GREENHILL & CO INC
Form S-1/A
April 28, 2005
As filed with the Securities and Exchange Commission on April 28, 2005

Registration No. 333-124082

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

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GREENHILL & CO., INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6199**	**51-0500737**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

300 Park Avenue
23rd Floor
New York, New York 10022
(212) 389-1500
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

JOHN D. LIU
Chief Financial Officer
Greenhill & Co., Inc.
300 Park Avenue
23rd Floor
New York, New York 10022
(212) 389-1500
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Number of Shares to be Registered (1)	Proposed Maximum Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee (3)
Common Stock, par value $0.01 per share	4,600,000 shares	$ 35.60	$ 163,760,000	$ 19,274.55

(1)Includes shares issuable upon exercise of the underwriters' option to purchase additional shares of common stock.
(2)Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457 under the Securities Act of 1933.
(3)Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated April 28, 2005.

4,000,000 Shares

Greenhill & Co., Inc.

Common Stock

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

The common stock is listed on the New York Stock Exchange under the symbol "GHL". The last reported sale price of the common stock on April 27, 2005 was $33.40 per share.

See "Risk Factors" beginning on page 7 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to the selling stockholders	$	$

To the extent that the underwriters sell more than 4,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 600,000 shares from the selling stockholders at the initial price to the public less the underwriting discount.

Upon completion of this offering, our managing directors and their affiliated entities will collectively own 68.5% of the total shares of common stock outstanding (or 66.5% 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 , 2005.

Goldman, Sachs & Co.

UBS Investment Bank

Keefe, Bruyette & Woods

Wachovia Securities

Prospectus dated , 2005.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" on pages 7 - 13.

Greenhill

We are an independent investment banking firm that (i) provides financial advice on significant mergers, acquisitions, restructurings and similar corporate finance matters and (ii) manages merchant banking funds and commits capital to those funds. Greenhill acts for clients located throughout the world from offices in New York, London, Frankfurt and Dallas.

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 our founding, Greenhill has grown steadily, recruiting managing directors from major investment banks and other institutions, with a range of geographic, industry and transaction specialties and different sets of corporate management and other relationships. As part of this expansion, we opened a London office in 1998, raised a 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 completed the initial closing of our second merchant banking fund in March of 2005 and opened our Dallas office in April of 2005. We have 28 managing directors and two senior advisors globally.

We have demonstrated strong financial results, producing revenue and earnings growth in a variety of economic and market conditions, including a prolonged period in which global merger and acquisition activity declined significantly. Our revenue grew from $36.9 million in 1997 (our first full year of operation) to $151.9 million in 2004, representing a compound annual growth rate of 22%. Our revenue growth rate each year during this period ranged from a decline of 10.3% in 2001 compared to 2000, to an increase of 120.4% in 1999 compared to 1998.

Principal Sources of Revenue

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

Financial Advisory

We provide a broad range of advice to U.S. and non-U.S. clients in relation to 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. Financial advisory services accounted for 86% and 96% of our revenues in 2004 and 2003, respectively. Non-U.S. clients are a significant part of our business, generating 46% and 52% of our financial advisory revenues in 2004 and 2003, respectively.

Merchant Banking Fund Management

Our merchant banking fund management activities currently consist primarily of management of Greenhill Capital Partners, or GCP, a family of merchant banking funds that invest in portfolio companies, including the commitment of capital to these merchant banking funds. Merchant banking funds are private investment funds raised from contributions by qualified institutional investors and financially sophisticated individuals. The funds make substantial, sometimes controlling, investments, generally in non-public companies and typically with a view toward divesting within 3 to 5 years. Our

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merchant banking activities historically have generated revenue almost entirely from fees earned for our management of GCP funds. In 2003, we started investing our own capital into our first merchant banking fund (or Fund I) in material amounts, in addition to that previously invested by our managing directors and other professionals of Greenhill. In March 2005, we committed $85 million to our new merchant banking fund, Greenhill Capital Partners II (or Fund II), which we expect will represent approximately 10% of committed capital to Fund II. In addition, our managing directors (including all of our executive officers), senior advisors and other professionals have personally committed a further $135 million of capital to Greenhill Capital Partners II. We pursue merchant banking fund management activities in addition to our financial advisory activities because: (i) our senior advisory professionals, and those we seek to recruit, are attracted by the opportunity to participate in merchant banking fund management, including the ability to invest in managed funds; and (ii) it allows us to further leverage our managing directors' industry knowledge and client contacts. 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. Our merchant banking funds typically invest in companies with valuations that are between $100 million and $500 million at the time of investment.

Competitive Strengths

- **Independence** – We are an independent firm managed and majority-owned by our managing directors, free of many of the conflicts that can arise at larger, diversified financial institutions.
- **Focus on Advisory Activities** – We are focused on advising clients, particularly large and mid-size corporations, rather than on a broad range of securities businesses. We believe this focus has helped and will continue to help us attract clients and recruit financial advisory professionals who want to work in a firm where their activities are the central focus.
- **Breadth of Advisory Capabilities** – While our origin was as an advisor on mergers and acquisitions, we have acquired considerable experience and capabilities in financial restructuring situations.
- **International Capabilities** – Unlike many small investment banking firms, we have aggressively sought to develop a broad geographic scope rather than focusing on any one particular market. From 2000 through 2004, 52% of our advisory revenues were derived from clients based outside the United States, primarily from the United Kingdom and, to a lesser extent, continental Europe, Latin America and Canada.
- **Experience** – Our 28 managing directors and two senior advisors have an average of 23 years of relevant experience. Prior to joining Greenhill, 24 of those individuals were managing directors at other leading financial advisory firms or occupied comparably senior roles in leading private equity firms, law firms or corporations.
- **Strong Corporate Culture** – While Greenhill is relatively young, we have developed a strong corporate culture. We are united by our desire to build a firm where client advisory activities are at the core, and by our commitment to excellence in those activities. Only two managing directors have departed in more than 8 years, and 14 of the 28 current managing directors have five

years' tenure at Greenhill.

Notwithstanding these competitive strengths, we face a number of competitive challenges, including intense competition from larger firms that have a greater range of products and services and greater financial and other resources than we have and that may pose a threat to our ability to recruit and retain key employees. See "Risk Factors" for a discussion of the factors you should consider before buying shares of our common stock.

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Strategy

Our strategy is principally to enhance our position as an independent advisor on important merger, acquisition and restructuring transactions, grow our financial advisory business and expand our merchant banking fund management business. We also aim to maintain a balance of activities across geographic regions and to increase the stability of our earnings. Our strategy is heavily dependent on retaining and recruiting managing directors and other senior professionals.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data should be read in conjunction with, and are qualified by reference to, the disclosures set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Consolidated Financial Information" as well as in the consolidated financial statements and their notes.

	For Three Months Ended March 31,		For Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	(in thousands, except percentages)						
Historical							
Revenues							
Financial Advisory	$ 39,471	$ 25,537	$ 130,906	$ 121,334	$ 107,455	$ 95,300	$ 106,949
Merchant Banking Fund Management & Other (a)	4,457	4,029	20,947	5,345	5,153	4,664	4,527
Total Revenues	43,928	29,566	151,853	126,679	112,608	99,964	111,476
% Change from Prior Period	—	—	20%	12%	13%	(10)%	—
Income Before Tax & Minority Interest (b)	17,288	15,360	63,508	80,661	75,813	34,797	48,524

Net Income (b), (c)	10,752	10,480	38,316	45,400	57,817	34,984	45,520
Pro Forma (unaudited) (d)							
Pro Forma Income Before Tax (e)	—	11,291	57,275	50,749	44,615	36,241	46,655
Pro Forma Net Income (f)	—	6,549	34,327	29,435	25,877	21,020	27,060
% Change from Prior Period	—	—	17%	14%	23%	(22)%	—

(a) Merchant Banking Fund Management & Other includes interest income of $0.5 million and less than $0.1 million for the three months ended March 31, 2005 and 2004, respectively, and $0.8 million, $0.4 million, $0.3 million, $0.8 million and $1.1 million in 2004, 2003, 2002, 2001 and 2000, respectively.

(b) Prior to our May 2004 initial public offering we were a limited liability company and payments for services rendered by our managing directors were accounted for as distributions of members' capital rather than as compensation expense, except for payments made to managing directors and managing director equivalents of $2.5 million for the three months ended March 31, 2004 and of $2.9 million, $5.0 million, $1.4 million, $25.5 million and $27.3 million in 2004, 2003, 2002, 2001 and 2000, respectively, which were recorded as compensation expense. As a result, our pre-tax earnings and compensation and benefits expense prior to our initial public offering did not reflect most payments for services rendered by our managing directors. Accordingly, pre-tax earnings in that period understated our operating costs as a corporation. Since the initial public offering, we have included all payments for services rendered by our managing directors in compensation and benefits expense.

(c) Prior to our May 2004 initial public offering, we were a limited liability company and our earnings did not fully reflect the taxes that we pay as a public corporation. Additionally, a portion of our earnings attributable to our European operations was recorded as minority interest during that period.

(d) We believe that the pro forma amounts presented, which increase compensation expense and tax expense to amounts we expect that we would have paid as a corporation during the periods reported and eliminate the minority interest attributable to our European operations, more accurately depict our results as a public company. The amounts for the year ended December 31, 2004 include the pro forma results of operations as if we operated as a public company during the period January 1, 2004 to the date of our public offering combined with the actual results of operations for the period after the public offering. The amounts for the three months ended March 31, 2004 and the years ended December 31, 2003, 2002, 2001 and 2000 reflect pro forma results of operations as if the initial public offering had occurred as of January 1 of each of those periods.

(e) Because we had been a limited liability company prior to the initial public offering, payments for services rendered by our managing directors generally had been accounted for as distributions of members' capital

rather than as compensation expense. As a corporation, we include all payments for services rendered by managing directors in compensation and benefits expense.

Compensation and benefits expense, reflecting our conversion to corporate form, consists of cash compensation and non-cash compensation related to restricted stock units awarded to employees. It is our policy that annual total compensation and benefits, including that payable to the managing directors, will not exceed 50% of annual total revenues (although we retain the ability to change this policy in the future). Adjustments to increase compensation expense for the three months ended March 31, 2004 and the years ended December 31, 2004, 2003, 2002 and 2000 of $4.1 million, $6.2 million, $29.9 million, $31.2 million and $1.9 million, respectively, and to decrease compensation for the year ended, December 31, 2001 of $1.4 million have been made to record total compensation and benefits expense at

45% of total revenues, consistent with the percentage of compensation paid in 2004 for the period after the initial public offering. In addition, for the three months ended March 31, 2004 and the years ended December 31, 2004, 2003 and 2002, historical income before tax has been increased by $4.4 million, $6.5 million, $32.2 million and $17.6 million to reflect the elimination on a pro forma basis of minority interests held by European managing directors in a subsidiary. Prior to 2002, the European managing directors were employees and did not have a minority interest in Greenhill.

(f) As a limited liability company, we were generally not subject to income taxes except in foreign and local jurisdictions. The pro forma provision for income taxes for the year ended December 31, 2004 includes an adjustment of $4.2 million for assumed federal, foreign, state and local income taxes as if we were a C Corporation for the period January 1, 2004 to the date of the public offering at an assumed effective rate of 42% combined with the actual tax provision for the period after the public offering. For the three months ended March 31, 2004 and the years ended December 31, 2003, 2002, 2001 and 2000, adjustments of $4.3 million, $18.3 million, $18.4 million, $15.4 million and $16.6 million, respectively, were made to adjust our effective tax rate to 42%, reflecting assumed federal, foreign, state and local income taxes as if we were a corporation on January 1, 2003, 2002, 2001 and 2000.

Our Headquarters

Our headquarters are located at 300 Park Avenue, New York, New York 10022. Our telephone number is (212) 389-1500.

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THE OFFERING

Common stock offered by the selling stockholders	4,000,000 shares.
Common stock to be outstanding before and after this offering	30,682,466 shares.
Underwriters' option to purchase additional shares from the selling stockholders	600,000 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	Dividends declared per common share were $0.08 per quarter and $0.16 in the aggregate in 2004, as dividends were only paid in the second half of 2004, following our initial public offering. In January 2005, our Board of Directors declared a quarterly dividend of $0.10 per share. The dividend was paid on March 15, 2005 to the common stockholders of record on February 15, 2005. In April of 2005, our Board of Directors declared a dividend of $0.10 per share which is payable on June 15 to shareholders of record as of May 19, 2005. The declaration of this and any other dividends 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. 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

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

Unless we specifically state otherwise, the information in this prospectus does not take into account the sale of up to 600,000 shares of common stock which the underwriters have the option to purchase form the selling stockholders.

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RISK FACTORS

You should carefully consider the following risks and all of the other information set forth in this prospectus before deciding to invest in shares of our common stock. The following risks comprise all the material risks of which we are aware; however, these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the events or developments described below actually occurred, our business, financial condition or results of operations would likely suffer. In that case, the trading price of our common stock would likely decline, and you could lose all or part of your investment in our common stock.

Our ability to retain our managing directors is critical to the success of our business

The success of our business depends upon the personal reputation, judgment, business generation capabilities and project execution skills of our 30 managing directors and senior advisors, particularly the members of our Management Committee (which consists of Robert F. Greenhill, Scott L. Bok, Simon A. Borrows, Robert H. Niehaus, Timothy M. George, James R. C. Lupton and Colin T. Roy). Founded in 1996, our business has a limited operating history and, as a result, our managing directors' personal reputations and relationships with our clients are a critical element in obtaining and maintaining client engagements, and forming and investing merchant banking funds. Accordingly, the retention of our managing directors is particularly crucial to our future success. The departure or other loss of Mr. Greenhill, our founder, Chairman and Chief Executive Officer, or the departure or other loss of any other member of our Management Committee or any other managing director, each of whom manages substantial client relationships and possesses substantial experience and expertise, could materially adversely affect our ability to secure and successfully complete engagements and conduct our merchant banking business, which would materially adversely affect our results of operations.

In addition, if any of our managing directors were to join an existing competitor or form a competing company, some of our clients could choose to use the services of that competitor instead of our services. There is no guarantee that the compensation arrangements, non-competition agreements and lock-up agreements we have entered into with our managing directors are sufficiently broad or effective to prevent our managing directors from resigning to join our competitors or that the non-competition agreements would be upheld if we were to seek to enforce our rights under these agreements. See "Management—Employment, Non-Competition and Pledge Agreements" and "Management—Transfer Rights Agreements".

Our conversion to corporate form may adversely affect our ability to recruit, retain and motivate key employees

Our performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees in the financial services industry is intense. Our continued ability to compete effectively in our business depends on our ability to attract new employees and to retain and motivate our existing employees.

In connection with the conversion of Greenhill from a limited liability company to corporate form, our then managing directors and their affiliated entities received 100% of the common stock of Greenhill & Co., Inc. (or 25,000,000 shares) in exchange for their membership interests. Our managing directors and their affiliated entities currently own approximately 81.5% of the Company and following this offering will own approximately 68.5% of the Company, or 66.5% if the underwriters' option is exercised in full. Ownership of and the ability to realize equity value from our common stock, unlike that of membership interests in Greenhill, are not dependent upon a managing director's continued employment and our managing directors are no longer restricted from leaving Greenhill by the potential loss of all of the value of their ownership interests. These shares of common stock are subject to certain restrictions on transfer and a portion are pledged to secure the liquidated damages provision in each managing director's non-competition and pledge agreement. However, these agreements will survive for only a limited period after termination of services to

Greenhill (one year in most cases) and will permit our managing directors to leave Greenhill without losing any of their shares of common stock if they comply with these agreements. Consequently, the steps we have taken to encourage the continued service of these individuals may not be effective. The long term impact of our conversion to corporate form on our employee retention and recruitment is uncertain.

In connection with our initial public offering and the conversion of Greenhill from a limited liability company to corporate form and since that time, employees have received grants of restricted stock units under our equity incentive plan. The incentives to attract, retain and motivate employees provided by these awards or by future arrangements may not be as effective as the opportunity, which existed prior to conversion, to become a member of Greenhill. See "Management—The Equity Incentive Plan" for a description of our equity incentive plan.

A substantial portion of our revenues are derived from advisory fees

We have historically earned our revenues almost exclusively from advisory fees paid to us by our clients, in large part upon the successful completion of the client's transaction or restructuring. Financial advisory revenues represented 86% and 96% of our total revenues in 2004 and 2003, respectively. Unlike diversified investment banks, we do not have significant alternative sources of revenue, such as securities trading or underwriting. We expect that our reliance on advisory fees will continue for the foreseeable future and a decline in our advisory engagements or the market for advisory services generally would have a material adverse effect on our business and results of operations.

Our merger and acquisition and restructuring advisory engagements are singular in nature and do not provide for subsequent engagements

Our clients generally retain us on a non-exclusive, short-term, engagement-by-engagement basis in connection with specific merger or acquisition transactions or restructuring projects, rather than under exclusive long-term contracts. As these transactions are singular in nature and our engagements are not likely to recur, we must seek out new engagements when our current engagements are successfully completed or are terminated. As a result, high activity levels in any period are not necessarily indicative of continued high levels of activity in the next-succeeding or any other period. In addition, when an engagement is terminated, whether due to the cancellation of a transaction due to market reasons or otherwise, we may earn limited or no fees and may not be able to recoup the costs that we incurred prior to that termination.

A high percentage of our total revenues are derived from a few clients and the termination of any one advisory engagement could reduce our revenues and harm our operating results

Each year, we advise a limited number of clients. Our top ten clients accounted for over 50% of our total revenues in each of the last three years and our largest single clients accounted for 10% and 17% of our total revenues in 2004 and 2003, respectively. While the composition of the group comprising our largest clients varies significantly from year to year, we expect that our advisory engagements will continue to be limited to a relatively small number of clients and that an even smaller number of those clients will account for a high percentage of revenues in any particular year. As a result, the adverse impact on our results of operation of one lost mandate or the failure of one transaction or restructuring on which we are advising to be completed, can be significant.

There will not be a consistent pattern in our financial results from quarter to quarter, which may result in increased volatility of our stock price

We can experience significant variations in revenues and profits during the year. These variations can generally be attributed to the fact that our revenues are usually earned in large amounts throughout the year upon the successful completion of a transaction or restructuring, the timing of which is uncertain and is not subject to our control. Compared to our larger, more diversified competitors in the financial services industry, we generally experience even greater variations in our

revenues and profits. This is due to our dependence on a relatively small number of transactions for most of our revenues, with the result that our earnings can be significantly affected if any particular transaction is not completed successfully, and to the fact that we lack other, more stable sources of revenue in material amounts, such as brokerage and asset management fees, which could moderate some of the volatility in advisory revenues. As a result, it may be difficult for us to achieve steady earnings growth on a quarterly basis, which could adversely affect our stock price.

In addition, in many cases we are not paid for advisory engagements that do not result in the successful consummation of a transaction or restructuring. As a result, our business is highly dependent on market conditions and the decisions and actions of our clients and interested third parties. For example, a client could delay or terminate an acquisition transaction because of a failure to agree upon final terms with the counterparty, failure to obtain necessary regulatory consents or board or shareholder approvals, failure to secure necessary financing, adverse market conditions or because the target's business is experiencing unexpected financial problems. Anticipated bidders for assets of a client during a restructuring transaction may not materialize or our client may not be able to restructure its operations or indebtedness due to a failure to reach agreement with its principal creditors. In these circumstances, in many cases we do not receive any advisory fees, other than the reimbursement of certain out-of-pocket expenses. The failure of the parties to complete a transaction on which we are advising, and the consequent loss of revenue to us, could lead to large adverse movements in our stock price. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Quarterly Performance".

Difficult market conditions could adversely affect our business in many ways

Adverse market or economic conditions would likely affect the number and size of transactions on which we provide mergers and acquisitions advice and therefore adversely affect our financial advisory fees. As our operations in the United States and the United Kingdom have historically provided most of our revenues and earnings, our revenues and profitability are particularly affected by economic conditions in these countries.

In the past, we have derived a substantial share of our revenues from providing investment banking advisory services to the communications and media, consumer goods, retail and financial services sectors. Any slowdown of activity in these sectors could have an adverse effect on our earnings.

Adverse market or economic conditions as well as a slowdown of activity in the sectors in which the portfolio companies of our merchant banking funds operate could have an adverse effect on the earnings of those portfolio companies, and therefore, our earnings, especially in the future as we seek to increase our merchant banking fund management revenues.

If the number of debt defaults, bankruptcies or other factors affecting demand for our restructuring advisory services declines, our revenues and profitability could suffer

During the periods when mergers and acquisitions activity decline and debt defaults increase, we increasingly rely on the provision of restructuring and bankruptcy advisory services as a source of new business. We provide various restructuring and restructuring-related advice to companies in financial distress or their creditors or other stakeholders. A number of factors affect demand for these advisory services, including general economic conditions and the availability and cost of debt and equity financing.

If demand for our restructuring services decreases, we could suffer a decline in revenues, which could lower our overall profitability.

We are seeking to expand our merchant banking fund management business, which will entail increased levels of investments in high-risk, illiquid assets

We are seeking to expand our merchant banking fund management business by establishing new merchant banking funds. Our revenues from this business are primarily derived from

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management fees calculated as a percentage of committed capital and/or assets under management and profit overrides, which are earned if investments are profitable over a specified threshold. Our ability to form new merchant banking funds is subject to a number of uncertainties, including adverse market or economic conditions, competition from other fund managers, and the ability to negotiate terms with major investors.

In addition, through our controlling interest in the general partner of the funds, we expect to make certain principal investments in our new funds. In March 2005, we committed $85 million to our new merchant banking fund, Greenhill Capital Partners II, which we expect will represent approximately 10% of committed capital to Greenhill Capital Partners II. The kinds of investments made by these funds are generally in relatively high-risk, illiquid assets. Contributing capital to these funds is risky and we may lose some or all of the principal amount of our investments.

Given the nature of the investments contemplated by Greenhill Capital Partners, there is a significant risk that Greenhill Capital Partners will be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy. In particular, these risks could arise from changes in the financial condition or prospects of the portfolio company in which the investment is made, changes in national or international economic conditions or changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made.

Greenhill Capital Partners will typically invest in securities of a class that are not publicly-traded. In many cases Greenhill Capital Partners may be prohibited by contract or by applicable securities laws from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Greenhill Capital Partners will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In particular, the Greenhill Capital Partners' ability to dispose of investments is heavily dependent on the initial public offering market, which fluctuates in terms of both volume of transactions as well as the types of companies which are able to access the market. Furthermore, the types of investments made may require a substantial length of time to liquidate.

In addition, the investments in these funds are adjusted for accounting purposes to fair value at the end of each quarter and our allocable share of these gains or losses will affect our revenue even though such market fluctuations may have no cash impact, which could increase the volatility of our quarterly earnings. It takes a substantial period of time to identify attractive merchant banking opportunities, to raise all the funds needed to make an investment and then to realize the cash value of our investment through resale. Even if a merchant banking investment proves to be profitable, it may be several years or longer before any profits can be realized in cash.

We face strong competition from far larger firms in part due to a trend toward consolidation

The investment banking industry is intensely competitive and we expect it to remain so. We compete on the basis of a number of factors, including the quality of our advice and service, innovation, reputation and price. We believe we may experience pricing pressures in our areas of operation in the future as some of our competitors seek to obtain market share by reducing prices. We are a small investment bank, with 127 employees (including managing directors and senior advisors) on December 31, 2004 and total revenues of approximately $151.9 million in 2004. Most of our competitors in the investment banking industry have a far greater range of products and services, greater financial and marketing resources, larger customer bases, greater name recognition, more managing directors to serve their clients' needs, greater global reach and more established relationships with their customers than we have. These larger and better capitalized competitors may be better able to respond to changes in the investment banking market, to compete for skilled professionals, to finance acquisitions, to fund internal growth and to compete for market share generally.

The scale of our competitors has increased in recent years as a result of substantial consolidation among companies in the investment banking industry. In addition, a number of large commercial banks, insurance companies and other broad-based financial services firms have

established or acquired financial advisory practices and broker-dealers or have merged with other financial institutions. These firms have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage, asset management and investment banking services, which may enhance their competitive position. They also have the ability to support investment banking with commercial banking, insurance and other financial services revenues in an effort to gain market share, which could result in pricing pressure in our businesses. In particular, the ability to provide financing as well as advisory services has become an important advantage for some of our larger competitors, and because we are unable to provide such financing we may be unable to compete for advisory clients in a significant part of the advisory market.

Greenhill is controlled by its managing directors whose interests may differ from those of our public shareholders

Our managing directors and their affiliated entities collectively own approximately 81.5% of the total shares of common stock outstanding and following this offering will own approximately 68.5% of the Company or 66.5% if the underwriters' option is exercised in full. Following this offering, Robert F. Greenhill and members of his family will beneficially own approximately 20.3% of our common stock (or 19.7% if the underwriters' option to purchase additional shares is exercised in full) and the other members of our Management Committee will own 32.6% of our common stock (or 31.7% if the underwriters' option to purchase additional shares is exercised in full).

As a result of these shareholdings, the members of our Management Committee currently are able, and will continue after this offering to be able, to elect our entire Board of Directors, control the management and policies of Greenhill and, in general, determine without the consent of the other shareholders the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of the assets of Greenhill. Our managing directors currently are able, and will continue after this offering to be able, to prevent or cause a change in control of Greenhill.

Employee misconduct could harm Greenhill and is difficult to detect and deter

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years and we run the risk that employee misconduct could occur at our company. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm. Our advisory business often requires that we deal with client confidences of the greatest significance to our clients, improper use of which may have a material adverse impact on our clients. Any breach of our clients' confidences as a result of employee misconduct may impair our ability to attract and retain advisory clients. It is not always possible to deter employee misconduct and the precautions we take to detect and prevent this activity may not be effective in all cases.

We may face damage to our professional reputation and legal liability to our clients and affected third parties if our services are not regarded as satisfactory

As an investment banking firm, we depend to a large extent on our relationships with our clients and our reputation for integrity and high-caliber professional services to attract and retain clients. As a result, if a client is not satisfied with our services, it may be more damaging in our business than in other businesses. Moreover, our role as advisor to our clients on important mergers and acquisitions or restructuring transactions involves complex analysis and the exercise of professional judgment, including rendering "fairness opinions" in connection with mergers and other transactions. Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties, including shareholders of our clients who could bring securities class actions against us. In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial intermediaries have been increasing. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant reputational harm to us, which could seriously harm our business prospects.

We are subject to extensive regulation in the financial services industry

We, as a participant in the financial services industry, are subject to extensive regulation in the United States and elsewhere. We face the risk of significant intervention by regulatory authorities in all jurisdictions in which we conduct our business. Among other things, we could be fined, prohibited from engaging in some of our business activities or subject to limitations or conditions on our business activities. In addition, as a result of recent highly publicized financial scandals, the regulatory environment in which we operate may be subject to further regulation. New laws or regulations or changes in the enforcement of existing laws or regulations applicable to our clients may also adversely affect our business.

Legal restrictions on our clients may reduce the demand for our services

New laws or regulations or changes in enforcement of existing laws or regulations applicable to our clients may also adversely affect our businesses. For example, changes in antitrust enforcement could affect the level of mergers and acquisitions activity and changes in regulation could restrict the activities of our clients and their need for the types of advisory services that we provide to them.

Our share price may decline due to the large number of shares eligible for future sale

Sales of substantial amounts of common stock by our managing directors and other employees, or the possibility of such sales, may adversely affect the price of the common stock and impede our ability to raise capital through the issuance of equity securities. See "Shares Eligible for Future Sale" for a discussion of possible future sales of common stock.

As of March 31, 2005, there were 30,682,466 shares of common stock outstanding, which is net of 67,534 shares of common stock held in treasury. The 5,750,000 shares of common stock sold in our initial public offering in May 2004 (or 5,682,466 shares of common stock, after our repurchase of the 67,534 shares of common stock currently held in treasury) are freely transferable without restriction or further registration under the Securities Act of 1933. Upon completion of this offering, 9,682,466 shares of outstanding common stock will be freely transferable, and if the underwriters exercise their overallotment option in full, 10,282,466 shares will be freely transferable. Subject to certain exceptions described under "Shares Eligible for Future Sale", the remaining 21,000,000 shares of common stock (or 20,400,000 shares, if the underwriters exercise their overallotment option in full) may not be sold until May 11, 2009, except in one or more underwritten public offerings approved by our underwritten offering committee which consists of Robert F. Greenhill (who chairs the committee), Scott L. Bok and Simon A. Borrows. Approval of an underwritten offering by the committee will require approval of either the chair of the committee or the joint approval of the other two members of the committee. Accordingly, Robert Greenhill alone, or Scott Bok and Simon Borrows together, may permit a sale of shares of our common stock that could adversely affect the market price of our common stock. After May 11, 2009, there will be no remaining contractual restrictions on resale on the shares issued to our managing directors at the time of the initial public offering. In connection with the departure of a managing director, we expect to repurchase 800,000 shares of common stock in August of 2005. See "Management—Managing Director Departure." In addition, 7,338,312 of such shares of common stock held by Robert F. Greenhill through his affiliated entities, Lord James Blyth and Harvey R. Miller will be eligible for resale pursuant to Rule 144 after May 11, 2006 and will not be subject to such contractual restrictions after that date. In addition, as of March 31, 2005, we had awarded our directors, managing directors and other employees an aggregate of 1,097,666 restricted stock units. Each restricted stock unit represents the holder's right to receive one share of our common stock or a cash payment equal to the fair market value therefor, at our election, following the applicable vesting date. Awards of restricted stock units to our directors granted upon the directors' initial appointment or election to the board vest in full one year from their grant date. Awards of restricted stock units to our directors granted as compensation for services rendered vest

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immediately. Awards of restricted stock units to our managing directors and other employees generally vest either ratably over a five year period beginning on the first anniversary of the grant date or do not vest until the fifth anniversary of their grant date, when they vest in full. Shares will be issued in respect of restricted stock units only under the circumstances specified in the applicable award agreements and the equity incentive plan. Assuming all of the conditions to vesting are fulfilled, the maximum number of shares that could be issued in respect of the 1,097,666 restricted stock units that had been granted as of March 31, 2005 would be: 131,434 shares in 2005, 145,592 shares in 2006, 137,195 shares in 2007, 137,195 shares in 2008, 148,311 shares in 2009, and 397,939 shares in 2010. See "Shares Eligible for Future Sale" for a discussion of the shares of common stock that may be sold into the public market in the future. In connection with this offering, each of the company, its directors, officers and the selling stockholders has agreed with the underwriters, subject to certain exceptions, not to dispose of 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 continuing through a date that is not less than one year after the date of this prospectus. See "Underwriting" for more information on the lock-up restrictions imposed by the underwriters.

The market price of our common stock may decline

The price of the common stock after this offering may fluctuate widely, depending upon many factors, including the perceived prospects of Greenhill and the financial services industry in general, differences between our actual financial and operating results and those expected by investors, changes in general economic or market conditions and broad market fluctuations. Declines in the price of our stock may adversely affect our ability to recruit and retain key employees, including our managing directors.

The historical and unaudited pro forma consolidated financial information in this prospectus may not permit you to predict our costs of operations

The historical consolidated financial information in this prospectus relating to periods before May 11, 2004 does not reflect the added costs that we have incurred since that date as a public company or the changes that have occurred in our capital structure and operations as a result of our initial public offering. Because we historically operated through partnerships and limited liability companies prior to our transition to corporate form, at the time of our initial public offering in May 2004, we paid little or no taxes on profits and paid limited salaries to our managing directors. In preparing our unaudited pro forma consolidated financial information, we deducted and charged to earnings estimated income taxes based on an estimated tax rate, which may be different from our actual tax rate in the future, and estimated salaries, payroll taxes and benefits for our managing directors. The estimates we used in our unaudited pro forma consolidated financial information may not be similar to our actual experience as a public corporation. For more information on our historical financial statements and unaudited pro forma consolidated financial information, see "Unaudited Pro Forma Consolidated Financial Information" and our historical consolidated financial statements and their notes included elsewhere in this prospectus.

We may be required to make substantial payments under certain indemnification agreements

In connection with our initial public offering and our conversion to corporate form in May 2004, we entered into agreements that provide for the indemnification of our managing directors, directors, officers and certain other persons authorized to act on our behalf against certain liabilities of our managing directors relating to the time they were members or partners of Greenhill & Co. Holdings, LLC or its affiliates, and certain tax liabilities of our members that may arise in respect of periods prior to the offering when we were a limited liability company. We may be required to make substantial payments under these indemnification agreements, which could adversely affect our financial condition. For more information on our indemnification arrangements, see "Certain Relationships and Related Transactions—Incorporation Transactions", "Certain Relationships and Related Transactions—Director and Officer Indemnification" and "Certain Relationships and Related Transactions—Tax Indemnification Agreement and Related Matters".

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements under the captions "Prospectus Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and in other sections of this prospectus that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may", "might", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks outlined under "Risk Factors".

These risks are not exhaustive. Other sections of this prospectus may include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this prospectus to conform our prior statements to actual results or revised expectations.

Forward-looking statements include, but are not limited to, the following:

- the discussion of significant growth and profit opportunities for firms like ours in the United States and abroad in "Business—Industry Trends";
- the statements about (i) our expectation that our total compensation and benefits, including that payable to our managing directors, will not exceed 50% of total revenues in "Summary

Consolidated Financial Data", "Selected Consolidated Financial and Other Data", "Unaudited Pro Forma Consolidated Financial Information" and (ii) our expectation to make certain principal investments and our expectation of revenues from a profit override and from gains on investments of our capital beginning in 2005 in "Prospectus Summary—Principal Sources of Revenue—Merchant Banking Fund Management", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Merchant Banking Fund Management and Other Revenues" and "Business—Principal Sources of Revenue— Merchant Banking Fund Management";

- the statement about our expectation of benefits from a sustained increase in M&A volume in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Environment";
- the statements about our belief that a firm focused on advisory activities can be highly profitable and grow rapidly in "Business—Industry Trends";
- the statements about our expectation of profit overrides for investments made by Greenhill Capital Partners beginning in 2004 in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Merchant Banking Fund Management and Other Revenues" and our expectation of a 25% share of profit overrides earned on the third fund to be raised by Barrow Street Capital in "Business—Principal Sources of Revenue—Merchant Banking Fund Management" and "Certain Relationships and Related Transactions—Relationship with Barrow Street Capital";

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- the discussion of our ability to meet liquidity needs without maintaining significant cash balances in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources"; and
- all the statements in "Business—Strategy" and "Prospectus Summary—Strategy" about our plans, goals, intentions and expectations concerning expanding the depth and breadth of our advisory business, expanding the size of our merchant banking fund management activities, maintaining a balance of activities across geographic regions and increasing the stability of our earnings.

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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.

DIVIDEND POLICY

Dividends declared per common share were $0.08 per quarter and $0.16 in the aggregate in 2004, as dividends were only paid in the second half of 2004, following our initial public offering. Dividend equivalents of $0.1 million were recorded in 2004 on the restricted stock units that are expected to vest. Additionally, in January 2005 and April 2005, our Board of Directors declared separate quarterly dividends of $0.10 per share for an aggregate of $0.20 per share.

The declaration of this and any other dividends 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 shareholders 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 March 31, 2005. This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Unaudited Pro Forma Consolidated Financial Information" and the consolidated financial statements and notes thereto appearing elsewhere in this prospectus. Our capitalization will not be affected by this offering.

	As of March 31, 2005	
Stockholders' equity:		
Common stock, $0.01 par value per share, 100,000,000 shares authorized and 30,750,000 shares issued and outstanding (1)	$	307,500
Restricted stock units		5,260,599
Additional paid-in capital		106,743,051
Retained earnings		23,354,223
Accumulated other comprehensive income		796,555
Treasury stock, at cost, par value $0.01 per share; 67,534 shares		(2,127,932)
Total stockholders' equity		134,333,996
Total capitalization	$	134,333,996

(1) Includes 67,534 shares repurchased and held in treasury.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Because Greenhill was a limited liability company prior to its May 2004 initial public offering, payments for services rendered by our managing directors generally were accounted for as distributions of members' capital (or, in the case of our European managing directors who were partners of Greenhill & Co. International LLP, minority interest) rather than compensation expense during that period. As a result, our compensation and benefits expense did not reflect a large portion of payments for services rendered by our managing directors and therefore understated our operating costs as a public company. It is currently our policy that total annual compensation and benefits, including that payable to our managing directors, will not exceed 50% of total revenues each year (although we retain the ability to change this policy in the future).

Similarly, as a limited liability company prior to its May 2004 initial public offering, Greenhill was not subject to U.S. federal or state income taxes, and our controlled U.K. affiliate, Greenhill & Co. International LLP, as a limited liability partnership effective as of January 1, 2002, was not generally subject to U.K. income taxes. However, Greenhill was subject to New York City Unincorporated Business Tax on its U.S. earnings, which are no longer applicable to it following its conversion to corporate form. As a result, Greenhill's tax expense prior to the initial public offering understates the level of taxes paid by us as a public company.

In order to reflect compensation, tax and minority interest as if Greenhill operated as a public company as of January 1, 2004, the Unaudited Pro Forma Consolidated Financial Information gives effect to adjustments during the period from January 1, 2004 to the date of the initial public offering to the following items:

- total compensation and benefits expenses equivalent to 45% of our total revenues, which is our current level of compensation and benefits expense;
- the provision for corporate income taxes at a 42.0% effective rate; and
- the elimination of minority interests that represent the membership interests in Greenhill & Co. International LLP held directly by our managing directors based in Europe.

These items are collectively referred to as the "Pro Forma Adjustments".

The Pro Forma Adjustments are based upon available information and certain assumptions that management believes are reasonable. The Unaudited Pro Forma Consolidated Financial Information and accompanying notes should be read in conjunction with the consolidated financial statements and related notes.

The following Unaudited Pro Forma Consolidated Financial Information is based upon the historical consolidated financial statements of Greenhill. The Unaudited Pro Forma Consolidated Statement of Income Information for the year ended December 31, 2004 was prepared as if the incorporation transactions and the related transactions described under "Certain Relationships and Related Transactions—Incorporation Transactions" and this offering had taken place on January 1, 2004. As permitted by the rules and regulations of the Securities and Exchange Commission, the Unaudited Pro Forma Consolidated Financial Information is presented on a condensed basis.

The Unaudited Pro Forma Consolidated Financial Information presented is not necessarily indicative of the results of operations or financial position that might have occurred had our reorganization and initial public offering actually taken place as of the dates specified, or that may be expected to occur in the future.

Unaudited Pro Forma Consolidated Statement of Income Information

	Year Ended December 31, 2004		
	Historical	Pro Forma Adjustments	Pro Forma
	(in thousands, except per share data)		
Total Revenue	$ 151,853	$ —	$ 151,853
Compensation and benefits	61,447	6,233 (a)	67,680
Other expenses	26,898	—	26,898

Total expenses	88,345	6,233	94,578
Income before tax and minority interest	63,508	(6,233)	57,275
Minority interest in net income of subsidiary	6,487	(6,487) (b)	—
Income before tax	57,021	254	57,275
Provision for taxes	18,705	4,243 (c)	22,948
Net income	$ 38,316	$ (3,989)	$ 34,327
Average common shares outstanding:			
Basic	28,780	—	28,780
Diluted	28,789	—	28,789
Earnings per share:			
Basic	1.33	(0.14)	1.19
Diluted	1.33	(0.14)	1.19

The accompanying notes are an integral part of the Unaudited Pro Forma Consolidated Financial Information.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

(a) Because Greenhill was a limited liability company prior to its initial public offering, payments for services rendered by our managing directors generally were accounted for during this period as distributions of members' capital rather than as compensation expense. As a corporation, we include all payments for services rendered by our managing directors in compensation and benefits expense.

Compensation and benefits expense, reflecting our conversion to corporate form, consists of cash compensation and non-cash compensation related to restricted stock units awarded to employees. It is our policy that our total compensation and benefits, including that payable to our managing directors, will not exceed 50% of total revenues each year (although we retain the ability to change this policy in the future). An adjustment has been made to record total compensation and benefits expense at 45% of total revenues, consistent with the percentage of compensation paid in 2004 for the period after the initial public offering.

(b) Prior to the consummation of our initial public offering, our managing directors who were the partners in Greenhill & Co. International LLP, or GCI, exchanged their ownership interests in GCI through a series of consecutive exchanges, for equity interests in Greenhill & Co., Inc. immediately following the merger of Greenhill & Co. Holdings, LLC into Greenhill & Co., Inc. Since our initial public offering, we have had no minority interests in GCI and accordingly have eliminated such historical minority interest expense on a pro forma basis.

(c) As a limited liability company, we were generally not subject to income taxes except in foreign and local jurisdictions. The pro forma provision for income taxes for the year ended December 31, 2004 includes assumed federal, foreign, state and local income taxes as if we were a corporation for the period from January 1, 2004 to the date of the initial public offering at an assumed effective rate of 42%.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following selected consolidated financial and other data of Greenhill & Co., Inc. should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Unaudited Pro Forma Consolidated Financial Information" and the consolidated financial statements and notes thereto included elsewhere in this prospectus. The selected consolidated statement of income data for the years ended December 31, 2004, 2003, and 2002 and the selected consolidated balance sheet data as of December 31, 2004 and 2003 are derived from, and qualified by reference to, the audited consolidated financial statements of Greenhill & Co., Inc. included elsewhere in this prospectus and should be read in conjunction with those consolidated financial statements and notes thereto.

The selected consolidated statement of income data for the years ended December 31, 2001 and 2000 and the selected consolidated balance sheet data as of December 31, 2002, 2001 and 2000 have been derived from audited consolidated financial statements of Greenhill not included in this prospectus. The selected financial data at and for the three months ended March 31, 2005 and 2004 are derived from our unaudited financial statements and include all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our results of operations and financial position as of and for such periods.

The unaudited pro forma data set forth below for the year ended December 31, 2004 have been derived from the pro forma data set forth in "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this prospectus. The unaudited pro forma data for the other periods presented have been calculated based on assumptions consistent to those used for the 2004 unaudited pro forma consolidated financial information. Because our historical earnings do not fully reflect our managing director compensation or reflect the level of taxes that we pay as a corporation and include minority interests that have been eliminated following our conversion to corporate form, we believe that inclusion of this pro forma data is important to provide an accurate depiction of our business. A reconciliation of pro forma data to historical financial information follows this table.

	As of or for the Three Months Ended March 31,		As of or for the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	(in thousands, except per share and number of employee data)						
Statement of Income Data:							
Total Revenues	$ 43,928	$ 29,566	$ 151,853	$ 126,679	$ 112,608	$ 99,964	$ 111,476
% Change from Prior Year	—	—	20%	12%	13%	(10%)	30%
Actual Compensation & Benefit Expense(a)	19,920	9,236	61,447	27,094	19,476	46,428	48,295
Non-Compensation Expense	6,720	4,970	26,898	18,924	17,319	18,739	14,657
Income Before Tax and Minority Interest(a)	17,288	15,360	63,508	80,661	75,813	34,797	48,524
Net Income(a)(b)	10,752	10,480	38,316	45,400	57,817	34,984	45,520
Diluted Earnings Per Share	0.35	n/a	1.33	n/a	n/a	n/a	n/a
Balance Sheet Data:							
Total Assets	$ 166,328	$ 48,076	$ 177,016	$ 60,638	$ 63,794	$ 90,327	$ 57,490
Total Liabilities	31,392	26,598	49,273	18,209	14,363	38,230	23,604

Minority Interest	602	6,483	504	10,172	7,758	—	—
Stockholders' and Members' Equity	134,334	14,995	127,239	32,257	41,673	52,097	33,886
Pro Forma Data (unaudited)(c)							
Pro Forma Income Before Tax(d)(e)	$ —	$ 11,291	$ 57,275	$ 50,749	$ 44,615	$ 36,241	$ 46,655
Pro Forma Net Income(d)(e)(f)	—	6,549	34,327	29,435	25,877	21,020	27,060

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	As of or for the Three Months Ended March 31,		As of or for the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	(in thousands, except per share and number of employee data)						
Pro Forma Diluted Earnings Per Share	—	0.26	1.19	1.18	1.04	0.84	1.08
Pro Forma Diluted Average Common Shares Outstanding(g)	—	25,000	28,789	25,000	25,000	25,000	25,000
Selected Data and Ratios (unaudited):							
Income Before Tax and Minority Interest as a Percentage of Revenues	39%	52%	42%	64%	67%	35%	44%
Revenues per Employee(h)	—	—	1,298	1,201	1,155	1,212	1,742
Employees(i):							
United States	—	—	76	63	64	52	48
Europe	—	—	51	44	40	39	26
Total Employees	—	—	127	107	104	91	74

(a)Prior to our May 2004 initial public offering we were a limited liability company and payments for services rendered by our managing directors were accounted for as distributions of members' capital rather than as compensation expense, except for payments made to managing directors and managing director equivalents of $2.5 million for the three months ended March 31, 2004 and of $2.9 million, $5.0 million, $1.4 million, $25.5 million and $27.3 million in 2004, 2003, 2002, 2001 and 2000, respectively, which were recorded as compensation expense. As a result, our pre-tax earnings and compensation and benefits expense prior to our initial public offering did not reflect most payments for services rendered by our managing directors. Accordingly, pre-tax earnings in that period understated our operating costs as a corporation. Since the initial public offering, we have included all payments for services rendered by our managing directors in compensation and benefits expense.

(b)

Prior to our May 2004 initial public offering, we were a limited liability company and our earnings did not fully reflect the taxes that we pay as a public corporation. Additionally, a portion of our earnings attributable to our European operations was recorded as minority interest during that period.

(c) Prior to our May 2004 initial public offering we were a limited liability company and our earnings did not fully reflect the compensation and benefits expense or the taxes that we pay as a public corporation. Additionally, a portion of our earnings attributable to our European operations was recorded as minority interest during that period. We believe that the pro forma amounts presented, which increase compensation expense and tax expense to amounts we expect we would have paid as a corporation during that period and eliminate the minority interest, more accurately depict our results as a public company. The amounts for the year ended December 31, 2004 include the pro forma results of operations as if we operated as a public company during the period January 1, 2004 to the date of our initial public offering combined with the actual results of operations for the period after the public offering. The amounts for the three months ended March 31, 2004 and the years ended December 31, 2003, 2002, 2001 and 2000 reflect pro forma results of operations as if the initial public offering had occurred as of January 1 of each of those periods.

(d) Compensation and benefits expense, reflecting our conversion to corporate form, consists of cash compensation and non-cash compensation related to restricted stock units awarded to employees. It is our policy that total annual compensation and benefits, including that payable to the managing directors, will not exceed 50% of total revenues each year (although the company

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retains the ability to change this policy in the future). Adjustments to increase compensation expense for the three months ended March 31, 2004 and the years ended December 31, 2004, 2003, 2002 and 2000 of $4.1 million, $6.2 million, $29.9 million, $31.2 million and $1.9 million, respectively, and to decrease compensation for the year ended December 31, 2001 of $1.4 million have been made to record total compensation and benefits expense at 45% of total revenues, consistent with the percentage of compensation paid in 2004 for the period after the initial public offering.

(e) For the three months ended March 31, 2004 and the years ended December 31, 2004, 2003 and 2002, historical income before tax has been increased by $4.4 million, $6.5 million, $32.2 million and $17.6 million, respectively, to reflect the elimination on a pro forma basis of minority interests held by European managing directors in a subsidiary. Prior to 2002, the European managing directors were employees and did not have a minority interest in Greenhill.

(f) As a limited liability company, we were generally not subject to income taxes except in foreign and local jurisdictions. The pro forma provision for income taxes for the year ended December 31, 2004 includes an adjustment of $4.2 million for assumed federal, foreign, state and local income taxes as if we were a C Corporation for the period January 1, 2004 to the date of the public offering at an assumed effective rate of 42% combined with the actual tax provision for the period after the public offering. For the three months ended March 31, 2004 and the years ended December 31, 2003, 2002, 2001 and 2000, adjustments of $4.3 million, $18.3 million, $18.4 million, $15.4 million and $16.6 million, respectively were made to adjust our effective tax rate to 42%, reflecting assumed federal, foreign, state and local income taxes as if we were a corporation on January 1, 2004, 2003, 2002, 2001 and 2000.

(g) For 2004 the actual and pro forma numbers of common shares outstanding give effect to (i) 25,000,000 shares issued in connection with our reorganization in conjunction with the initial public offering as if it occurred on January 1, 2004, (ii) the weighted average of the 5,750,000 shares and the common stock equivalents issued in conjunction with and subsequent to the initial public offering and (iii) the 9,346 shares of treasury stock purchased by us in 2004. For the three months ended March 31, 2004 and 2003, 2002, 2001 and 2000 the pro forma number of common shares outstanding gives effect to the shares issued in connection with our reorganization as if it occurred on January 1 of each period.

(h) Total revenues divided by average number of employees (including managing directors and senior advisors) in each period.

(i) Includes our managing directors and senior advisors.

Reconciliation of Unaudited Pro Forma Data to Historical Financial Information

The following table reconciles unaudited Pro Forma Income Before Tax to Income Before Tax & Minority Interest. See "Unaudited Pro Forma Consolidated Financial Information" for more information on the assumptions underlying these calculations with respect to 2004. The pro forma data for 2003, 2002, 2001 and 2000 are based on consistent assumptions.

	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2004	2003	2002	2001	2000
	(in thousands)					
Income Before Tax and Minority Interest	$ 15,360	$ 63,508	$ 80,661	$ 75,813	$ 34,797	$ 48,524
Add back (deduct):						
Historical Compensation and Benefits	9,236	61,447	27,094	19,476	46,428	48,295
Pro Forma Compensation and Benefits	(13,305)	(67,680)	(57,006)	(50,674)	(44,984)	(50,164)
Pro Forma Income Before Tax	$ 11,291	$ 57,275	$ 50,749	$ 44,615	$ 36,241	$ 46,655

The following table reconciles unaudited Pro Forma Net Income to Net Income:

	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2004