

GP STRATEGIES CORPORATION & SUBSIDIARIES

Non-GAAP Reconciliation – Adjusted EBITDA

(In thousands)

(Unaudited)

	Quarters ended September 30,		Nine months ended September 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net income (loss)	\$ 1,983	\$ 2,936	\$ (3,177)	\$ 8,768
Interest expense	52	138	157	621
Income tax expense	1,737	2,116	3,022	6,243
Depreciation and amortization	775	812	2,337	2,469
Goodwill and intangible asset impairment loss	-	-	10,163	-
Adjusted EBITDA ⁽¹⁾	\$ 4,547	\$ 6,002	\$ 12,502	\$ 18,101

- (1) Adjusted earnings before interest, income taxes, depreciation and amortization (Adjusted EBITDA) is a widely used non-GAAP financial measure of operating performance. It is presented as supplemental information that the Company believes is useful to investors to evaluate its results because it excludes certain items that are not directly related to the Company's core operating performance. Adjusted EBITDA is calculated by adding back net interest expense, income tax expense, depreciation and amortization, non-cash stock-based compensation expense and goodwill and intangible asset impairment loss to net income. Adjusted EBITDA should not be considered as substitutes either for net income, as an indicator of the Company's operating performance, or for cash flow, as a measure of the Company's liquidity. In addition, because Adjusted EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies.