

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **March 4, 2010**

**GP Strategies Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**1-7234**

(Commission File Number)

**13-1926739**

(IRS Employer Identification No.)

**6095 Marshalee Drive, Suite 300, Elkridge, MD**

(Address of Principal Executive Offices)

**21075**

(Zip Code)

**(410) 379-3600**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 2.02 Results of Operations and Financial Condition**

On March 4, 2010, GP Strategies Corporation announced its results for the quarter and fiscal year ended December 31, 2009. The earnings release is attached hereto as an exhibit to this Form 8-K.

## **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

99.1 Press release of GP Strategies Corporation dated March 4, 2010 announcing its results for the quarter ended December 31, 2009.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GP STRATEGIES CORPORATION

Date: March 4, 2010

/s/ Sharon Esposito-Mayer  
Sharon Esposito-Mayer  
Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of GP Strategies Corporation dated March 4, 2010 announcing its results for the quarter ended December 31, 2009.



## GP STRATEGIES REPORTS FOURTH QUARTER 2009 FINANCIAL RESULTS

**Elkridge, MD. March 4, 2010. GP Strategies Corporation (NYSE: GPX)**, a global provider of training, e-Learning solutions, management consulting, engineering and technical services through its principal operating subsidiary General Physics Corporation, today reported financial results for the quarter and year ended December 31, 2009.

### Overview of Results:

#### Fourth Quarter 2009

- Revenue of \$57.8 million for fourth quarter of 2009 compared to \$63.0 million for fourth quarter of 2008 and \$54.1 million for third quarter of 2009
- Operating income of \$3.4 million for fourth quarter of 2009 compared to \$4.2 million for fourth quarter of 2008, excluding non-cash goodwill impairment loss of \$5.5 million in 2008
- Adjusted EBITDA of \$4.7 million for fourth quarter of 2009 compared to \$5.5 million for fourth quarter of 2008 and \$4.5 million for third quarter of 2009
- Earnings of \$0.13 per diluted share for fourth quarter of 2009 compared to adjusted earnings of \$0.15 per diluted share for fourth quarter of 2008, excluding non-cash goodwill impairment loss of \$0.21 per diluted share in 2008

“The Company earned \$0.13 per share for the quarter ended December 31, 2009,” said Scott N. Greenberg, Chief Executive Officer of GP Strategies. “Both our EBITDA and gross profit increased from the third quarter of 2009 and we continued to successfully weather the economic downturn. The quarter’s results were also impacted by approximately \$300,000 of legal and other expenses relating to our acquisition of PerformTech in December 2009. In addition to our operating improvements, other positive developments occurred during the fourth quarter, including a \$20 million equity investment by Sagard Capital Partners. We acquired two e-Learning businesses, Option Six and PerformTech, in the fourth quarter of 2009. These businesses greatly enhance our e-Learning platform in both the government and commercial areas. We continue to capture new customers, invest internally and complete attractive acquisitions. I am very excited about our future.”

### Balance Sheet and Cash Flow Highlights

As of December 31, 2009, the Company had cash and cash equivalents of \$10.8 million compared to \$4.0 million as of December 31, 2008. The Company had no short-term borrowings or long-term debt outstanding and \$29.8 million of available borrowings under its revolving credit facility as of December 31, 2009. Cash provided by operating activities was \$8.6 million for the quarter and \$18.8 million for year ended December 31, 2009.

### Investor Call

The Company has scheduled an investor conference call for 10:00 a.m. ET on March 4, 2010. In addition to prepared remarks from management, there will be a question and answer session on the call. The dial-in number for the live conference call will be 888-633-3324 using conference ID number 59480893. A telephone replay of the call will also be available beginning at 11:00 a.m. on March 4<sup>th</sup>, until 11:59 p.m. on March 18<sup>th</sup>. To listen to the replay, dial 800-642-1687 or 706-645-9291, using conference ID number 59480893.

## **Presentation of Non-GAAP Information**

This press release contains non-GAAP financial measures, including Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization). The Company believes this non-GAAP financial measure is useful to investors in evaluating the Company's results. This measure should be considered in addition to, and not as a replacement for, or superior to, either net income, as an indicator of the Company's operating performance, or 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. For a reconciliation of these non-GAAP financial measures to the most comparable GAAP equivalent, see the Non-GAAP Reconciliation – Adjusted EBITDA, along with related footnotes, below.

## **About GP Strategies Corporation**

GP Strategies, whose principal operating subsidiary is General Physics Corporation (GP), is a NYSE-listed company (GPX). GP is a global performance improvement solutions provider of sales and technical training, e-Learning solutions, management consulting and engineering services. GP's solutions improve the effectiveness of organizations by delivering innovative and superior training, consulting and business improvement services, customized to meet the specific needs of its clients. Clients include Fortune 500 companies, manufacturing, process and energy industries, and other commercial and government customers. Additional information may be found at [www.gpworldwide.com](http://www.gpworldwide.com).

## **Forward-Looking Statements**

We make statements in this press release that are considered forward-looking statements within the meaning of the Securities Exchange Act of 1934. These statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance or achievements to be materially different from those we project. For a full discussion of these risks, uncertainties and factors, we encourage you to read our documents on file with the Securities and Exchange Commission, including those set forth in our periodic reports under the forward-looking statements and risk factors sections. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**TABLES FOLLOW**

**GP STRATEGIES CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

*(Dollars in thousands, except per share data)*

*(Unaudited)*

	Quarters ended December 31,		Years ended December 31,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenue	\$ <b>57,793</b>	\$ 62,980	<b>\$219,240</b>	\$267,893
Cost of revenue <sup>(1)</sup>	<b>48,814</b>	53,354	<b>185,149</b>	227,084
Gross profit	<b>8,979</b>	9,626	<b>34,091</b>	40,809
Selling, general and administrative expenses <sup>(1)</sup>	<b>5,534</b>	5,377	<b>20,800</b>	21,538
Goodwill impairment loss	-	5,508	<b>10,163</b>	5,508
Operating income (loss)	<b>3,445</b>	(1,259)	<b>3,128</b>	13,763
Interest expense	<b>60</b>	78	<b>217</b>	699
Other income	<b>165</b>	476	<b>484</b>	1,086
Income (loss) before income tax expense	<b>3,550</b>	(861)	<b>3,395</b>	14,150
Income tax expense	<b>1,563</b>	70	<b>4,585</b>	6,313
Net income (loss)	<b>\$ 1,987</b>	\$ (931)	<b>\$ (1,190)</b>	\$ 7,837
Basic weighted average shares outstanding	<b>15,762</b>	16,178	<b>15,835</b>	16,516
Diluted weighted average shares outstanding	<b>15,894</b>	16,207	<b>15,911</b>	16,638
Per common share data:				
Basic earnings (loss) per share	<b>\$ 0.13</b>	\$ (0.06)	<b>\$ (0.08)</b>	\$ 0.47
Diluted earnings (loss) per share	<b>\$ 0.13</b>	\$ (0.06)	<b>\$ (0.07)</b>	\$ 0.47
Other data:				
Adjusted EBITDA <sup>(2)</sup>	<b>\$ 4,653</b>	\$ 5,485	<b>\$ 17,155</b>	\$ 23,586

(1) Effective January 1, 2009, the Company changed the classification of certain information technology (IT) infrastructure costs on the consolidated statement of operations from cost of revenue to selling, general and administrative expenses. The statements of operations for the three and twelve months ended December 31, 2008 have been reclassified to conform with the presentation for 2009. The reclassification resulted in a decrease of \$496,000 and \$1,979,000 in cost of revenue and a corresponding increase in selling, general and administrative expenses for the three and twelve months ended December 31, 2008, respectively.

(2) The term Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization) is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP financial measure to the most comparable GAAP equivalent, see the Non-GAAP Reconciliation – Adjusted EBITDA, along with related footnotes, below.

**GP STRATEGIES CORPORATION AND SUBSIDIARIES**  
**SUPPLEMENTAL FINANCIAL INFORMATION**

(In thousand)  
(Unaudited)

	Quarters ended December 31,		Year ended December 31,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenue by segment:				
Manufacturing & BPO	\$ 28,557	\$ 28,425	\$ 97,290	\$ 119,041
Process & Government	12,361	12,059	53,642	54,394
Energy	5,781	6,017	22,674	22,018
Sandy Training & Marketing	11,094	16,479	45,634	72,440
Total revenue	<u>\$ 57,793</u>	<u>\$ 62,980</u>	<u>\$ 219,240</u>	<u>\$ 267,893</u>
Gross profit by segment:				
Manufacturing & BPO	\$ 3,906	\$ 4,049	\$ 13,711	\$ 17,583
Process & Government	1,671	1,985	7,547	9,203
Energy	1,757	1,580	6,306	6,028
Sandy Training & Marketing	1,645	2,012	6,527	7,995
Total gross profit	<u>\$ 8,979</u>	<u>\$ 9,626</u>	<u>\$ 34,091</u>	<u>\$ 40,809</u>
Operating income (loss) by segment:				
Manufacturing & BPO <sup>(3)</sup>	\$ 1,092	\$ 1,761	\$ (5,096)	\$ 8,934
Process & Government	699	1,039	3,147	5,318
Energy	1,330	1,065	4,474	4,610
Sandy Training & Marketing <sup>(3)</sup>	686	(4,973)	2,411	(3,210)
Corporate and other costs	(362)	(151)	(1,808)	(1,889)
Total operating income (loss)	<u>\$ 3,445</u>	<u>\$ (1,259)</u>	<u>\$ 3,128</u>	<u>\$ 13,763</u>
Supplemental Cash Flow Information:				
Net cash provided by operating activities	\$ 8,630	\$ 6,657	\$ 18,776	\$ 23,970
Capital expenditures	(561)	(75)	(1,174)	(1,936)
Free cash flow	<u>\$ 8,069</u>	<u>\$ 6,582</u>	<u>\$ 17,602</u>	<u>\$ 22,034</u>

- (3) The operating loss for the Manufacturing & BPO segment for the year ended December 31, 2009 includes a \$10,163,000 goodwill and intangible asset impairment loss recognized during the second quarter of 2009, and the operating loss for the Sandy Training & Marketing segment for the quarter and year ended December 31, 2008 includes a \$5,508,000 goodwill impairment loss.

**GP STRATEGIES CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands)*

	<b>December 31,</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ <b>10,803</b>	\$ 3,961
Accounts and other receivables	<b>45,471</b>	42,471
Inventories, net	<b>557</b>	537
Costs and estimated earnings in excess of billings on uncompleted contracts	<b>10,590</b>	8,036
Prepaid expenses and other current assets	<b>6,692</b>	7,277
Total current assets	<b>74,113</b>	62,282
Property, plant and equipment, net	<b>3,121</b>	2,970
Goodwill and other intangibles, net	<b>77,531</b>	67,013
Other assets	<b>1,936</b>	3,575
Total assets	<b>\$ 156,701</b>	<b>\$ 135,840</b>
Current liabilities:		
Short-term borrowings	\$ --	\$ 3,234
Accounts payable and accrued expenses	<b>23,464</b>	25,977
Billings in excess of costs and estimated earnings on uncompleted contracts	<b>13,272</b>	10,222
Total current liabilities	<b>36,736</b>	39,433
Other non-current liabilities	<b>9,075</b>	3,601
Total liabilities	<b>45,811</b>	43,034
Total stockholders' equity	<b>110,890</b>	92,806
Total liabilities and stockholders' equity	<b>\$ 156,701</b>	<b>\$ 135,840</b>

### Non-GAAP Reconciliation – Adjusted EBITDA

(Dollars in thousands)

(Unaudited)

	Quarters ended December 31,		Years ended December 31,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net income (loss)	\$ 1,987	\$ (931)	\$ (1,190)	\$ 7,837
Interest expense	60	78	217	699
Income tax expense	1,563	70	4,585	6,313
Depreciation and amortization	1,043	760	3,380	3,229
Goodwill impairment loss	-	5,508	10,163	5,508
Adjusted EBITDA <sup>(4)</sup>	<u>\$ 4,653</u>	<u>\$ 5,485</u>	<u>\$ 17,155</u>	<u>\$ 23,586</u>

<sup>(4)</sup> 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 and goodwill 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.

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#### CONTACTS:

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