

HEIDRICK & STRUGGLES

2015 Annual Report

Transformative Leaders
High-Performing Teams
Thriving Cultures

FELLOW SHAREHOLDERS:

In 2015 the people of Heidrick & Struggles strengthened and grew our business as a premier provider of talent, culture and leadership solutions. Virtually all of our key business and financial metrics improved:

- Consolidated net revenue was \$531 million in 2015, an increase of almost 8% over 2014, or 12% in constant currency.
- We delivered improvement in profitability. Adjusted EBITDA*, Adjusted EBITDA Margin*, Operating Income and Operating Margin all improved in 2015.
- We made meaningful progress in attracting, developing and retaining the very best talent in the industry, ending the year with 334 consultants, up 9% year over year. Our voluntary turnover was the lowest in seven years. These are strong indicators that Heidrick & Struggles is once again an attractive destination for the most talented professionals in our field.
- We confirmed 7% more searches in 2015, including 8% more CEO and board director engagements, delivering on our purpose: *"We help our clients change the world, one leadership team at a time."*[®]
- As a result of our strong cash position and financial liquidity, we paid down \$29.5 million of debt related to our acquisition of Senn Delaney in December 2012.
- HSII shares appreciated 18% in 2015.

We have established clear and positive momentum in the market, and our clients are noticing. The important work we are executing around the world at some of the most well-known and respected organizations further elevates the Heidrick & Struggles brand and opens new doors of opportunity for our firm.

Despite the uncertainty we are seeing in today's economic environment, our clients across all regions want more from Heidrick & Struggles. They want creative and agile leadership and talent solutions, as well as our candid insights on emerging trends, all connected to their business strategies. We will continue to enhance our capability to deliver the service our clients need to navigate a volatile world. These actions will drive our own growth and provide greater return to our shareholders.

Strengthening our core business in Executive Search.

For more than 60 years, Heidrick & Struggles has been known for distinctive work at the highest levels of leadership—finding impactful leaders able to succeed in demanding roles in the C-suite and the boardroom. Our objective is to deliver world-class service and leadership solutions to our clients through the depth of our industry and functional practice expertise. In 2016, we

will build on our growth momentum through a combination of increasing market share in the Americas; continuing to make strides in the growth of our European market presence; and strengthening our capabilities in Asia while strategically focusing on locally-based global companies.

Expanding our capabilities and brand in Leadership Consulting and Culture Shaping. In October, we acquired a London-based leadership advisory firm, Co Company, specializing in accelerating organizational performance. In February 2016, we acquired Decision Strategies International (DSI) to add further scale to our Leadership Consulting offering along with additional assessment tools and intellectual property. We are integrating our advisory presence globally, adding the capabilities of Co Company and DSI to the best thinking and processes from our original capabilities. We will continue to invest in consultant expertise, new service offerings, and scalable tools and methodologies.

For Culture Shaping, we will further grow our client base with a particular focus on expanding Senn Delaney's reach to more of our Search and Leadership Consulting clients. We are well positioned to take advantage of the growing C-suite demand for our proven and industry-leading culture shaping services.

* * *

Last December, Heidrick & Struggles appointed Lyle Logan to its Board of Directors. By the end of February, we had also welcomed Elizabeth L. Axelrod, Clare M. Chapman and T. Willem Mesdag as independent directors. Just as we advise our clients, these four new directors exemplify the value of diversity in background and experience. They are helping us advance our strategic agenda at a key inflection point for our firm.

As we capitalize on our positive momentum in the market, we will further enhance our capabilities to help clients accelerate their performance with transformative leaders, high-performing teams and thriving cultures. Our clients deserve nothing less.

Sincerely,



Tracy R. Wolstencroft
President and Chief Executive Officer

*EBITDA refers to earnings before interest, taxes, depreciation, intangible amortization, stock-based compensation expense, compensation expense associated with Senn Delaney retention awards, earnout accretion expense related to acquisitions, restructuring charges, and other non-operating income (expense). EBITDA is a non-GAAP financial measure.

EXECUTIVE OFFICERS

Tracy R. Wolstencroft
President and
Chief Executive Officer

Stephen W. Beard
Executive Vice President,
General Counsel and
Chief Administrative Officer

Richard W. Greene
Executive Vice President and
Chief Human Resources Officer

Jim Hart
President and Chief Executive
Officer, Senn Delaney

Richard W. Pehlke
Executive Vice President
and Chief Financial Officer

Colin Price
Executive Vice President
and Managing Partner,
Leadership Consulting

Krishnan Rajagopalan
Executive Vice President
and Managing Partner,
Executive Search

BOARD OF DIRECTORS

Elizabeth L. Axelrod *(3)
Former Senior Vice President
Human Resources,
eBay Inc.

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

Clare M. Chapman *(2) (3)
Former Group People Director,
BT Group

John A. Fazio *(1+)
Former Senior General Practice Partner
Pricewaterhouse Coopers

Mark Foster *(3)
Former Group Chief Executive
Management Consulting and
Head of Global Markets
Accenture PLC

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

Gary E. Knell *(2+)
President and Chief Executive Officer
National Geographic Society

Lyle Logan *(1) (2)
Executive Vice President
and Managing Director,
Global Financial Institutions Group,
Northern Trust Company

T. Willem Mesdag *(1)
Founder and Managing Partner,
Red Mountain Capital Partners

V. Paul Unruh *(1) (3)
Former Vice Chairman
Bechtel Group Inc.

Tracy R. Wolstencroft
President and
Chief Executive Officer

* Independent Director
(1) Member, Audit and Finance Committee
(2) Member, Nominating and Board
Governance Committee
(3) Member, Human Resources and
Compensation Committee
+ denotes committee chair

Annual Meeting

The annual meeting of shareholders will be held on Thursday, May 26, 2016 at 9 a.m. EDT, at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017

Stock Transfer Agent and Registrar

For address changes, account consolidation, registration changes, stock holdings and lost stock certificates, please contact:
Computershare / BNY Mellon
Shareholder Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
866 892 5631

Shareholders can also obtain account information through Investor Service Direct at: www.bnymellon.com/shareowner/isd

Independent Registered Public Accounting Firm

KPMG LLP, Chicago, Illinois

Exchange Listing

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

SEC Filings & Investor Contact Information

Filings with the Securities and Exchange Commission and other investor information are available through our website at www.heidrick.com, or by request to the Investor Relations Department by mail at our corporate headquarters address, by email at investorrelations@heidrick.com or by telephone at 312 496 1774.

Corporate Governance

Visit the Who We Are section of our website at www.heidrick.com to see our corporate governance documents, including the Code of Business Conduct, Corporate Governance Guidelines, Director Independence Standards and Charters of our Audit and Finance Committee, Nominating and Board Governance Committee and Human Resources and Compensation Committee.

Heidrick & Struggles® and The Leadership Company® and We Help Our Clients Change The World One Leadership Team at a Time® are registered trademarks of Heidrick & Struggles International, Inc.

Some statements in the Letter to Shareholders may be forward-looking statements for the purposes of the Private Securities Litigation Reform Act of 1995. Actual outcomes and results may differ materially from what is expressed, forecasted or implied in the forward-looking statements. For more information on the factors that could affect the outcome of forward-looking statements, refer to our Annual Report on Form 10-K for the year ended December 31, 2015, under Risk Factors in Item 1A and our quarterly filings with the SEC. We caution the reader that the list of factors may not be exhaustive. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

HEIDRICK & STRUGGLES

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ONE LEADERSHIP TEAM
AT A TIME.®

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AFRICA / MIDDLE EAST

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