

GREENHILL & CO INC
Form 424B3
July 29, 2009

Table of Contents

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-160868**

Subject to Completion. Dated July 29, 2009.

Prospectus Supplement to Prospectus dated July 29, 2009.

3,000,000 Shares

Greenhill & Co., Inc.

Common Stock

All of the shares of our common stock in the offering are being sold by the selling stockholders identified in this prospectus supplement. We will not receive any of the proceeds from the sale of the shares of our common stock being sold by the selling stockholders.

Our common stock is listed on the New York Stock Exchange under the symbol **GHL**. The last reported sale price of our common stock on July 28, 2009 was \$78.35 per share.

*Investing in the common stock involves certain risks. See **Risk Factors** beginning on page 6 of our annual report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into the accompanying prospectus.*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Per Share Total

Edgar Filing: GREENHILL & CO INC - Form 424B3

| | | |
|--|----|----|
| Public offering price | \$ | \$ |
| Underwriting discount | \$ | \$ |
| Proceeds, before expenses, to the selling stockholders | \$ | \$ |

To the extent that the underwriters sell more than 3,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 450,000 shares from the selling stockholders on the same terms and conditions set forth above.

Upon completion of this offering, our employees and their affiliated entities will collectively own 33.0% of the total shares of our common stock outstanding (or 31.4% if the underwriters' option to purchase additional shares is exercised in full).

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2009.

Goldman, Sachs & Co.

Prospectus Supplement dated July _____, 2009.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our common stock. The second part, the accompanying prospectus, gives more general information about the common stock certain of our stockholders may offer from time to time. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

The terms Greenhill , we , us , and our refer to Greenhill & Co., Inc. and, unless the context otherwise requires, its consolidated subsidiaries.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement is current only as of its date.

S-1

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, especially the risks of investing in our common stock discussed in the incorporated documents.

Greenhill

Overview

Greenhill is an independent investment banking firm that (i) provides financial advice on significant mergers, acquisitions, restructurings and similar corporate finance matters as well as fund placement services for private equity and other financial sponsors and (ii) manages merchant banking funds and similar vehicles and commits capital to those funds and vehicles. We act for clients located throughout the world from offices in New York, London, Frankfurt, Toronto, Tokyo, Chicago, Dallas, Los Angeles and San Francisco and will open an office in Houston shortly.

We were established in 1996 by Robert F. Greenhill, the former President of Morgan Stanley and former Chairman and Chief Executive of Smith Barney. Since its founding, Greenhill has grown steadily, recruiting a number of managing directors from major investment banks (as well as senior professionals from other institutions), with a range of geographic, industry or transaction specialties and different sets of corporate management and other relationships. As part of this expansion, we opened a London office in 1998, raised our first merchant banking fund in 2000, opened a Frankfurt office later in 2000 and began offering financial restructuring advice in 2001. On May 11, 2004, we converted from a limited liability company to a corporation and completed an initial public offering of our common stock. We opened our Dallas office and completed the closing of our second merchant banking fund in 2005. We opened our Toronto office and completed the final closing of our first venture capital fund in 2006. In 2007, we completed the final closing of our first European merchant banking fund. We completed the initial public offering of our special purpose acquisition company, GHL Acquisition Corp., in February 2008, opened our San Francisco office in April 2008, launched our Fund Placement Advisory Group in May 2008, opened our Tokyo office in October 2008 and opened our Chicago office in December 2008. In the first half of 2009, we announced the formation of our Financing Advisory & Restructuring Group in New York and London, opened our Los Angeles office and will open a Houston office shortly. As of June 30, 2009, we employed 69 managing directors and senior advisors globally, 26 of whom were hired in the 18 months ending that date, essentially doubling our managing director headcount in financial advisory. We expect to seek to continue to add industry-focused senior employees and to expand geographically.

Principal Sources of Revenue

Our principal sources of revenue are financial advisory services and merchant banking.

Advisory Revenue

Our financial advisory business consists of mergers and acquisitions, financing advisory and restructuring, and fund placement advisory. For all of our financial advisory services, we draw on the extensive experience, corporate relationships and industry expertise of our managing directors and senior advisors.

On mergers and acquisitions engagements, we provide a broad range of advice to global clients in relation to domestic and cross-border mergers, acquisitions, and similar corporate finance matters and are generally involved at each stage of these transactions, from initial structuring to final execution. Our focus is on providing high-quality advice to senior executive management and boards

S-2

Table of Contents

of directors of prominent large and mid-cap companies in transactions that typically are of the highest strategic and financial importance to those companies. We advise clients on strategic matters, including acquisitions, divestitures, defensive tactics, special committee assignments and other important corporate events. We provide advice on valuation, tactics, industry dynamics, structuring alternatives, timing and pricing of transactions, and financing alternatives. Where requested to do so, we may provide an opinion regarding the fairness of a transaction.

In our financing advisory and restructuring practice, we advise debtors, creditors and companies experiencing financial distress as well as potential acquirors of distressed companies and assets. We provide advice on valuation, restructuring alternatives, capital structures, and sales or recapitalizations. We also assist those clients who seek court-assisted reorganizations by developing and seeking approval for plans of reorganization as well as the implementation of such plans.

In our fund placement advisory practice we assist private equity funds and other financial sponsors in raising capital from a global set of institutional and other investors.

Financial advisory revenues accounted for 96%, 98% and 92% of our revenues in the six months ended June 30, 2009 and in fiscal years 2008 and 2007, respectively. Non-U.S. clients are a significant part of our business, generating 28%, 53% and 64% of our financial advisory revenues for the six months ended June 30, 2009 and in fiscal years 2008 and 2007, respectively. We generate revenues from our financial advisory services by charging our clients fees consisting principally of fees paid upon the commencement of an engagement, fees paid upon the announcement of a transaction, fees paid upon the successful conclusion of a transaction or closing of a fund and, in connection principally with restructuring assignments, monthly retainer fees.

Merchant Banking and Other

Our merchant banking activities currently consist primarily of management of and investment in Greenhill's merchant banking funds, Greenhill Capital Partners I (or "GCP I"), Greenhill Capital Partners II (or "GCP II"), and collectively with GCP I, Greenhill Capital Partners (or "GCP"), Greenhill SAV Partners (or "GSAVP") and Greenhill Capital Partners Europe (or "GCP Europe"), which are families of merchant banking funds that invest in portfolio companies. Merchant banking funds are private investment funds raised from contributions by qualified institutional investors and financially sophisticated individuals. The funds generally make investments in non-public companies, typically with a view toward divesting within 3 to 5 years. We pursue merchant banking and other investment activities in addition to our financial advisory activities because we believe merchant banking can generate attractive returns on the firm's capital, and because it allows us to further leverage our managing directors' industry knowledge and corporate relationships. We believe we can pursue merchant banking opportunities without creating conflicts with our advisory clients by typically focusing on significantly smaller companies than those with respect to which we seek to provide financial advice. GCP typically makes controlling or influential minority investments of \$10 million to \$75 million in companies with valuations that are between \$50 million and \$500 million at the time of investment. GCP has invested a substantial portion of its capital in the energy, financial services and telecommunications industries. GSAVP typically makes smaller investments in early-growth-stage companies that offer technology-enabled or business information services. Such investments typically involve higher levels of risk and are more speculative than our GCP investments. GCP Europe typically makes controlling or influential minority investments of £10 million to £30 million in companies with valuations that are between £50 million and £250 million at the time of investment.

Merchant banking and other revenue accounted for 4%, 2% and 8% of our revenues in the six months ended June 30, 2009 and in fiscal years 2008 and 2007, respectively. We generate merchant banking revenue from (i) management fees paid by the funds we manage, (ii) gains (or losses) on our investments in the merchant banking funds and other principal investment activities, and (iii) merchant banking profit overrides. We charge management fees in GCP II, GSAVP and GCP Europe to all investors except the firm. In GCP I, we charge management fees to all outside

investors who are not

S-3

Table of Contents

employed or affiliated with us. We may also generate gains (or losses) from our capital investment in our merchant banking funds depending upon the performance of the funds. Our investments in our merchant banking funds generate realized and unrealized investment gains (or losses) based on our allocable share of earnings generated by the funds. As the general partner of our merchant banking funds we make investment decisions for the funds and are entitled to receive an override on the profits of the funds after certain performance hurdles are met.

We began our merchant banking activities in 2000 with the establishment of GCP I, which had total committed capital of \$423 million. In 2005 we closed our second merchant banking fund, GCP II, which had total committed capital of \$875 million. The firm has committed approximately 10%, or \$88.5 million, to GCP II and our managing directors and other employees have committed an additional \$136 million to that fund. In 2006 we expanded our merchant banking activities with the closing of our venture capital fund, GSAVP, which had total committed capital of \$101.5 million. The firm has committed \$10.9 million to GSAVP and our managing directors and other employees have committed an additional \$22.6 million to that fund. In 2007, we closed our first European merchant banking fund, GCP Europe, which had total committed capital of approximately £191 million. The firm has committed £25 million to GCP Europe and our managing directors and other employees have committed an additional £41.9 million

In February 2008, GHL Acquisition Corp. (GHLAC), a blank check company sponsored by the firm, completed its initial public offering, selling 40,000,000 units for an aggregate purchase price of \$400 million. We originally invested \$8.0 million in GHLAC and owned approximately 17.3% of its outstanding common stock (AMEX:GHQ) upon consummation of the offering. In September 2008, GHLAC announced that it had agreed to acquire Iridium Holdings, L.L.C. (Iridium), a leading provider of voice and data mobile satellite services, at an enterprise value of approximately \$591 million, subject to stockholder approval, various regulatory approvals and other customary closing conditions. In October 2008, we invested \$22.9 million in a convertible subordinated note issued by Iridium. During the second quarter of 2009, GHLAC reached an agreement to reduce by 15% the consideration to be paid in its planned acquisition of Iridium. In July 2009, GHLAC reached agreement with certain warrant holders, including Greenhill, to repurchase or restructure their GHLAC warrants upon closing of its acquisition of Iridium. If the acquisition of Iridium by GHLAC is completed on the agreed terms and our investment in Iridium is converted to GHLAC common shares, based on GHLAC's current capitalization we will own approximately 8.9 million common shares, or 10.6% of the combined company's common stock, assuming exercise of all currently in-the-money warrants and approval by all GHLAC shareholders of the acquisition. We would also own 4.0 million out-of-the-money warrants of the combined company. The acquisition of Iridium remains subject to Federal Communications Commission approval as well as approval by GHLAC shareholders.

Our principal executive offices are located at 300 Park Avenue, 23rd Floor, New York, New York 10022, and our telephone number is (212) 389-1500. We maintain a website at www.greenhill.com where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement.

Table of Contents

THE OFFERING

| | |
|--|---|
| Common stock offered by the selling stockholders | 3,000,000 shares |
| Common stock outstanding after this offering(1) | 28,156,741 shares |
| Underwriters' option to purchase additional shares from the selling stockholders | 450,000 shares |
| Voting rights | One vote per share |
| Offering price | \$ per share |
| Use of proceeds | We will not receive any proceeds from this offering. |
| Dividend policy | In January 2009, our Board of Directors declared a dividend of \$0.45 per share, which was paid on March 18, 2009 to stockholders of record as of March 4, 2009; in April 2009, our Board of Directors declared a dividend of \$0.45 per share, which was paid on June 10, 2009 to stockholders of record as of May 27, 2009; and in July 2009, our Board of Directors declared a dividend of \$0.45 per share, which is payable on September 16, 2009 to stockholders of record as of September 2, 2009. Purchasers of common stock in this offering will be entitled to receive these previously declared and unpaid dividends in September 2009 if they are stockholders of record as of September 2, 2009. The declaration of any future dividends and, if declared, the amount of any such dividends, will be subject to our actual future earnings and capital requirements and to the discretion of our Board of Directors. For a discussion of the factors that will affect the determination by our Board of Directors to declare dividends, see Dividend Policy . |
| New York Stock Exchange symbol | GHL |

(1) The number of shares of common stock that will be outstanding after this offering is based on the number of shares outstanding at July 24, 2009; and excludes:

208,418 non-voting exchangeable shares, which are exchangeable into the same number of shares of common stock of the Company, subject to certain conditions, and 2,517,507 unvested restricted stock units, which vest over time and represent a right to a future payment equal to one share of common stock per restricted stock unit.

Unless we specifically state otherwise, the information in this prospectus supplement does not take into account the sale of up to 450,000 shares of common stock that the underwriters have the option to purchase from the selling stockholders.

Except as otherwise indicated, all amounts with respect to the volume, number and market share of mergers and acquisitions transactions and related ranking information incorporated by reference into this prospectus supplement or the accompanying prospectus have been derived from information compiled and classified by Thomson Financial.

S-5

Table of Contents**USE OF PROCEEDS**

The selling stockholders will receive all of the net proceeds from the sale of the shares of common stock offered hereby. We will not receive any proceeds from the offering contemplated by this prospectus supplement.

DIVIDEND POLICY

Dividends declared per common share were \$1.80 in the aggregate in 2008. Dividend equivalents of \$3.4 million were recorded in 2008 on the restricted stock units that are expected to vest. Additionally, in January 2009, April 2009 and July 2009 our Board of Directors declared separate quarterly dividends of \$0.45 per share, for an aggregate of \$1.35 per share. The dividend declared in July 2009 is payable on September 16, 2009 to stockholders of record as of September 2, 2009. Purchasers of common stock in this offering will be entitled to receive these previously declared and unpaid dividends in September 2009 if they are stockholders of record as of September 2, 2009.

The declaration of any dividend and, if declared, the amount of any such dividend, will be subject to our actual future earnings and capital requirements and to the discretion of our Board of Directors. Our Board of Directors will take into account such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our Board of Directors may deem relevant.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2009. This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in each of our annual report on Form 10-K for the year ended December 31, 2008 and our quarterly report on Form 10-Q for the three months ended June 30, 2009, each of which is incorporated by reference in this prospectus supplement. Our capitalization will not be affected by this offering.

| | As of June 30, 2009 |
|--|--------------------------------|
| Cash and cash equivalents | \$ 55,048,701 |
| Bank loan payable | 33,375,000 |
| Stockholders' equity: | |
| Common stock, par value \$0.01 per share; 100,000,000 shares authorized, 33,120,076 shares issued and outstanding(1) | 331,201 |
| Restricted stock units | 69,886,518 |
| Additional paid-in capital | 224,682,364 |
| Exchangeable shares of subsidiary; 257,156 shares issued and 208,418 outstanding | 12,442,555 |
| Retained earnings | 185,818,041 |
| Accumulated other comprehensive income (loss) | (10,477,878) |
| Treasury stock, at cost, par value \$0.01 per share; 4,964,133 shares | (267,086,584) |
| Total stockholders' equity | 215,596,217 |

Total capitalization \$ 248,971,217

(1) Includes 4,964,133 shares repurchased and held in treasury as of June 30, 2009.

S-6

Table of Contents**SELLING STOCKHOLDERS**

Managing directors and senior advisors of Greenhill or their affiliates are offering the 3,000,000 shares of common stock being offered hereby.

The following table sets forth as of the date of this prospectus supplement certain information regarding the number of shares of common stock to be sold in the offering by each selling stockholder and each selling stockholder's beneficial ownership of our common stock:

immediately prior to the consummation of this offering; and

as adjusted to reflect the sale of the shares of our common stock by the selling stockholders.

Each selling stockholder is a managing director or a senior advisor of Greenhill or an affiliate thereof. In accordance with the rules of the Securities and Exchange Commission, beneficial ownership includes voting or investment power with respect to securities. The percentage of beneficial ownership reflected in the following table is based on 28,156,741 shares of common stock outstanding as of July 24, 2009. The address for each listed stockholder is: c/o Greenhill & Co., Inc., 300 Park Avenue, 23rd Floor, New York, New York 10022. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

| Selling Stockholders | Shares Beneficially | | Shares of Common | | Shares Beneficially | |
|------------------------------|---------------------|---------|------------------|---------|---------------------|---------|
| | Owned Before This | | Stock to | | Owned | |
| | Number | Percent | Number | Percent | Number | Percent |
| Robert F. Greenhill(2) | 4,023,762 | 14.3% | 1,035,667 | 3.7% | 2,988,095 | 10.6% |
| Scott L. Bok(3) | 1,268,114 | 4.5% | 326,396 | 1.2% | 941,718 | 3.3% |
| Simon A. Borrows(4) | 1,275,478 | 4.5% | 328,292 | 1.2% | 947,186 | 3.4% |
| Robert H. Niehaus(5) | 948,308 | 3.4% | 242,924 | 0.9% | 705,384 | 2.5% |
| Timothy M. George(6) | 1,247,141 | 4.4% | 320,998 | 1.1% | 926,143 | 3.3% |
| James R. C. Lupton(7) | 1,259,030 | 4.5% | 324,058 | 1.2% | 934,972 | 3.3% |
| Jeffrey F. Buckalew | 145,577 | 0.5% | 37,470 | 0.1% | 108,107 | 0.4% |
| Bradley J. Crompton(8) | 104,209 | 0.4% | 26,822 | 0.1% | 77,387 | 0.3% |
| Ulrika Ekman | 26,032 | 0.1% | 6,700 | 0.0% | 19,332 | 0.1% |
| George C. Estey(9) | 104,209 | 0.4% | 26,822 | 0.1% | 77,387 | 0.3% |
| Richard D. Lieb | 25,321 | 0.1% | 6,517 | 0.0% | 18,804 | 0.1% |
| Gregory R. Miller | 102,163 | 0.4% | 26,295 | 0.1% | 75,868 | 0.3% |
| Richard Morse | 165,014 | 0.6% | 42,473 | 0.2% | 122,541 | 0.4% |
| V. Frank Pottow | 103,722 | 0.4% | 26,697 | 0.1% | 77,025 | 0.3% |
| Gregory G. Randolph(10) | 107,929 | 0.4% | 27,780 | 0.1% | 80,149 | 0.3% |
| Bradley A. Robins | 157,345 | 0.6% | 40,499 | 0.1% | 116,846 | 0.4% |
| Harold J. Rodriguez, Jr.(11) | 82,285 | 0.3% | 10,000 | 0.0% | 72,285 | 0.3% |
| Colin T. Roy | 557,874 | 2.0% | 143,590 | 0.5% | 414,284 | 1.5% |

| | | | | | | |
|-------|------------|-------|-----------|-------|-----------|-------|
| Total | 11,703,513 | 41.6% | 3,000,000 | 10.7% | 8,703,513 | 30.9% |
|-------|------------|-------|-----------|-------|-----------|-------|

- (1) Assumes that the underwriters have not exercised their option to purchase up to 450,000 shares of common stock in full.
- (2) Robert F. Greenhill's beneficial ownership is calculated by attributing to him all shares of our common stock he owns as well as those that are owned by two entities controlled by him. The first entity is Greenhill Family Limited Partnership, a Delaware limited partnership, which owns 3,214,511 of our shares of which 833,724 shares will be sold in this offering. The second entity is Riversville Aircraft Corporation II, a Delaware corporation, which owns 778,612 of our shares of which 201,943 shares will be sold in this offering. Mr. Greenhill expressly disclaims beneficial

S-7

Table of Contents

ownership of the shares of common stock held by members of his family in Greenhill Family Limited Partnership.

- (3) Includes 138,000 shares owned by the Bok Family Foundation, of which 32,640 shares will be sold by the Bok Family Foundation in this offering.
- (4) Includes 2,150 shares transferred to St. Catherine's School Bramley, all of which will be sold in this offering.
- (5) Includes 60,000 shares owned by the Robert H. Niehaus and Kate Niehaus Foundation (Niehaus Foundation), 40,000 of which will be sold by the Niehaus Foundation in this offering and 450,000 shares held by the Robert H Niehaus 2008 GRAT, 202,924 of which will be sold by the Niehaus Foundation in this offering. It also includes 433,808 shares held directly by Mr. Niehaus and 4,500 shares held in three trusts of which Mr. Niehaus children are beneficiaries. Mr. Niehaus expressly disclaims beneficial ownership of the 4,500 shares of common stock held by the trusts and the GRAT except to the extent of his pecuniary interest therein.
- (6) Includes 110,224 shares held in two trusts of which Mr. George is a co-trustee. The trusts will sell in aggregate 28,370 shares in this offering.
- (7) Includes 2,200 shares transferred to Winchester College, all of which will be sold in this offering and 236,430 shares owned by Mr. Lupton's wife.
- (8) Mr. Crompton currently holds 104,209 shares of non-voting exchangeable shares issued by our Canadian subsidiary, which are exchangeable into the same number of shares of our common stock subject to certain conditions.
- (9) Mr. Estey currently holds 104,209 shares of non-voting exchangeable shares issued by our Canadian subsidiary, which are exchangeable into the same number of shares of our common stock subject to certain conditions.
- (10) Includes 250 shares transferred to the Trustees of Tufts College, all of which will be sold in this offering.
- (11) Includes 24,981 shares owned by Mr. Rodriguez's wife, of which 10,000 shares will be sold in this offering.

Table of Contents

CERTAIN MATERIAL U.S. FEDERAL TAX CONSEQUENCES

The following discussion describes certain material U.S. federal income and estate tax consequences of the ownership and disposition of our common stock. This discussion applies only to holders that hold shares of our common stock as capital assets.

This discussion does not describe all of the tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and certain traders in securities;
- persons holding our common stock as part of a straddle , hedge , conversion or similar transaction;
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar;
- holders that own, or that are deemed to own, more than 5% of our common stock;
- certain former citizens or residents of the United States;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes; or
- persons subject to the alternative minimum tax.

This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), and administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. This discussion does not address all aspects of U.S. federal taxation that may be relevant to holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. Prospective holders are urged to consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of common stock, including the consequences under the laws of any state, local or foreign jurisdiction.

Tax Consequences to U.S. Holders

As used herein, the term U.S. holder means a beneficial owner of our common stock that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or of any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Taxation of Distributions on Common Stock

Distributions paid on our common stock, other than certain pro rata distributions of common shares, will be treated as dividends to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles) and will be includible in income by the U.S. holder and taxable as ordinary income when actually or constructively received. If a distribution exceeds our current and accumulated earnings and profits, the excess will be first treated as a tax-free return of the U.S. holder's investment, up to the U.S. holder's adjusted tax basis in the common stock. Any remaining excess will be treated as a capital gain. Subject to certain limitations and

S-9

Table of Contents

restrictions, dividends received by corporate U.S. holders will be eligible for the dividends received deduction. For taxable years beginning on or before December 31, 2010, dividends received by certain noncorporate U.S. holders on common stock may be subject to U.S. federal income tax at lower rates than other types of ordinary income if certain conditions are met. U.S. holders should consult their own tax advisers regarding the application of these lower rates in their particular circumstances.

Sale or Other Disposition of Common Stock

Gain or loss realized by a U.S. holder on the sale or other disposition of our common stock will be capital gain or loss for U.S. federal income tax purposes, and will be long-term capital gain or loss if the U.S. holder's holding period for the common stock is greater than one year. The amount of the U.S. holder's gain or loss will be equal to the difference between the U.S. holder's adjusted tax basis in the common stock disposed of and the amount realized on the disposition. Long-term capital gains recognized by non-corporate U.S. holders are taxed at reduced rates under current law. The deductibility of capital losses may be subject to limitations.

Tax Consequences to Non-U.S. Holders

As used herein, the term "non-U.S. holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes:

- an individual who is classified as a nonresident alien;
- a foreign corporation; or
- a foreign estate or trust.

A non-U.S. holder does not include an individual who is present in the United States for 183 days or more in the taxable year of disposition and is not otherwise a resident of the United States for U.S. federal income tax purposes. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of common stock.

Dividends

Dividends paid by us to a non-U.S. holder of common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, a non-U.S. holder will be required to provide an Internal Revenue Service Form W-8BEN certifying its entitlement to benefits under a treaty.

The withholding tax does not apply to dividends paid to a non-U.S. holder who provides a Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax, generally in the same manner as if the non-U.S. holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate).

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on gain realized on a sale or other disposition of common stock unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (in which case, the non-U.S. holder will be taxed generally in the same manner as a U.S. holder), subject to an applicable treaty providing otherwise; or

S-10

Table of Contents

Greenhill is or has been a U.S. real property holding corporation at any time within the five-year period preceding the disposition or the non-U.S. holder's holding period, whichever period is shorter, and its common stock has ceased to be regularly traded on an established securities market.

Greenhill believes that it is not, and does not anticipate becoming in the foreseeable future, a U.S. real property holding corporation.

Federal Estate Tax

An individual non-U.S. holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the common stock will be required to include the value of the stock in his or her gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

Information returns and reports may be filed with the IRS in connection with payments of dividends on the common stock and the proceeds from a sale or other disposition of the common stock. A U.S. holder may be subject to United States backup withholding on these payments if it fails to provide its taxpayer identification number to the paying agent and comply with certification procedures or otherwise establish an exemption from backup withholding. A non-U.S. holder may be subject to U.S. backup withholding on these payments if it fails to comply with certification procedures to establish that it is not a U.S. person. The amount of any backup withholding from a payment will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

Table of Contents**UNDERWRITING**

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. is the representative of the underwriters.

| Underwriters | Number of Shares |
|----------------------|-----------------------------|
| Goldman, Sachs & Co. | |
| Total | 3,000,000 |

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 450,000 shares from the selling stockholders to cover such sales. They may exercise that option for 30 days from the date of this prospectus supplement. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 450,000 additional shares.

| Paid by the Selling Stockholders | No Exercise | Full Exercise |
|---|--------------------|----------------------|
| Per Share | \$ | \$ |
| Total | \$ | \$ |

Shares sold by the underwriters to the public will initially be offered at the initial price to the public set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the public offering price. If all the shares are not sold at the public offering price, the representative may change the offering price and the other selling terms. The offering of the Shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Each of Greenhill, its directors and officers and the selling stockholders have agreed with the underwriters, subject to certain exceptions, not to dispose of, pledge or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through a date that is not less than nine months after the date of this prospectus supplement, except with the prior written consent of Goldman, Sachs & Co. This agreement does not apply to the shares of common stock underlying

any of the restricted stock units received by other employees of Greenhill.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are requir