GREENHILL & CO INC
Form 424B5
November 10, 2008

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Registration File No.: 333-155050

Prospectus Supplement to Prospectus dated November 5, 2008.

3,500,000 Shares

Greenhill & Co., Inc.

Common Stock

This is an offering of 3,500,000 shares of common stock of Greenhill & Co., Inc. We are offering 1,250,000 shares of our common stock and the selling stockholders identified in this prospectus supplement are offering an additional 2,250,000 shares of our common stock. We will not receive any of the proceeds from the sale of the shares 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 November 6, 2008 was $57.39 per share.

Investing in the common stock involves certain risks. See Risk Factors beginning on page 5 of our annual report on Form 10-K for the year ended December 31, 2007, 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

Public offering price	$ 56.00	$ 196,000,000
Underwriting discount	$ 2.10	$ 7,350,000
Proceeds, before expenses, to us	$ 53.90	$ 67,375,000
Proceeds, before expenses, to the selling stockholders	$ 53.90	$ 121,275,000

To the extent that the underwriters sell more than 3,500,000 shares of common stock, they have the option to purchase up to an additional 525,000 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 46.5% of the total shares of our common stock outstanding (or 44.6% 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 November 13, 2008.

Goldman, Sachs & Co.

Banc of America Securities LLC

Keefe, Bruyette & Woods

Wachovia Securities

Prospectus Supplement dated November 6, 2008.

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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 we and 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.

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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, Dallas, San Francisco and Chicago.

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 in April 2005 and completed the closing of our second merchant banking fund in June 2005. We opened our Toronto office in July 2006 and completed the final closing of our first venture capital fund in September 2006. In December 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 in November 2008 announced plans to open a Chicago office. As of October 31, 2008, we employed 50 managing directors and senior advisors globally.

Principal Sources of Revenue

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

Advisory Revenue

We provide a broad range of advice to global clients in relation to domestic and cross-border mergers, acquisitions, restructurings 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 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 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 providing financial advisory services, we draw on the extensive experience, corporate relationships and industry expertise of our managing directors and senior advisors. 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.

Advisory revenues accounted for 92%, 92% and 72% of our revenues in the nine months ended September 30, 2008 and in fiscal years 2007 and 2006, respectively. Non-U.S. clients are a significant part of our business, generating 43%, 64% and 53% of our advisory revenues for the nine months ended September 30, 2008 and in 2007 and 2006, respectively. We generate revenues from our advisory services by charging our clients fees consisting principally of fees paid upon the successful conclusion of a transaction or fund raising, fees paid upon the announcement of a transaction, fees paid upon the commencement of an engagement and, in connection principally with restructuring assignments, monthly retainer fees.

Merchant Banking and Other

Our merchant banking fund management activities currently consist primarily of management of and investment in Greenhill s merchant banking funds, Greenhill Capital Partners I (GCP I), Greenhill Capital Partners II (GCP II) (collectively, Greenhill Capital Partners or GCP), Greenhill Capital Partners Europe (GCP Europe) and Greenhill SAV Partners (GSAVP), 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 fund management 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. We expect to expand our merchant banking fund management activities over time.

Merchant banking and other revenue accounted for 8%, 8% and 28% of our revenues in the nine months ended September 30, 2008 and in fiscal years 2007 and 2006, respectively. We generate merchant banking revenue from (i) management fees on our merchant banking activity, (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 to all non-affiliated investors in each of our funds and all employees in GCP II, GCP Europe and GSAVP. We may also earn 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.

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 expanded our merchant banking activities with the

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closing of 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 professionals have committed an additional $22.6 million to GSAVP. In 2007, we closed our first European merchant banking fund, GCP Europe, which had total committed capital of £191 million. The firm has committed £25 million to GCP Europe and our managing directors and other employees have committed an additional £42 million.

In February 2008, GHL Acquisition Corp., 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 million in GHL Acquisition Corp. and owned approximately 17.3% of its outstanding common stock (AMEX:GHQ) upon consummation of the offering. In September 2008, GHL Acquisition Corp. announced that it had agreed to acquire Iridium Holdings, L.L.C. (Iridium), a leading provider of voice and data mobile satellite services in a transaction that values Iridium at an enterprise value of approximately $591 million, subject to stockholder approval, various regulatory approvals and other customary closing conditions. We simultaneously announced that we had agreed to invest $22.9 million in the form of a convertible subordinated note issued by Iridium and completed that investment in October 2008. If the acquisition of Iridium by GHL Acquisition Corp. is completed on the agreed terms and our investment is converted to Iridium common shares, we will own approximately 9.2 million common shares of the combined company (AMEX:GHQ) and 6 million warrants (AMEX:GHQ.WS).

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.

THE OFFERING

Common stock offered by us	1,250,000 shares
Common stock offered by the selling stockholders	2,250,000 shares
Common stock outstanding after this offering(1)	27,932,412 shares
Underwriters option to purchase additional shares from the selling stockholders	525,000 shares
Voting rights	One vote per share
Offering price	$56.00 per share
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $67.3 million. We will use the net proceeds from the sale of the shares of our common stock being sold by us in the offering to pay down amounts outstanding under our credit facility in order to provide financial flexibility to pursue, where appropriate, the further expansion of our advisory business by industry and location, for merchant banking investments and for general corporate purposes. See Use of Proceeds below. We will not receive any of the proceeds from the sale of the shares of our common stock being sold by the selling stockholders.
Dividend policy	In January 2008, our Board of Directors declared a dividend of $0.45 per share, which was paid on March 19, 2008 to stockholders of record as of March 5, 2008; in April 2008, our Board of Directors declared a dividend of $0.45 per share, which was paid on June 18, 2008 to stockholders of record as of June 4, 2008; in July 2008, our Board of Directors declared a dividend of $0.45 per share, which was paid on September 17, 2008 to stockholders of record as of September 3, 2008, and in October 2008, our Board of Directors declared a dividend of $0.45 per share which is payable on December 17, 2008 to stockholders of record as of December 3, 2008. Purchasers of common stock in this offering will be entitled to receive the dividend declared in October 2008 if they are stockholders of record as of December 3, 2008. 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

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(1) The number of shares of common stock that will be outstanding after this offering is based on the number of shares outstanding at October 31, 2008; and excludes:

257,156 non-voting exchangeable shares, which are exchangeable into the same number of shares of common stock of Greenhill, subject to certain conditions, and

1,913,332 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 525,000 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.

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USE OF PROCEEDS

Our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $67.3 million. We will use the net proceeds from the sale of the shares of our common stock being sold by us in the offering to pay down amounts outstanding under our credit facility in order to provide financial flexibility to pursue, where appropriate, the further expansion of our advisory business by industry and location, for merchant banking investments and for general corporate purposes. We will not receive any of the proceeds from the sale of the shares of our common stock being sold by the selling stockholders.

DIVIDEND POLICY

Dividends declared per common share were $1.26 in the aggregate in 2007. Dividend equivalents of $2.2 million were recorded in 2007 on the restricted stock units that are expected to vest. Additionally, in January 2008, April 2008, July 2008 and October 2008, our Board of Directors declared separate quarterly dividends of $0.45 per share, for an aggregate of $1.80 per share. In October 2008, our Board of Directors declared the dividend of $0.45 per share which is payable on December 17, 2008 to stockholders of record as of December 3, 2008. Purchasers of common stock in this offering will be entitled to receive the dividend declared in October 2008 if they are stockholders of record as of December 3, 2008.

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.

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2008 on an actual basis and on an as adjusted basis to reflect the completion of this offering and the anticipated use of proceeds. 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, 2007 and our quarterly report on Form 10-Q for the period ended September 30, 2008, each of which is incorporated by reference in this prospectus supplement.

	As of September 30, 2008	
	Actual	As Adjusted(1)
Cash and cash equivalents	$ 70,257,231	$ 70,257,231
Bank loan payable	$ 81,200,000	$ 13,914,286
Stockholders equity:		
Common stock, par value $0.01 per share; 100,000,000 shares authorized, 31,522,503 shares issued and outstanding, actual, and 32,772,503 shares issued and outstanding, as adjusted(2)	315,213	327,713
Restricted stock units	51,694,714	51,694,714
Additional paid-in capital	142,819,442	210,092,656
Exchangeable shares of subsidiary; 257,156 shares issued and outstanding	15,352,213	15,352,213
Retained earnings	187,857,105	187,857,105
Accumulated other comprehensive (loss) income	(5,941,838)	(5,941,838)
Treasury stock, at cost, par value $0.01 per share; 4,845,722 shares	(259,133,576)	(259,133,576)
Total stockholders equity	132,963,273	200,248,987
Total capitalization	$ 214,163,273	$ 214,163,273

(1) For purposes of the as adjusted column, our net proceeds from this offering, based on the public offering price of $56.00 per share will be approximately $67.3 million after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(2) Includes 4,845,722 shares repurchased and held in treasury as of September 30, 2008.

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SELLING STOCKHOLDERS

Managing directors of Greenhill or their affiliates are offering 2,250,000 shares of the 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 and us.

Each selling stockholder is a managing director or senior advisor of Greenhill. 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 26,682,412 shares of common stock outstanding as of November 6, 2008. The address for each listed stockholder (except as otherwise specified) 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 Owned Before This Offering		Shares of Common Stock to be Sold(1)		Shares Beneficially Owned After Offering(1)	
	Number	Percent	Number	Percent	Number	Percent
Robert F. Greenhill(2)	4,948,042	18.54%	759,736	2.8%	4,188,306	15.0%
Scott L. Bok(3)	1,548,868	5.80%	237,818	0.9%	1,311,050	4.7%
Simon A. Borrows	1,551,994	5.82%	238,297	0.9%	1,313,697	4.7%
Robert H. Niehaus(4)	1,164,788	4.37%	178,153	0.7%	986,635	3.5%
Richard J. Lieb	19,098	0.07%	2,932	0.0%	16,166	0.1%
Timothy M. George(5)	1,536,979	5.76%	235,992	0.9%	1,300,987	4.7%
James R. C. Lupton(6)	1,544,188	5.79%	237,100	0.9%	1,307,088	4.7%
James Blyth	51,401	0.19%	7,892	0.0%	43,509	0.2%
Jeffrey F. Buckalew	176,076	0.66%	27,035	0.1%	149,041	0.5%
Brian J. Cassin(7)	170,389	0.64%	26,162	0.1%	144,227	0.5%
Bradley J. Crompton(8)	128,578	0.48%	19,742	0.1%	108,836	0.4%
George C. Estey(9)	128,578	0.48%	19,742	0.1%	108,836	0.4%
Gregory R. Miller	124,202	0.47%	19,070	0.1%	105,132	0.4%
Richard Morse	201,495	0.76%	30,938	0.1%	170,557	0.6%
V. Frank Pottow	125,723	0.47%	19,304	0.1%	106,419	0.4%
Gregory G. Randolph(10)	131,392	0.49%	20,174	0.1%	111,218	0.4%
Bradley A. Robins	191,663	0.72%	29,429	0.1%	162,234	0.6%
Harold J. Rodriguez, Jr.(11)	91,246	0.34%	10,000	0.0%	81,246	0.3%
Colin T. Roy	679,432	2.55%	104,322	0.4%	575,110	2.1%

David A. Wyles	170,389	0.64%	26,162	0.1%	144,227	0.5%
Total	14,684,521	55.03%	2,250,000	8.4%	12,434,521	44.5%

(1) Assumes that the underwriters have not exercised their option to purchase 525,000 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 3,969,450 of our shares of which 611,596 shares will be sold in this offering. The second entity is Riversville Aircraft Corporation II, a Delaware corporation, which owns 961,472 of our shares of which 148,140 shares will be sold in this offering.
Mr. Greenhill expressly disclaims beneficial ownership of the shares of common stock held by members of his family in Greenhill Family Limited Partnership.

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(3) Includes 175,000 shares owned by the Bok Family Foundation, of which 37,000 shares will be sold by the Bok Family Foundation in this offering.

(4) Includes 100,000 shares owned by the Robert H. Niehaus and Kate Niehaus Foundation (Niehaus Foundation), 80,000 of which will be sold by the Niehaus Foundation in this offering, and 450,000 shares held by the Robert H. Niehaus 2008 GRAT. It also includes 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.

(5) Includes 136,000 shares held in two trusts of which Mr. George is a co-trustee. The trusts will sell in aggregate 20,882 shares in this offering.

(6) Includes 500,000 shares owned by Mr. Lupton s wife, of which 208,000 will be sold in this offering. Also includes 26,500 shares transferred to Dulwich Picture Gallery and 2,600 shares transferred to Emmaus Hamphire, all of which will be sold in this offering.

(7) Includes 60,000 shares owned by a trust established for the benefit of Mr. Cassin and his family. Mr. Cassin disclaims beneficial ownership of the shares held by the trust.

(8) Mr. Crompton currently holds 128,578 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 128,578 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 1,500 shares transferred to the Trustees of Tufts College, all of which will be sold in this offering.

(11) Includes 34,981 shares owned by Mr. Rodriguez s wife, of which 10,000 shares will be sold in this offering.

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CERTAIN MATERIAL U.S. FEDERAL INCOME 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 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

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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.

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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.	2,450,000
Banc of America Securities LLC	350,000