

GP STRATEGIES CORPORATION & SUBSIDIARIES

Non-GAAP Reconciliation – Adjusted EBITDA

(In thousands)

(Unaudited)

	Quarters ended June 30,		Six months ended June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net income (loss)	\$ (6,619)	\$ 2,983	\$ (5,160)	\$ 5,832
Interest expense	50	246	105	483
Income tax expense	190	2,108	1,285	4,127
Depreciation and amortization	755	791	1,562	1,657
Goodwill and intangible asset impairment loss	10,163	-	10,163	-
Adjusted EBITDA ⁽¹⁾	\$ 4,539	\$ 6,128	\$ 7,955	\$ 12,099

- ⁽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.

Non-GAAP Supplemental Cash Flow Information

(In thousands)

(Unaudited)

	Quarters ended June 30,		Six months ended June 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net cash provided by (used in) operating activities	\$ (1,814)	\$ 4,068	\$ 4,841	\$ 8,232
Capital expenditures	(125)	(1,304)	(356)	(1,751)
Free cash flow	\$ (1,939)	\$ 2,764	\$ 4,485	\$ 6,481