the fair value of these derivative instruments. We had no other derivative instruments at March 31, 2002.

Currency Market Risk. With our operations primarily in North America, Latin America, Europe, and Asia Pacific we conduct business using various currencies. Revenue earned in each country is generally matched with the associated expenses incurred, thereby reducing currency risk to earnings. However, because certain assets and liabilities are denominated in currencies other than the U.S. dollar, changes in currency rates may cause fluctuations in the valuation of such assets and liabilities. For financial information by geographic region, see Note 6 in the Notes to Consolidated Financial Statements. Historically, we have not experienced significant gains or losses on transactions involving U.S. dollars and other currencies. As the local currency of our subsidiaries has been designated as the functional currency, we are affected by the effect of translating the foreign currency financial statements into U.S. dollars.

Euro Conversion. On January 1, 1999, the currency exchange rates of twelve countries (Germany, France, the Netherlands, Austria, Italy, Spain, Finland, Ireland, Belgium, Portugal, Greece, and Luxembourg) were fixed among one another and each country adopted the euro as its currency. The euro bills and coinage were introduced on January 1, 2002. In conjunction with the conversion process to the euro, we took steps to convert our information technology systems to handle the new currency, and prepared for maintaining accounting, tax, and other business records in the new currency. Currently, the introduction and use of the euro has not had a material effect on our consolidated financial condition, cash flows, or results of operations.

PART II.

OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we have been involved in litigation that is incidental to our business. We currently are not a party to any litigation, the adverse resolution of which, in management's opinion, would be likely to have a material adverse effect on our business, financial condition or results of operations.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	Description
3.01	Form of Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.02 of this Registrant's Registration Statement on Form S-4 (File No. 333-61023))
3.02	Form of Amended and Restated By-laws of the Registrant (Incorporated by reference to Exhibit 3.03 of this Registrant's Registration Statement on Form S-4 (File No. 333-61023))
10.13	Employment Agreement dated January 1, 2002 between Heidrick & Struggles, Inc. and David C. Anderson
10.14	Employment Agreement dated March 20, 2002 between Heidrick & Struggles, Inc. and Kevin J. Smith
10.15	Amendment to Employment Agreement dated April 2, 2002 between Heidrick & Struggles, Inc. and Stephanie W. Abramson

(B) Reports on Form 8-K

On April 17, 2002, we filed a report under Item 4 on Form 8-K concerning a Change in the Registrant's Certifying Accountant from Arthur Andersen LLP to KPMG LLP.

SIGNATURE

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

Date: May 15, 2002.

Heidrick & Struggles International, Inc.
(Registrant)

By: /s/ Kevin J. Smith

Kevin J. Smith
Chief Financial Officer and Treasurer

EXHIBIT 10.13

EMPLOYMENT AGREEMENT

AGREEMENT, dated this 1st day of January, 2002 (the "Agreement"), between Heidrick & Struggles, Inc., a Delaware corporation, and any successor (the "Employer") and David C. Anderson (the "Employee"). The parties hereby agree, as follows:

1. Employment. The Employer shall employ the Employee as President and Chief Operating Officer and the Employee hereby accepts such position and agrees to serve the Employer in such capacity during the employment period fixed by Section 3 hereof (the "Employment Period"). The Employee shall report to the Chief Executive Officer of the Employer (the "Board"). The Employee's duties and responsibilities shall be such duties and responsibilities as are consistent with the position of President and Chief Operating Officer of the Employer. The Employee shall devote substantially all of his business time and attention to the performance of his duties and responsibilities hereunder.

2. Compensation.

(a) Annual Base Salary. The Employer shall pay the Employee, pursuant to the Employer's normal and customary payroll procedures, a base salary of $600,000 per annum (the "Annual Base Salary").

(b) Annual Bonus. In addition to the Annual Base Salary, during the Employment Period, the Employee may receive an annual bonus (the "Annual Bonus"), based on the achievement of performance objectives, which shall be determined by the Compensation Committee of the Board.

(c) Incentive Compensation. Commencing in January 2002, the Employee shall participate in the Employer's Annual Bonus Plan, Performance Share Plan, Management Stock Option Plan, Change in Control Severance Plan, Deferred Compensation Plan and the Severance Plan (such Plans being hereinafter referred to collectively as the "Incentive Compensation Plans").

(d) Benefit Plans. In addition, during the Employment Period (i) the Employee shall be entitled to participate in all other savings and retirement plans, practices, policies and programs of the Employer which are made available generally to other employees of the Employer; provided, however, that the Employee shall be entitled to participate in bonus, incentive compensation or stock-based plans and programs only to the extent determined by the Compensation Committee of the Board. The Employee and/or the Employee's family, as the case may be, shall be eligible for participation in, and shall receive all benefits under, all welfare benefit plans, practices, policies and programs provided by the Employer (including, without limitation, vacation, medical, prescription, dental, disability, life insurance, group life insurance, accidental death and travel accident insurance plans and programs, together the "Benefit Plans") which are made available generally to other employees of the Employer.

3. Employment Period.

The Employment Period shall commence on January 1, 2002 (the "Effective Date") and shall end on the day preceding the third anniversary of the Effective Date. Notwithstanding the foregoing, the Employee's employment hereunder may be terminated during the Employment Period upon the earliest to occur of the following events:

(a) Death. The Employee's employment hereunder shall terminate immediately upon his death.

(b) Disability. The Employer may terminate the Employee's employment hereunder for "Disability," which shall mean (i) a physical or mental incapacity of the Employee which entitles the Employee to benefits under the long-term disability plan applicable to the Employee and maintained by the Employer; or (ii) in the event that no such long-term disability plan is maintained by the Employer, the Employee has been unable to perform his duties hereunder for a period of 180 days within any twelve-month period as a result of the Employee's incapacity due to physical or mental illness.

(c) Cause. The Employer may terminate the Employee's employment hereunder for Cause. For purposes of this Agreement, the term "Cause" shall mean (i) fraud, or the embezzlement or misappropriation of funds or property of the Employer or any of its affiliates by you, the conviction of, or the entrance of a plea of guilty or nolo contendere by Employee, to a felony, or a crime involving moral turpitude; (ii) neglect, misconduct or willful malfeasance which is materially injurious to the Employer or any of its affiliates; or (iii) willful failure or refusal to perform your duties, or a willful, material breach of contract. If, subsequent to the Employee's termination of services hereunder for other than Cause, it is discovered that the Employee's services could have been terminated for Cause, the Employee's services shall, at the election of the Employer, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred.

(d) Good Reason. The Employee may terminate his employment hereunder for Good Reason (and such termination shall be treated as if it were a termination by the Employer without Cause, and not a voluntary termination by the Employee). "Good Reason," shall mean the occurrence of any of the following events during the Employment Period:

(i) The assignment to the Employee of any duties materially inconsistent with, or the reduction of powers, responsibilities or functions associated with, the

Employee's positions and status with the Employer, or any removal of the Employee from, or any failure to reelect the Employee to, membership on the Board and President and Chief Operating Officer with the Employer, except in connection with the termination of the Employee's employment by the Employer for Cause or on account of Disability pursuant to the terms of this Agreement;

(ii) A reduction by the Employer of the Annual Base Salary except in connection with the termination of the Employee's employment by the Employer for Cause or on account of Disability pursuant to the terms of this Agreement;

(iii) The failure by the Employer to pay the Employee any portion of his current compensation, or any portion of his compensation deferred under any plan, agreement or arrangement of or with the Employer within seven (7) days of the date such compensation is due; or

(iv) The requirement by the Employer that the Employee relocate his primary residence to a city other than Dallas, Texas.

Notwithstanding the foregoing, an isolated and inadvertent action taken in good faith and which is remedied by the Employer within 30 days after receipt of written notice thereof given by the Employee shall not constitute Good Reason.

(e) Without Cause. The Employer may terminate the Employee's employment hereunder without Cause.

(f) Without Good Reason. The Employee may terminate his employment hereunder without Good Reason, provided that the Employee provides the Employer with notice of his intent to terminate his employment without Good Reason at least six (6) months in advance of the Date of Termination; provided, however, that the Employer may treat such notice as a resignation and accept it prior to the expiration of six (6) months at the Employer's sole discretion.

4. Expense Reimbursement. During the Employment Period, the Employer shall reimburse the Employee for all reasonable business expenses upon the presentation of statements of such expenses in accordance with the Employer's policies and procedures now in force or as such policies and procedures may be modified with respect to all employees of the Employer. The Employer shall pay or reimburse the Employee for business class travel and accommodation

expenses for his spouse at times the Employee is required to be away from home for up to four round trips per year.

5. Termination Payments.

A. In the event of termination of the Employee's employment during the Employment Period:

(i) by the Employer without Cause (pursuant to Section 3(e));

(ii) by the Employee for Good Reason (pursuant to Section 3(d)); or

(iii) on the day prior to the third anniversary of the Effective Date (and not prior thereto) and no renewal of the Employment Period has taken place as of such date by amendment of this Agreement or pursuant to a new agreement between the Employer and the Employee

then, the Employee shall be entitled to the following payments:

(a) Annual Base Salary through the Date of Termination (to the extent not paid) within 10 days following the Date of Termination;

(b) Earned but unpaid Annual Bonus in respect of the year ended prior to the Date of Termination;

(c) A pro rata portion of his target Annual Bonus based upon the number of months worked in the year in which the Date of Termination occurs;

(c) Severance pay pursuant to the Severance Plan;

(d) Amounts under the terms of Benefits Plans in which he is a participant under the terms thereof; and

(e) Unreimbursed expenses under Section 4 of this Agreement.

B. The Employee shall not be entitled to any further payments or benefits under this Agreement in respect of any termination of the Employee's employment during the Employment Period by the Employer without Cause (pursuant to Section 3(e)) or by the Employee for Good Reason (pursuant to Section 3(d)) or for expiration without renewal (pursuant to this Section 5A(iii)). The payments and benefits provided in this Section 5A (a) (b) and (c) are subject to and conditioned upon the Employee's compliance with the restrictive covenants provided in Section 7 and shall be subject to and conditioned upon the Employee executing a valid general release and waiver, waiving all claims the Employee may have against the Employer, its successors, assigns, affiliates, employees, officers and directors.

C. If the Employee's employment is terminated during the Employment Period by the Employer for Cause, by the Employee without Good Reason, or as a result of the Employee's death or Disability pursuant to Sections 3(c), 3(f), 3(a) and 3(b), respectively, the Employer shall pay the amounts referred to in Section 5A(a) and 5A(b) to the Employee (or the Employee's estate or legal representative in the event of the Employee's death) within thirty (30) days following the Date of Termination and the Employee shall not be entitled to any further payments or benefits under this Agreement.

6. Non-Exclusivity of Rights. Any vested benefits and other amounts that the Employee is otherwise entitled to receive under any Incentive Compensation Plans or Benefit Plans or other employee benefit plan, policy, practice or program of the Employer shall be payable in accordance with such Incentive Compensation Plan or Benefit Plan or other employee benefit plan, policy, practice or program as the case may be, except as explicitly modified by this Agreement.

7. Confidentiality of Information; Duty of Non-Disclosure; Non-Competition; Non-Solicitation.

(a) Confidential Information; Duty of Non-Disclosure. The Employee's employment under this Agreement necessarily involves his access to and understanding of certain trade secrets and confidential information pertaining to the business of the Employer and its affiliates. During the Employment Period and thereafter, he will not, directly or indirectly, without the prior written consent of the Employer, disclose or use for the benefit of any person, corporation or other entity, or for himself any and all files, trade secrets or other confidential information concerning the internal affairs of the Employer or its affiliates, including, but not limited to, information pertaining to its clients, services, products, earnings, finances, operations, methods or other activities; provided, however, that the foregoing shall not apply to information which is of public record or is generally known, disclosed or available to the general public or the industry generally (other than as a result of the Employee's breach of this Section 7(a)). Notwithstanding the foregoing, the Employee may disclose such information as is required by law during any legal proceeding or to the Employee's personal representatives and professional advisers and, with respect to such personal representatives and professional advisers, the Employee shall inform them of his obligations hereunder and take all reasonable steps to ensure that such professional advisers do not disclose the existence or substance thereof. Further, the Employee shall not, directly or indirectly, remove or retain, without the express prior written consent of the Employer, and upon termination of employment for any reason shall return to the Employer, any records, computer disks, computer printouts, business plans or any copies or reproductions thereof, or any information or instruments derived therefrom, arising out of or relating to the business of the Employer and its affiliates or obtained as a result of his employment.

(b) Non-Competition. During the Employment Period and for a period of six (6) months after the termination of the Employee's employment with the Employer, the Employee shall not work for or provide services to a principal competitor of the Employer and its affiliates in a substantially similar function as the Employee held with the Employer during the two-year period prior to the Employee's termination of employment with the Employer.

(c) Non-Solicitation. During the Employment Period and for a period of one (1) year after the termination of the Employee's employment with the Employer, the Employee shall not: (i) work on the account of any client of the Employer and its affiliates with whom such Employee had a direct relationship or as to which the Employee had a significant supervisory responsibility or otherwise was significantly involved at any time during the two (2) years prior to such termination; (ii) hire, solicit for hire, or assist any other person in soliciting or hiring any employment candidate with whom the Employee has had contact while at the Employer during the two (2) years prior to such termination; or (iii) directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any employee of the Employer and its affiliates (as of the Employee's termination of employment) or any person who, as of such date, was in the process of being recruited by the Employer and its affiliates, or induce any such employee to terminate his or her employment with the Employer and its affiliates

(d) Remedies. The parties hereto hereby agree that it is impossible to measure in money the damages which will accrue to the Employer by reason of a failure by the Employee to perform any of his obligations under this Section 7 and the Employee acknowledges that such obligations are a material condition to the Employer's decision to enter into this Agreement. Accordingly, if the Employer institutes any action or proceeding to enforce the provisions hereof, to the extent permitted by applicable law, the Employee hereby waives the claim or defense that the Employer has an adequate remedy at law, and the Employee shall not urge in any such action or proceeding the defense that any such remedy exists at law. The restrictive covenants in this Section 7 are in addition to any rights the Employer may have in law or at equity or under any other agreement. In the event that a court of competent jurisdiction finds the Employee to be in violation of the provisions of Sections 7(b) or 7(c), the non-competition and/or non-solicitation period shall be extended by the period of time during which such court found the Employee to have been in such violation. The foregoing shall not prejudice the Employer's right to require the Employee to account for and pay over to the Employer any profit obtained by the Employee as a result of any transaction constituting a breach of this Section 7.

(e) Survival of Covenants. This Section 7 shall survive the termination of the Employment Period.

8. Arbitration. This Agreement contains our entire understanding and Employee and Chief Legal Officer of the Employer. The Employee specifically acknowledges that no promises or commitments have been made to him that are not set forth in this Agreement.

Any controversy or claim arising out of or relating to this Agreement or for the breach thereof, or Employee's employment, including without limitation any statutory claims (for example, claims for discrimination including but not limited to discrimination based on race, sex, sexual orientation, religion, national origin, age, marital status, handicap or disability; and claims relating to leaves of absence mandated by state or federal law), breach of any contract or covenant (express or implied), tort claims, violation of public policy or any other alleged violation of statutory, contractual or common law rights (and including claims against officers, directors, employees or agents of the Employer) if not otherwise settled between the parties, shall be conclusively settled by arbitration to be held in New York, New York, in accordance with the American Arbitration Association's Employment Dispute Resolution Rules (the "Rules"). Arbitration shall be the parties' exclusive remedy for any such controversies, claims or breaches. The parties agree they shall not seek any award for punitive damages for any claims they may have under this Agreement. The parties also consent to personal jurisdiction in New York, New York with respect to such arbitration. The award resulting from such arbitration shall be final and binding upon both parties. Judgment upon said award may be entered in any court having jurisdiction.

Employee and the Employer hereby waive the right to pursue any claims, including but not limited to employment termination - related claims, through civil litigation outside the arbitration procedures of this provision, unless otherwise required by law. Employee and the Employer each have the right to be represented by counsel with respect to arbitration of any dispute pursuant to this paragraph. The arbitrator shall be selected by agreement between the parties, but if they do not agree on the selection of an arbitrator within 30 days after the date of the request for arbitration, the arbitrator shall be selected pursuant to the Rules.

In the event of any arbitration hereunder, the parties agree each shall bear its or his own attorneys' fees and costs associated with or arising from such arbitration or other proceeding.

9. <u>Miscellaneous.</u>

(a) <u>Notices</u>. Any notice to be given hereunder shall be given in writing. Notice shall be deemed to be given when delivered by hand, or three (3) days after being mailed, postage prepaid, registered with return receipt requested, addressed as follows.

If to the Employer:

Heidrick & Struggles, Inc.
245 Park Avenue, Suite 4300
New York, New York 10167-0152
Attention: Chief Legal Officer

If to the Employee:

David C. Anderson
10048 Hollow Way
Dallas, Texas 75229

or to such other address as any party hereto may designate by notice to the others, and shall be deemed to have been given upon receipt.

(b) Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the Employee's employment. This Agreement expressly supersedes the Agreement, dated May 28, 1992 as amended January 30, 2001, between the Employer and the Employee and shall be of no further force and effect.

(c) Modification or Amendment; Waiver. This Agreement may be amended only by an instrument in writing signed by the parties hereto, and any provision hereof may be waived only by an instrument in writing signed by the party or parties against whom or which enforcement of such waiver is sought. The failure of any party hereto at any time to require the performance by any other party hereto of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by any party hereto of a breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or a waiver of the provision itself or a waiver of any other provision of this Agreement.

(d) Successors. This Agreement is binding on and is for the benefit of the parties hereto and their respective successors, heirs, executors, administrators and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be assigned by the Employer or by the Employee.

(e) Severability. Each provision hereof is severable from this Agreement, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Agreement or portion thereof is so broad, in scope or duration or otherwise, as to be unenforceable, such provision or portion thereof shall be interpreted to be only so broad as is enforceable.

(f) Tax Withholding. The Employer may withhold from any amounts payable to the Employee hereunder all federal, state, city or other taxes that the Employer may reasonably determine are required to be withheld pursuant to any applicable law or regulation.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of NEW YORK, without reference to its principles of conflicts of law.

(h) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(i) Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Heidrick & Struggles, Inc.

/s/ Stephanie W. Abramson

By:______________________________________

Name: Stephanie W. Abramson

Title: Chief Legal Officer, Secretary

/s/ David C. Anderson

____

David C. Anderson

EXHIBIT 10.14

[Letterhead of Heidrick & Struggles International, Inc.]

March 20, 2002

PERSONAL & CONFIDENTIAL

Mr. Kevin J. Smith
6 Clubside Court
Burr Ridge, Illinois 60521

Dear Kevin:

On behalf of Heidrick & Struggles, Inc., I am pleased to confirm the terms of your employment to you.

Title. You will serve as Chief Financial Officer reporting to the Chief Executive Officer of Heidrick & Struggles International, Inc. (the "Company"). You will also have the internal title of Senior Partner. You will be a member of the Global Operating Committee ("GOC") or its equivalent. Initially you will be located in the Company's corporate offices in Chicago.

Base Salary. Your base salary is $430,000 annually, subject to review on a 24-month basis.

Target Bonus. Your target bonus for 2002 is 100% of base salary to be paid when bonuses are paid to executive officers in March of 2003. Your target bonus will be guaranteed to the extent of 50% for 2002. Bonuses (other than the guaranteed portion of your 2002 bonus) are discretionary and are not earned until approved by the Compensation Committee and/or the Board of Directors of the Company and subject to the provisions of the Change in Control Severance Plan and the paragraphs below relating to termination without Cause including resignation for Good Reason, will be payable only if you are in the Company's employ on the regular bonus payment date.

Incentive Compensation and Other Plans. You will be eligible to participate in the incentive and other executive compensation plans applicable to members of GOC and executive officers, including, without limitation, the performance share plan, the annual bonus plan and the management stock option plan which have been provided to you. You shall also be eligible to participate in the Change In Control Severance Plan in Tier One. In addition, you will be covered by the Company's Severance Plan in the tier for Top Management, provided (i) the terms "Cause" and "Good Reason" shall have the meanings defined below and any resignation by you for Good Reason shall be deemed a termination by the Company without Cause under the

Severance Plan and (ii) any reduction in your base salary or bonus opportunity that constitutes Good Reason shall be disregarded in determining the severance payment due to you.

Sign-On Arrangements.

Options. You will receive a stock option grant to purchase 10,000 shares of Heidrick & Struggles International, Inc. common stock within 60 days of the date you commenced employment. The options will be granted at the closing price of the common stock as reported on NASDAQ on the trading day preceding such date, will vest 100% on the first anniversary of the date of grant, and will have a ten-year term.

Cash Payment. Within 30 days following the date of this Agreement the Company will lend to you $250,000 to be evidenced by a non-interest bearing promissory note (the "Note") payable on March 20, 2005, except that, if you cease to be in the Company's employ, then subject to the next succeeding paragraphs, the entire principal balance of the Note then outstanding shall, without demand or notice of any kind, be and become due and payable within 30 days of the termination of your employment.

If you are in the Company's employ, the Note will be forgiven in the principal amount of $83,333 on each of March 20, 2003, 2004 and 2005. The income arising from the loan forgiveness will be subject to personal income tax withholding. The Company is authorized to deduct the amounts required to be withheld from your cash bonus; if the bonus amount is less than the withholding, you will, within 10 days, reimburse the Company for withholding payments made to the extent not covered by your bonus. The Company will reimburse you on a grossed-up basis for any income tax arising out of the interest-free nature of the loan.

In addition, the Note will be forgiven in full at any time if the Company has terminated your employment without Cause or if you have resigned for Good Reason).

The term "Good Reason" shall mean (i) a diminution of the amount of your base salary or target bonus or benefits or level of eligibility for stock options or other incentive programs unless such diminution is consistent with other employees at your level; (ii) the elimination of your position or a diminution of responsibilities associated with your position or (iii) a change in the location of your principal place of employment more than 50 miles in radius from its initial location without your approval.

The term "Cause" shall mean (a) fraud, or the embezzlement or misappropriation of funds or property of the Company or any of its affiliates by you, the conviction of, or the entrance of a plea of guilty or nolo contendere by you, to a felony, or a crime involving moral turpitude; (b) neglect, misconduct or willful malfeasance which is materially injurious to the Company or any of its affiliates; or (c) willful failure or refusal to perform your duties, or a willful, material breach of contract.

Benefits. You will be eligible to participate in the Company's benefit programs and will receive a detailed guide shortly after your starting date. The Company's benefit programs include group health and life/AD&D insurance, long-term disability, short-term disability salary continuation, time-off benefits (vacation, paid holidays, paid sick time), the Flexible Spending Account and the Heidrick & Struggles, Inc. 401(k) Profit-Sharing and Retirement Plan. The Company's benefit programs, bonus programs and polices are reviewed from time to time by Company management and may be modified, amended, or terminated at any time.

Expenses. The Company's Physical Examinations Policy will apply to you effective immediately upon your employment commencement date. The Financial Planning Program for Senior Partners will also apply to you. The Company will reimburse you for all of your business expenses in accordance with its policies. You will also be entitled to reimbursement of up to $5,000 per year for the cost of initiation fees, monthly dues and expenses incurred in connection with club memberships.

Confidentiality. Your employment with the Company under this Agreement necessarily involves your access to and understanding of certain trade secrets and confidential information pertaining to the business of the Company and its affiliates. During the term of your employment with the Company and thereafter, you will not, directly or indirectly, without the prior written consent of the Company, disclose or use for the benefit of any person, corporation or other entity, or for yourself any and all files, trade secrets or other confidential information concerning the internal affairs of the Company and its affiliates, including, but not limited to, information pertaining to its clients, services, products, earnings, finances, operations, methods or other activities, provided, however, that the foregoing shall not apply to information which is of public record or is generally known, disclosed or available to the general public or the industry generally (other than as a result of your breach of this covenant). Notwithstanding the foregoing, you may disclose such information as is required by law during any legal proceeding or to your personal representatives and professional advisers and, with respect to such personal representatives and professional advisers, you shall inform them of your obligations hereunder and take all reasonable steps to ensure that such professional advisers do not disclose the existence or substance thereof. Further, you shall not, directly or indirectly, remove or retain, and upon termination of employment for any reason you shall return to the Company, any records, computer disks, computer printouts, business plans or any copies or reproductions thereof, or any information or instruments derived therefrom, arising out of or relating to the business of the Company and its affiliates or obtained as a result of your employment by the Company.

Non-Solicitation/Non-Competition. During the term of your employment with the Company and for a period of six-months after the termination of your employment with the Company, you shall not (i) become an employee of or consultant to any principal competitor of the Company in substantially the same function as your employment with the Company or its affiliates in the twelve-months prior to termination of your employment or (ii) directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any employee of the Company or its affiliates (as of your termination of employment with the Company) or any person who, as of such date, was in the process of being recruited by the Company or its affiliates, or induce any such employee to terminate his or her employment with the Company or its affiliates.

Other Legal Matters.

You will be an "employee at will" unless or until you and the Company otherwise agree in writing. The purpose of this arrangement is to permit either of us to terminate employment and compensation at any time with or without Cause or Good Reason, except for such period of notice as may be expressly provided in writing under written Company employment policies in effect at the time of such termination. Your initial and continuing employment will be subject to your having the ability to work legally in the United States.

You have advised the Company that your execution and performance of the terms of this Agreement do not and will not violate any other agreement binding on you or the rights of any third parties and you understand that in the event this advice is not accurate the Company will not have any obligation to you under this Agreement.

This letter agreement contains our entire understanding and can be amended only in writing and signed by you and the Chief Executive Officer. You specifically acknowledge that no promises or commitments have been made to you that are not set forth in this letter.

Any controversy or claim arising out of or relating to this agreement or for the breach thereof, or your employment, including without limitation any statutory claims (for example, claims for discrimination including but not limited to discrimination based on race, sex, sexual orientation, religion, national origin, age, marital status, handicap or disability; and claims relating to leaves of absence mandated by state or federal law), breach of any contract or covenant (express or implied), tort claims, violation of public policy or any other alleged violation of statutory, contractual or common law rights (and including claims against the Company's officers, directors, employees or agents) if not otherwise settled between the parties, shall be conclusively settled by arbitration to be held in New York, New York, in accordance with the American Arbitration Association's Employment Dispute Resolution Rules (the "Rules"). Arbitration shall be the parties' exclusive remedy for any such controversies, claims or breaches. The parties agree they shall not seek any award for punitive damages for any claims they may have under this Agreement. The parties also consent to personal jurisdiction in New York, New York with respect to such arbitration. The award resulting from such arbitration shall be final and binding upon both parties. Judgment upon said award may be entered in any court having jurisdiction.

You and the Company hereby waive the right to pursue any claims, including but not limited to employment termination - related claims, through civil litigation outside the arbitration procedures of this provision, unless otherwise required by law. You and the Company each have the right to be represented by counsel with respect to arbitration of any dispute pursuant to this paragraph. The arbitrator shall be selected by agreement between the parties, but if they do not agree on the selection of an arbitrator within 30 days after the date of the request for arbitration, the arbitrator shall be selected pursuant to the Rules.

In the event of any arbitration hereunder, the parties agree each shall bear its or his own attorneys' fees and costs associated with or arising from such arbitration or other proceeding.

Yours sincerely,

/s/ Stephanie W. Abramson

Stephanie W. Abramson
Chief Legal Officer

I hereby accept the terms and conditions of employment as outlined above:

/s/ Kevin J. Smith	4-4-02
Kevin J. Smith	Date

EXHIBIT 10.15

[Letterhead of Heidrick & Struggles, Inc.]

April 2, 2002

Stephanie W. Abramson
101 Central Park West
New York, New York 10023

Dear Stephanie:

On behalf of Heidrick & Struggles, Inc. (the "Company"), I am writing to confirm amendments to the terms of your employment which were set forth in the letter, dated December 28, 2000, addressed to you (the "December 28 Agreement"). Terms not expressly defined herein shall have the meanings ascribed to them in the December 28 Agreement.

1. Resignation for "Good Reason." Based upon changes in the Company's needs and resources, as of January 1, 2002, the Company has eliminated the job of Chief Corporate Development Officer, thereby diminishing substantially your responsibilities. You and the Company have agreed that this action by the Company constitutes "Good Reason" under the December 28 Agreement and therefore you are entitled to resign for "Good Reason" as of the date of such actions pursuant to the terms of the December 28 Agreement.

2. Severance Amount: Pursuant to the terms of the December 28 Agreement, the Company is obligated to pay to you as soon as administratively feasible after the date you resign for Good Reason in a lump sum an amount equal to one year of base salary ($550,000) and one year of target bonus ($550,000) (the "Severance Amount").

3. Loan Forgiveness: Pursuant to the terms of the December 28 Agreement, at the time you resign for Good Reason, the entire principal amount of the Note ($925,000) evidencing a non-interest bearing loan made to you by the Company is to be forgiven in full.

4. Employment continuation period: The Company confirms that you do not have an obligation to continue in its employ and that you are entitled to terminate your employment for Good Reason and to collect the Severance Amount and have the principal amount of the Note forgiven. However, the Company has requested that, as an accommodation to it, you agree to be employed on a full-time basis through June 30, 2002 (the period between January 1, 2002 and June 30, 2002 hereinafter referred to as the "Employment Continuation Period"). You have agreed to be employed during the Employment Continuation Period pursuant to the following conditions:

5. (a) Title: You shall continue to have the titles "Chief Legal Officer," "Chief Corporate Development Officer" and "Corporate Secretary" and shall continue to be a member of the Global Operating Committee and to attend the meetings thereof. You shall continue to have your place of employment in New York City and to have the support of an executive assistant.

(b) Base salary: Your base salary will continue at the rate of $550,000 per annum and will be payable in accordance with the Company's usual payroll practices.

(c) Bonus compensation: The Company hereby guarantees that it will pay you a bonus amount with respect to the Employment Continuation Period equal to the product of (x) $550,000 and (y) a fraction the numerator of which is the number of months you have worked in 2002 and the denominator of which is 12 (the "Guaranteed Bonus").

(d) Benefits: You will continue to participate in the benefits provided to senior management generally and to receive the other benefits set forth in the December 28 Agreement.

(e) Change in Control Severance Plan: You will continue to be a participant in the Company's Change in Control Severance Plan in Tier One until the earlier of June 30, 2002, and the date on which you cease to be employed by the Company. You hereby waive the provisions of the December 28 Agreement relating to the consequences of termination of your employment in connection with a Change in Control.

(f) Severance Pay, Guaranteed Bonus, and Note forgiveness: You agree to defer collection of the Severance Amount, the Guaranteed Bonus and forgiveness of the Note until the earlier of June 30, 2002, and the date on which you cease to be employed by the Company. Accordingly, the Company will pay to you on the earlier of June 30, 2002, and the date of termination of your employment all base salary earned but not yet paid, the Severance Amount and the Guaranteed Bonus and will forgive the principal amount of the Note on such date.

(g) Termination of employment during the Employment Continuation Period: You shall have the right to resign, and the Company shall have the right to terminate your employment, for any reason during the Employment Continuation Period. If the Company terminates your employment other than for Cause, you resign for Good Reason, or your employment ceases as a result of your death or permanent disability, in each case prior to June 30, 2002, in addition to its obligations hereunder with respect to the Severance Amount and the Note, the Company will pay you (1) base salary through June 30, 2002, and (2) the Guaranteed Bonus calculated as if your employment terminated on June 30, 2002. If you should resign voluntarily from employment other than for Good Reason prior to June 30, 2002, in addition to its obligations hereunder with respect to the Severance Amount and the Note, the Company will pay you (1) base salary through the date of termination; and (2) the Guaranteed Bonus calculated as if the date of termination of employment were April 30, 2002. If the Company terminates your employment for Cause prior to June 30, 2002, in addition to its obligations hereunder with respect to the Severance Amount and the Note, the Company will pay you (1) base salary through the date of termination, and (2) the Guaranteed Bonus calculated based on the date of termination.

6. Other provisions of the December 28 Agreement to continue: Unless modified hereby, the other provisions of the December 28 Agreement (including the Company's reimbursement of dues for two club memberships) shall continue in effect during the Employment Continuation Period until the date your employment terminates.

7. Announcements: Any announcement by the Company regarding the termination of your employment with the Company, the December 28 Agreement or this letter agreement shall be subject to your review and agreement with the Company.

Very truly yours,

/s/ Piers Marmion
- ---
Piers Marmion, Chairman and Chief Executive Officer

Accepted and Agreed:

/s/ Stephanie W. Abramson
- -------------------------
Stephanie W. Abramson

Date: April 12, 2002