



**GP STRATEGIES CORPORATION AND SUBSIDIARIES**

**Non-GAAP Reconciliation – EBITDA <sup>(1)</sup>**

*(In thousands)*

*(Unaudited)*

	Quarters ended		Six months ended	
	June 30,		June 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net income	\$ 5,984	\$ 4,711	\$ 10,368	\$ 7,301
Interest expense	60	65	100	98
Income tax expense	3,988	3,230	6,938	5,078
Depreciation and amortization	1,948	1,548	3,806	2,614
EBITDA	<u>\$ 11,980</u>	<u>\$ 9,554</u>	<u>\$ 21,212</u>	<u>\$ 15,091</u>

(1) Earnings before interest, income taxes, depreciation and amortization (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. EBITDA is calculated by adding back to net income interest expense, income tax expense, depreciation and amortization. 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 EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies.