SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-2328

GATX Corporation

Incorporated in the State of New York

IRS Employer Identification Number 36-1124040

500 West Monroe Street
Chicago, Illinois 60661-3676
(312) 621-6200

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class or series	Name of each exchange on which registered
Common Stock	New York Stock Exchange Chicago Stock Exchange London Stock Exchange
$2.50 Cumulative Convertible Preferred Stock	New York Stock Exchange Chicago Stock Exchange
$2.50 Cumulative Convertible Preferred Stock, Series B	New York Stock Exchange Chicago Stock Exchange
$3.875 Cumulative Convertible Preferred Stock	New York Stock Exchange Chicago Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x/

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x/ No

As of March 7, 1997, 20,342,269 common shares were outstanding, and the aggregate market value of the common shares (based upon the March 7, 1997 closing price of these shares on the New York Stock Exchange) of GATX Corporation held by nonaffiliates was approximately $1,014.6 million.

Documents Incorporated by Reference

Portions of the GATX Annual Report to Shareholders for the year ended December 31, 1996 are incorporated by reference into Parts I and II. Portions of GATX's proxy statement dated March 14, 1997 are incorporated by reference into Part III.

PART I

Item 1. Business

GATX Corporation is a holding company whose subsidiaries engage in the leasing and management of railroad tank cars and specialized freight cars; provide equipment and capital asset financing and related services; own and operate tank storage terminals, pipelines and related facilities; engage in Great Lakes shipping; and provide distribution and logistics support services and warehousing facilities. Information concerning financial data of business segments and the basis for grouping products or services is contained in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996 on page 33 and pages 38 through 41, which is incorporated herein by reference (page references are to the Annual Report to Shareholders).

Industry Segments

RAILCAR LEASING AND MANAGEMENT

The Railcar Leasing and Management segment (Transportation), headquartered in Chicago, Illinois, is principally engaged in leasing specialized railcars, primarily tank cars, under full service leases. As of December 31, 1996, its North American fleet consisted of approximately 77,500 railcars, including 60,400 tank cars and 17,100 specialized freight cars, primarily Airslide(TM) covered hopper cars and plastic pellet cars. In addition to roughly 66,900 railcars in the United States, Transportation has approximately 9,000 railcars in its Canadian fleet and 1,600 railcars in its Mexican fleet. Transportation has upgraded its fleet over time by adding new larger capacity cars and retiring older smaller capacity cars. Transportation's railcars have a useful life of approximately 30 to 33 years. The average age of the railcars in Transportation's fleet is approximately 16 years.

The following table sets forth the approximate tank car fleet capacity of Transportation as of the end of each of the years indicated and the number of cars of all types added to Transportation's fleet during such years; 1996 additions include 8,700 cars from Transportation's acquisition of the remaining interest in its Canadian subsidiary, CGTX, Inc.

	Year Ended December 31,				
	1996	1995	1994	1993	1992
Tank car fleet capacity (in millions of gallons)	1,353	1,176	1,090	1,024	993
Number of railcars added to North American fleet	13,200	6,200	4,900	3,000	1,600

Transportation's customers use its railcars to ship over 700 different commodities, primarily chemicals, petroleum, and food products. For 1996, approximately 53% of railcar leasing revenue was attributable to shipments of chemical products, 23% to petroleum products, and 18% to food products. Many of these products require cars with special features; Transportation offers a wide variety of sizes and types of cars to meet these needs. Transportation leases railcars to over 700 customers, including major chemical, oil, food and agricultural companies. No single customer accounts for more than 3% of total railcar leasing revenue.

Transportation typically leases new railcars to its customers for a term of five years or longer, whereas renewals or leases of used cars are typically for periods ranging from less than a year to seven years with an average lease term of about three years. The utilization rate of Transportation's railcars as of December 31, 1996 was approximately 95%.

Under its full service leases, Transportation maintains and services its railcars, pays ad valorem taxes, and provides many ancillary services. Through its Car Status Service System, for example, Transportation provides customers with timely information about the location and readiness of their leased cars to enhance and maximize the utilization of this equipment. Transportation also maintains a network of major service centers consisting of four domestic, three Canadian and one Mexican service center, and 37 mobile trucks in 26 locations. Transportation also utilizes independent third-party repair shops.

Transportation purchases most of its new railcars from Trinity Industries, Inc. (Trinity), a Dallas- based metal products manufacturer, under a contract entered into in 1984 and extended from time to time thereafter, most recently in 1992. Transportation anticipates that through this contract it will continue to be able to satisfy its customers' new car lease requirements. Transportation's engineering staff provides Trinity with design criteria and equipment specifications, and works with Trinity's engineers to develop new technology where needed in order to upgrade or improve car performance or in response to regulatory requirements.

The full-service railcar leasing industry is comprised of Transportation, Union Tank Car Company, General Electric Railcar Services Corporation, Shippers Car Line division of ACF Industries, Incorporated, Procor Limited, and many smaller companies. Of the approximately 215,000 tank cars owned and leased in the United States at December 31, 1996, Transportation had approximately 54,200. Principal competitive factors include price, service and availability.

FINANCIAL SERVICES

GATX Financial Services, through its principal subsidiary, GATX Capital Corporation, provides asset-based financing of transportation, information technology and industrial equipment through capital leases, secured equipment loans, and operating leases. GATX Capital also provides related financial services which include the arrangement of lease transactions for investment by other lessors and the management of lease portfolios for third parties. In these underwriting and management activities, GATX Capital seeks fee income and residual participation income. In addition to its San Francisco home office, GATX Capital has two domestic and eleven foreign offices.

The financial services industry is both crowded and efficient. GATX Capital is one of the larger non-bank financial services companies. GATX Capital competes with captive leasing companies, leasing subsidiaries of commercial banks, independent leasing companies, lease brokers, investment bankers, and also with the manufacturers of equipment. Financial services companies compete on the basis of service, effective rates and transaction structuring skills.

GATX Capital participates in selected areas where it thinks the application of its strengths can result in above-market returns in exchange for assuming appropriate levels of risk. GATX Capital has developed a portfolio of assets diversified across industries and equipment classifications, the largest of which include aircraft, rail and information technology. At December 31, 1996, GATX Capital had approximately 700 financing contracts with 600 customers, aggregating $1.8 billion of investments before reserves. Of this amount, 33% consisted of investments associated with commercial jet aircraft, 20% railroad equipment, 12% warehouse and production equipment, 12% information technology equipment, 11% marine equipment, and 12% other.

TERMINALS AND PIPELINES

GATX Terminals Corporation (Terminals) is engaged in the storage, handling and intermodal transfer of petroleum and chemical commodities at key points in the bulk liquid distribution chain. All of its terminals are located near major distribution and transportation points and most are capable of receiving and shipping bulk liquids by ship, rail, barge and truck. Many of the terminals also are linked with major interstate pipelines. In addition to storing, handling and transferring bulk liquids, Terminals provides blending and testing services at most of its facilities. Terminals, headquartered in Chicago, Illinois, owns and operates 26 terminals in 11 states, and seven terminals in the United Kingdom. Terminals also has joint venture interests in 14 international facilities. Additionally, Terminals owns or holds interests in four refined product pipeline systems.

As of December 31, 1996, Terminals had a total storage capacity of 73 million barrels. This includes 54 million barrels of bulk liquid storage capacity in the United States, 7 million barrels in the United Kingdom, and an equity interest in another 12 million barrels of storage capacity in Europe, Mexico and the Far East. Terminals' smallest bulk liquid facility has a storage capacity of 95,000 barrels while its largest facility, located in Pasadena, Texas, has a capacity of over 12 million barrels. Capacity utilization at Terminals' wholly owned facilities was 89% at the end of 1996; throughput for the year was 705 million barrels.

For 1996, 54% of Terminals' revenue was derived from petroleum storage, 25% from chemical storage, 20% from pipelines, and 1% from other products. Demand for Terminals' facilities depends in part upon demand for petroleum and chemical products and is also affected by refinery output, foreign imports, availability of other storage facilities, and the expansion of its customers into new geographical markets.

Terminals serves over 350 customers, including major oil and chemical companies as well as trading firms and larger independent refiners. No single customer accounts for more than 4% of Terminals' revenue. Customer service contracts are both short term and long term.

Terminals along with two Dutch companies, Paktank N.V. and Van Ommeren N.V., are the three major international public terminaling companies. The domestic public terminaling industry consists of Terminals, Paktank Corporation, International-Matex Tank Terminals, and many smaller independent terminaling companies. In addition to public terminaling companies, oil and chemical companies also have significant storage capacity and compete with Terminals in a number of markets. Terminals' pipelines compete with rail, trucks and other pipelines for movement of liquid petroleum products. Principal competitive factors include price, location relative to distribution facilities, and service.

LOGISTICS AND WAREHOUSING

GATX Logistics, Inc. (Logistics) is one of the largest third-party providers of distribution and logistics support services and warehousing facilities in the United States. Logistics, headquartered in Jacksonville, Florida, operates 106 facilities covering approximately 22 million square feet of warehousing space in North America with utilization of 91% at the end of 1996. Value-adding services are strategically the most important benefit GATX Logistics provides. Examples of these services are logistics planning, information management, just-in-time delivery systems, packaging, sub-assembly, freight management and returns management.

GATX Logistics serves about 600 customers, many of which are Fortune 1000 companies. Most customers are manufacturers, but the customer base also includes retailers. In the warehousing sector, GATX Logistics competes primarily with in-house or private operations and with other national operators as well as multi-regional and local operators. In providing transportation and logistics services, GATX Logistics competes with the major trucking companies and providers of specialized distribution services.

GATX Logistics' revenue source by industry served during 1996 was 19% motor vehicle, 15% grocery, 13% farm and construction equipment, 12% consumer products, 10% major appliances, 9% apparel and retail, 9% electronics, 4% chemical, and 9% other. No single customer accounts for more than 10% of Logistics' revenue.

GREAT LAKES SHIPPING

American Steamship Company (ASC), with the largest carrying capacity of the domestic Great Lakes vessel fleets, provides modern and efficient waterborne transportation of dry bulk materials to the integrated steel, electric utility and construction industries. ASC's fleet is entirely comprised of self-unloading vessels which do not require shoreside assistance to discharge cargo. ASC's eleven vessels range in size from 635 feet to 1,000 feet, transport cargoes from 17,000 net tons up to 70,000 net tons depending on vessel size, and can unload at speeds from 2,800 net tons per hour up to 10,000 net tons per hour. Great Lakes vessels are not subject to the severe rusting condition typical of salt water vessels. As a result, ASC's vessels have expected lives of 50 to 75 years.

In 1996, ASC carried 24.6 million tons of cargo. ASC primarily transported iron ore, limestone and coal aggregates. Other commodities transported include sand, salt, potash, gypsum, grain, marble chips and slag. ASC's revenue source by industry served during 1996 was 53% steel, 21% construction, 19% power generation, and 7% other. No single customer accounts for more than 28% of ASC's revenue.

ASC competes with three other U.S. flag Great Lakes commercial fleets, which include U.S.S. Great Lakes Fleet, Inc., Oglebay Norton Company, and Interlake Steamship, and with steel companies which operate captive fleets. Great Lakes shipping is the only major activity of GATX which consumes substantial quantities of petroleum products; fuel for these operations is presently in adequate supply. Competition is based primarily on service and price. ASC is headquartered in Williamsville, New York, and has one regional office.

Trademarks, Patents and Research Activities

Patents, trademarks, licenses, and research and development activities are not material to these businesses taken as a whole.

Seasonal Nature of Business

Great Lakes shipping is seasonal due to the effects of winter weather conditions. However, seasonality is not considered significant to the operations of GATX and its subsidiaries taken as a whole.

Customer Base
- ---------------
GATX and its subsidiaries are not dependent upon a single customer or a few customers. The loss of any one customer would not have a material adverse effect on any segment or GATX as a whole.

Employees
- ---------
GATX and its subsidiaries have approximately 6,000 active employees, of whom 21% are hourly employees covered by union contracts.

Environmental Matters
- ---------------------
Certain operations of GATX's subsidiaries (collectively GATX) present potential environmental risks principally through the transportation or storage of various commodities. Recognizing that some risk to the environment is intrinsic to its operations, GATX is committed to protecting the environment, as well as complying with applicable environmental protection laws and regulations. GATX, as well as its competitors, is subject to extensive regulation under federal, state and local environmental laws which have the effect of increasing the costs and liabilities associated with the conduct of its operations. In addition, GATX's foreign operations are subject to environmental regulations in effect in each respective jurisdiction.

GATX's policy is to monitor and actively address environmental concerns in a responsible manner. GATX has received notices from the U.S. Environmental Protection Agency (EPA) that it is a potentially responsible party (PRP) for study and clean-up costs at 11 sites under the requirements of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund). Under Superfund and comparable state laws, GATX may be required to share in the cost to clean-up various contaminated sites identified by the EPA and other agencies. In all but one instance, GATX is one of a number of financially responsible PRPs and has been identified as contributing only a small percentage of the contamination at each of the sites. Due to various factors such as the required level of remediation and participation in clean-up efforts by others, GATX's total clean-up costs at these sites cannot be predicted with certainty; however, GATX's best estimates for remediation and restoration of these sites have been determined and are included in its environmental reserves.

Future costs of environmental compliance are indeterminable due to unknowns such as the magnitude of possible contamination, the timing and extent of the corrective actions that may be required, the determination of the company's liability in proportion to other responsible parties, and the extent to which such costs are recoverable from third parties including insurers. Also, GATX may incur additional costs relating to facilities and sites where past operations followed practices and procedures that were considered acceptable at the time but in the future may require investigation and/or remedial work to ensure adequate protection to the environment under current or future standards. If future laws and regulations contain more stringent requirements than presently anticipated, expenditures may be higher than the estimates, forecasts, and assessments of potential environmental costs provided below. However, these costs are expected to be at least equal to the current level of expenditures. In addition, GATX has provided indemnities for environmental issues to the buyers of three divested companies for which GATX believes it has adequate reserves.

GATX's environmental reserve at the end of 1996 was $88 million and reflects GATX's best estimate of the cost to remediate known environmental conditions. Additions to the reserve were $12 million in 1996 and $14 million in 1995. Expenditures charged to the reserve amounted to $18 million and $16 million in 1996 and 1995, respectively.

In 1996, GATX made capital expenditures of $17 million for environmental and regulatory compliance compared to $18 million in 1995. These projects included marine vapor recovery, discharge prevention compliance, waste water systems, impervious dikes, tank modifications for emissions control, and tank car cleaning systems. Environmental projects authorized or currently under consideration would require capital expenditures of approximately $20 million in 1997. GATX anticipates it will make annual expenditures at a similar level over each of the next five years.

Item 2. Properties
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Information regarding the location and general character of certain properties of GATX is included in Item 1, Business, of this document and in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996 on page 71, GATX Location of Operations (page reference is to the Annual Report to Shareholders). The major portion of Terminals' land is owned; the balance, including some of its dock facilities, is leased. Most of the warehouses operated by GATX Logistics are leased; the others are managed for third parties.

Item 3. Legal Proceedings
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On July 14, 1995, a judgment in the amount of $9.7 million was entered against GATC by the U.S. District Court for the Northern District of Illinois in the matter of General American Transportation Corporation v. Cryo-Trans, Incorporated (Case No. 91 C 1305), a case involving an alleged patent infringement by GATC in the construction and use of its ArcticarTM cryogenically cooled railcar. GATC was also permanently enjoined from any further infringement of the patent. The Federal Circuit Court of Appeals has reversed the judgment against GATC, and the appellant has filed a motion for an appeal to the United States Supreme Court. Even in the event of an adverse decision on appeal to the Supreme Court and reinstatement of the original judgment against GATC, GATX does not believe the costs associated with the disposition of the affected cars will have a material adverse effect on GATX.

On July 11, 1996, GATX/Airlog Company ("Airlog"), a California general partnership of which a subsidiary of GATX Capital Corporation (a wholly-owned subsidiary of GATX Corporation) ("Capital") is a partner, and Capital filed a complaint for Declaratory Judgment against Evergreen International Airlines, Inc., ("Evergreen") in the United States District Court for the Northern District of California (No. C96-2494) seeking a declaration that neither Capital nor Airlog has any liability to Evergreen as a result of the issuance of Airworthiness Directive 96-01-03 (the "Airworthiness Directive") by the Federal Aviation Administration (the "FAA") in January of 1996. The effect of the Airworthiness Directive is to reduce significantly the amount of freight that three of Evergreen's B747 aircraft may carry.

Between 1988 and 1990, these three aircraft, along with a fourth no longer owned by Evergreen, were modified from passenger to freight configuration by subcontractors of Airlog, with Evergreen's knowledge and consent, pursuant to contracts between Airlog and Evergreen or one of its affiliates. These four aircraft are part of a group of ten B747 aircraft (the "Affected Aircraft") that were modified by subcontractors of Airlog pursuant to a design approved by the FAA at the time the modifications were made, and which are subject to the Airworthiness Directive. The three Evergreen aircraft were flown as part of its fleet for more than five years, and the seven other modified aircraft were flown by Evergreen and the three other operators for significant periods. Capital guaranteed certain of Airlog's obligations to Evergreen. Capital did not issue guarantees with respect to Airlog's obligations to any of Airlog's other customers for the affected aircraft.

Evergreen filed an answer and counterclaim on August 1, 1996, asserting that Airlog and Capital are liable to it under a number of legal theories in connection with the application of the Airworthiness Directive to the three aircraft. In an initial disclosure statement dated October 29, 1996, and served on Airlog and Capital pursuant to applicable discovery rules, Evergreen alleges to have suffered damages which it has calculated as follows: (i) out-of-service costs amounting to approximately $16.2 million as of October 15, 1996; (ii) denial of access to then currently favorable capital markets, resulting in an alleged inability to issues shares in an initial public offering with a value of as much as $1.8 billion; (iii) lost flight revenues and profits amounting to approximately $25.8 million; (iv) lost business opportunities and profits attributable to Evergreen's diminished 747 fleet capacity (which Evergreen did not quantify, but has indicated is subject to further calculation); and maintenance costs in responding to the Airworthiness Directive (and to related airworthiness directives issued by the FAA) of approximately $1.6 million as of March 1996. The counterclaim also seeks exemplary and punitive damages in an unspecified amount. Airlog and Capital have filed a motion seeking partial summary judgment as to four of Evergreen's counterclaims. Airlog and Capital have alleged that three counterclaims, each for breach of warranty are barred by the California Commercial Code's four-year statute of repose, and that a fourth counterclaim, which seeks recovery for negligent misrepresentation is barred by the "economic loss doctrine" which prevents contracting parties from attempting to use tort law to avoid liability limitations they agreed to in their contracts.

Capital learned that on December 18, 1996, General Electric Capital Corporation and a subsidiary (collectively, "GECC") filed a Complaint in the Superior Court for the county of San Francisco (Case No. 983351) against Airlog and Capital among others. The Complaint asserts causes of action under a number of legal theories arising out of the modification of three B747 aircraft from passenger to freighter configuration. These aircraft were modified by subcontractors of Airlog in 1991 with GECC's knowledge and consent, and are three of the ten Affected Aircraft. The Complaint seeks direct and consequential damages which it alleges may be in excess of $50 to $75 million, a declaration requiring defendants promptly to repair the aircraft and punitive damages. To the best of the Company's knowledge, no Summons has been served on any of the defendants in this action.

On January 31, 1997, American International Airways, Inc. ("AIA") filed a complaint in the United States District Court for the Northern District of California (C97-0378) against Airlog, Capital, Airlog Management Corp., and others asserting that Airlog and Capital are liable to it under a number of legal theories in connection with the application of the Airworthiness Directive to two aircraft owned by AIA. These aircraft were modified by subcontractors of Airlog in 1992 and 1994 with AIA's knowledge and consent, and are two of the ten Affected Aircraft. The Complaint seeks damages (to be trebled under one count of the complaint) of an unspecified amount relating to lost revenues, lost profits, denied access to capital markets, repair costs, disruption of its business plan, lost business opportunities, maintenance and engineering costs, and other additional consequential, direct, incidental and related damages. The Complaint asks in the alternative for a recision of AIA's agreements with Airlog and a return of amounts paid, and for injunctive relief directing that Airlog, and certain individual defendants, properly staff and manage the correction of the alleged deficiencies that caused the FAA to issue the Airworthiness Directive.

Consistent with its ongoing product support, Airlog continues to pursue, with the apparent cooperation of each of the four operators of the Affected Aircraft, including Evergreen, GECC and AIA, solutions to the FAA's concerns raised in the Airworthiness Directive. While the results of any litigation are impossible to predict with certainty, GATX believes that each of the foregoing claims are without merit, and that Capital and Airlog have adequate defenses thereto.

In November of 1995, the New Jersey Department of Environmental Protection (the

"DEP") served GATX Terminals Corporation with a Notice of Violation alleging that during 1994 and 1995 the marine vapor recovery units at its Carteret, New Jersey facility produced emissions of carbon monoxide in excess of limits allowed by operating permits for those units. The violation was the result of a design flaw in the vapor recovery equipment, which was promptly corrected. Terminals and the DEP are currently negotiating a resolution of the violation, which could result in the assessment of a monetary penalty against Terminals in excess of $100,000.

Various lawsuits have been filed in the Superior Court for the State of California and served upon Terminals, Calnev Pipe Line Company, or another GATX subsidiary seeking an unspecified amount of damages arising out of the May 1989 explosion in San Bernardino, California. Those suits, all of which were filed in the County of San Bernardino unless otherwise indicated, are: Aguilar, et al, v. Calnev Pipe Line Company, et al, filed February 1990 in the County of Los Angeles (No. 0751026); Alba, et al, v. Southern Pacific Railroad Co., et al, filed November 1989 (No. 252842) and dismissed April 1996; Terry, et al, v. Southern Pacific, et al, filed December 1989 (No. 253604) and dismissed March 1996; Charles, et al, v. Calnev Pipe Line, Inc., et al, filed May 1990 (No. 256269) and settled March 1996; Mary Washington v. Southern Pacific, et al, filed May 1990 (No. 256346) and settled March 1995; Stewart, et al, v. Southern Pacific Railroad Co., et al, filed May 1990 (No. 256464) and settled May 1994 ; Pearson v. Calnev Pipe Line Company, et al, filed May 1990 in the County of San Bernardino (No. 256206); Pollack v. Southern Pacific Transportation, et al, filed May 1992 (No. 271247); Davis v. Calnev Pipe Line Company, et al, filed May 1990 (No. 256207); J. Roberts, et al, v. Southern Pacific Transportation, et al, filed November 1992 (No. 275936) and dismissed June 1995; Irby, et al, v. Southern Pacific, et al, (No. 255715) filed April 1990 and settled May 1994; Reese, et al, v. Southern Pacific, et al (No. 256434) filed May 1990 and settled May 1994; Nancy Washington, et al, v. Southern Pacific, et al, (No. 256435) filed May 1990 and settled April 1994. As Terminals' insurance carriers have assumed the defense of these lawsuits without a reservation of rights and have paid all of the settlements entered into between the parties to date, GATX believes that the likelihood of a material adverse effect on GATX's consolidated financial position or operations is remote.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Registrant

Pursuant to General Instruction G(3), the following information regarding executive officers is included in Part I in lieu of inclusion in the GATX Proxy Statement:

Name	Office Held	Office Held Since	Age
Ronald H. Zech	Chairman and Chief Executive Officer	1996	53
David M. Edwards	Vice President, Finance and Chief Financial Officer	1994	45
David B. Anderson	Vice President, Corporate Development, General Counsel and Secretary	1995	55
William L. Chambers	Vice President, Human Resources	1993	59
Gail L. Duddy	Vice President, Compensation and Benefits	1997	44
Ralph L. O'Hara	Controller	1986	52
Brian A. Kenney	Vice President and Treasurer	1997	37

Officers are elected annually by the Board of Directors. Previously, Mr. Zech was President of GATX Financial Services from 1985 to 1994. In 1994 Mr. Zech was elected as President and Chief Operating Officer of GATX. On January 1, 1996, he was elected as Chief Executive Officer and on April 26, 1996, Chairman. Mr. Edwards was Senior Vice President - Finance and Administration of GATX Financial Services from 1990 to 1994. Mr. Anderson was Vice President, Corporate Development, General Counsel and Secretary of Inland Steel Industries from 1986 until 1995. Concurrently, he served as President of Inland Engineered Materials Corporation. Mr. Chambers was engaged in human resource consulting from 1991 until 1993. Ms. Duddy joined GATX in 1992 as Director of Compensation and in 1995 also assumed responsibility for the benefits function. Prior to coming to GATX, Ms. Duddy served as a Senior Compensation Consultant at William M. Mercer, Inc. Mr. Kenney was Managing Director, Corporate Finance and Banking, for AMR Corporation from 1990-1995.

PART II

Item 5. Market for the Registrant's Common Stock and Related Shareholder Matters

Information required by this item is contained in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996 on page 65, which is incorporated herein by reference (page reference is to the Annual Report to Shareholders).

Item 6. Selected Financial Data

Information required by this item is contained in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996, on pages 66 and 67, which is incorporated herein by reference (page references are to the Annual Report to Shareholders).

Item 7. Management Discussion and Analysis of Financial Condition and Results of Operations

Information required by this item is contained in Item 1, Business, section of this document and in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996, the management discussion and analysis of 1996 compared to 1995 on pages 35, 36, 37, 43, 45, 47 and 48, the financial data of business segments on pages 38 through 41, and the management discussion and analysis of 1995 compared to 1994 on pages 68, 69, and 70, which is incorporated herein by reference (page references are to the Annual Report to Shareholders).

Item 8. Financial Statements and Supplementary Data

The following consolidated financial statements of GATX Corporation, included in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996, which is incorporated herein by reference (page references are to the Annual Report to Shareholders):

- Statements of Consolidated Income and Reinvested Earnings -- Years ended December 31, 1996, 1995 and 1994 on page 42.
- Consolidated Balance Sheets -- December 31, 1996 and 1995, on page 44.
- Statements of Consolidated Cash Flows -- Years ended December 31, 1996, 1995 and 1994, on page 46.
- Notes to Consolidated Financial Statements on pages 50 through 64.

Quarterly results of operations are contained in Exhibit 13, GATX Annual Report to Shareholders for the year ended December 31, 1996 on page 65, which is incorporated herein by reference (page reference is to the Annual Report to Shareholders).

Item 9. Changes in and Disagreements with Accountants on Accounting and

Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information required by this item regarding directors is contained in sections entitled "Nominees For Directors" and "Additional Information Concerning Nominees" in the GATX Proxy Statement dated March 14, 1997, which sections are incorporated herein by reference. Information regarding officers is included at the end of Part I.

Item 11. Executive Compensation

Information required by this item regarding executive compensation is contained in sections entitled "Compensation of Directors" and "Compensation of Executive Officers" in the GATX Proxy Statement dated March 14, 1997, which sections are incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information required by this item regarding the Company's Common Stock is contained in sections entitled "Nominees For Directors," "Security Ownership of Management" and "Beneficial Ownership of Common Stock" in the GATX Proxy Statement dated March 14, 1997, which sections are incorporated herein by reference. There are no persons known to the Company who beneficially owned as of March 12, 1997 more than 5% of the Company's $3.875 Cumulative Convertible Preferred Stock ("CCP Stock").

Item 13. Certain Relationships and Related Transactions

None.

PART IV

Item 14. Financial Statement Schedules, Reports on Form 8-K and Exhibits.

a) 1. -Financial Statements

The following consolidated financial statements of GATX Corporation included in the Annual Report to Shareholders for the year ended December 31, 1996, are filed in response to Item 8:

Statements of Consolidated Income and Reinvested Earnings -- Years ended December 31, 1996, 1995 and 1994
Consolidated Balance Sheets -- December 31, 1996 and 1995
Statements of Consolidated Cash Flows -- Years ended December 31, 1996, 1995 and 1994
Notes to Consolidated Financial Statements

2. -Financial Statement Schedules: Page

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and, therefore, have been omitted.

b) Current Report on Form 8-K dated January 24, 1997 with respect to certain litigation filed against GATX/Airlog, a California general partnership of which GATX Capital Corporation is a partner, and GATX Capital Corporation.

c) EXHIBIT INDEX

Exhibit Number	Exhibit Description	Page
3A.	Restated Certificate of Incorporation of GATX Corporation, as amended, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328.	
3B.	By-Laws of GATX Corporation, as amended and restated as of July 29, 1994, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, file number 1-2328.	
10A.	GATX Corporation 1985 Long Term Incentive Compensation Plan, as amended, and restated as of April 27, 1990, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, file No. 1-2328. Amendment to said Plan effective as of April 1, 1991, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328; Sixth Amendment to said Plan effective January 31, 1997, submitted to the SEC along with the electronic transmission of this Annual Report on Form 10-K.	
10B.	GATX Corporation 1995 Long Term Incentive Compensation Plan, incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1995, file number 1-2328. First Amendment of said Plan effective as of January 31, 1997 submitted to the SEC along with the electronic transmission of this Annual Report on Form 10-K.	
10C.	Management Incentive Plan dated January 1, 1997, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.	
10D.	GATX Corporation Deferred Fee Plan for Directors, as Amended and Restated as of October 25, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.	
10E.	1984 Executive Deferred Income Plan Participation Agreement between GATX Corporation and participating directors and executive officers dated September 1, 1984, as amended, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328.	
10F.	1985 Executive Deferred Income Plan Participation Agreement between GATX Corporation and participating directors and executive officers dated July 1, 1985, as amended, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328.	

Exhibit Number	Exhibit Description	Page
10G.	1987 Executive Deferred Income Plan Participation Agreement between GATX Corporation and participating directors and executive officers dated December 31, 1986, as amended, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328.	
10H.	Amendment to Executive Deferred Income Plan Participation Agreements between GATX and certain participating directors and participating executive officers entered into as of January 1, 1990, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, file number 1-2328.	
10I.	Retirement Supplement to Executive Deferred Income Plan Participation Agreements entered into as of January 23, 1990, between GATX and certain participating directors incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, file number 1-2328 and between GATX and certain other participating directors incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, file number 1-2328.	
10J.	Amendment to Executive Deferred Income Plan Participation Agreements between GATX and participating executive officers entered into as of April 23, 1993, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, file number 1-2328.	
10K.	Director's Deferred Stock Plan approved on July 26,1996, effective as of April 26, 1996 1992, Summary of Plan incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996, file number 1-2328.	
10L.	Agreement for Continued Employment Following Change of Control or Disposition of a Subsidiary between GATX Corporation and certain executive officers dated as of January 1, 1995, incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended March 31,1995, file number 1-2328.	
10M.	Agreements for Continued Employment Following Change of Control or Disposition of a Subsidiary between GATX Corporation and an additional executive officer dated as of July 1, 1995 and between GATX and another executive officer dated as of January 1, 1996. Incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, file number 1-2328.	

10N.	Agreement dated July 29, 1994, supplementing the Agreement for Continued Employment Following Change of Control or Disposition of a Subsidiary between GATX Corporation and Ronald H. Zech, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, file number 1-2328.	
10O.	Letter Agreement dated August 17, 1993 between William Chambers and GATX, incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995, file number 1-2328.	
10P.	Letter Agreement dated May 31, 1995 between David B. Anderson and GATX. Incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, file number 1-2328.	
10Q.	Arrangements between James J. Glasser and GATX associated with Mr. Glasser's retirement from GATX as described on page 11 in the Section of the GATX Proxy Statement dated March 13, 1996 entitled "Termination of Employment and Change of Control Arrangements" are incorporated herein by reference thereto, file number 1-2328.	
11A.	Statement regarding computation of per share earnings.	22
11B.	Statement regarding computation of per share earnings (full dilution)	23
12.	Statement regarding computation of ratios of earnings to combined fixed charges and preferred stock dividends.	24
13.	Annual Report to Shareholders for the year ended December 31, 1996, pages 33-73, with respect to the Annual Report on Form 10-K for the fiscal year ended December 31, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.	
21.	Subsidiaries of the Registrant.	25
23.	Consent of Independent Auditors.	26
24.	Powers of Attorney with respect to the Annual Report on Form 10-K for the fiscal year ended December 31, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.	
27.	Financial Data Schedule for GATX Corporation for the fiscal year ended December 31, 1995, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.	

Exhibit Number	Exhibit Description	Page
99A.	Undertakings to the GATX Corporation Salaried Employees Retirement Savings Plan, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1982, file number 1-2328.	
99B.	Undertakings to the GATX Corporation 1995 Long Term Incentive Plan for the fiscal year ended December 31, 1995, file number	

1-2328, incorporated by reference to GATX's Annual Report on Form 10-K for the year ended December 31, 1995.

99C. Undertakings to the GATX Logistics Inc. 401(k) Cash Accumulation Plan incorporated by reference to the Form S-8 Registration Statement filed with the SEC on June 19,1996, Registration No.33-06315.

REPORT OF INDEPENDENT AUDITORS

To the Shareholders
and Board of Directors
GATX Corporation

We have audited the consolidated financial statements and related schedules of GATX Corporation and subsidiaries listed in Item 14 (a)(1) and (2) of the Annual Report on Form 10-K of GATX Corporation for the year ended December 31, 1996. These financial statements and related schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and related schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and related schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of GATX Corporation and subsidiaries at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statements schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects, the information set forth therein.

ERNST & YOUNG LLP

Chicago, Illinois
January 28, 1997

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GATX CORPORATION
(Registrant)

/s/Ronald H. Zech	By:	/s/David B. Anderson
Ronald H. Zech Chairman and Chief Executive Officer March 19, 1997		David B. Anderson (Attorney in Fact) March 19, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/Ronald H. Zech		By /s/David B. Anderson
Ronald H. Zech March 19, 1997	Chairman and Chief Executive Officer	David B. Anderson, (Attorney in Fact) March 19, 1997
/s/David M. Edwards		
David M. Edwards March 19, 1997	Vice President Finance and Chief Financial Officer	

/s/Ralph L. O'Hara

Ralph L. O'Hara — Controller and Principal Accounting Officer
March 19, 1997

Franklin A. Cole	Director	
James M. Denny	Director	By /s/David B. Anderson
Richard Fairbanks	Director	David B. Anderson
William C. Foote	Director	(Attorney in Fact)
Deborah M. Fretz	Director	
Richard A. Giesen	Director	
Miles L. Marsh	Director	
Charles Marshall	Director	
Michael E. Murphy	Director	

Date: March 19, 1997

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

GATX CORPORATION
(PARENT COMPANY)

STATEMENTS OF INCOME

(In Millions)

	Year Ended December 31		
	1996	1995	1994
Gross loss	$ (1.3)	$ (1.0)	$ (3.2)
Costs and expenses			
Interest	30.6	31.7	17.2
Provision for depreciation	1.0	.8	.7
Selling, general and administrative	16.0	20.4	18.3
	47.6	52.9	36.2
Loss before income taxes and share of net income of subsidiaries	(48.9)	(53.9)	(39.4)
Income taxes (credit)	(17.7)	(21.3)	(14.2)
Loss before share of net income of subsidiaries	(31.2)	(32.6)	(25.2)
Share of net income of subsidiaries	133.9	133.4	116.7

Net income	$ 102.7	$ 100.8	$ 91.5

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONT'D)

GATX CORPORATION
(PARENT COMPANY)

BALANCE SHEETS

(In Millions)

ASSETS

	December 31	
	1996	1995
Cash and cash equivalents	$ .2	$ .4
Operating lease assets and facilities	10.9	9.2
Less - Allowance for depreciation ...	(3.4)	(2.4)
	7.5	6.8
Investment in subsidiaries	1,283.3	1,223.1
Other assets	22.0	12.9
TOTAL ASSETS	$ 1,313.0	$ 1,243.2

LIABILITIES, DEFERRED ITEMS AND SHAREHOLDERS' EQUITY

	December 31 1996	December 31 1995
Accounts payable and accrued expenses	$ 16.6	$ 24.9
Due to subsidiaries	492.1	458.6
Other deferred items	29.4	41.9
Total liabilities and deferred items	538.1	525.4
Shareholders' equity:		
Preferred Stock	3.4	3.4
Common Stock	14.4	14.3
Additional capital	329.0	324.8
Reinvested earnings	463.7	409.0
Cumulative foreign currency translation adjustment	11.4	13.4
	821.9	764.9
Less - Cost of shares in treasury	(47.0)	(47.1)
Total shareholders' equity	774.9	717.8
TOTAL LIABILITIES, DEFERRED ITEMS AND SHAREHOLDERS' EQUITY	$ 1,313.0	$ 1,243.2

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONT'D)

GATX CORPORATION
(PARENT COMPANY)

STATEMENTS OF CASH FLOWS
(In Millions)

	Year Ended December 31		
	1996	1995	1994
OPERATING ACTIVITIES			
Net income	$ 102.7	$ 100.8	$ 91.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for depreciation	1.0	.8	.7
Deferred income taxes (credit)	(6.8)	(10.8)	(5.8)
Share of net income of subsidiaries less dividends received	(60.3)	(61.0)	(49.0)
Other (includes working capital)	(23.5)	(4.3)	9.3
NET CASH PROVIDED BY OPERATING ACTIVITIES	13.1	25.5	46.7
INVESTING ACTIVITIES			
Additions to operating lease assets and facilities	(1.8)	(.9)	(.5)
NET CASH USED IN INVESTING ACTIVITIES	(1.8)	(.9)	(.5)
FINANCING ACTIVITIES			
Issuance of Common Stock under employee benefit programs	3.1	5.5	4.6
Cash dividends to shareholders	(48.0)	(45.3)	(43.1)
Advances (to) from subsidiaries	33.4	14.5	(6.7)
NET CASH USED IN FINANCING ACTIVITIES	(11.5)	(25.3)	(45.2)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (.2)	$ (.7)	$ 1.0

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
GATX CORPORATION AND SUBSIDIARIES
(In Millions)

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
DESCRIPTION	Balance at Beginning of Period	Charged to Costs and Expenses	Additions Charged to Other Accounts-Describe	Deductions-Describe	Balance at End of Period
Year ended December 31, 1996:					
Allowance for possible losses - Note A	$ 100.0	$ 12.5	$ 15.5 (B)	$ (6.9) (C)	$ 121.1
Year ended December 31, 1995:					
Allowance for possible losses - Note A	$ 89.6	$ 18.4	$ 5.2 (B)	$ (13.2) (C)	$ 100.0
Year ended December 31, 1994:					
Allowance for possible losses - Note A	$ 96.0	$ 19.2	$ 2.5 (B)	$ (28.1) (C)	$ 89.6

<FN>

Note A - Deducted from asset accounts.
Note B - Represents principally recovery of amounts previously written off.
Note C - Represents principally reductions in asset values charged off or transferred to claims and uncollectible amounts.

</FN>

EXHIBIT 11A

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF NET INCOME (LOSS) PER SHARE OF
COMMON STOCK AND COMMON STOCK EQUIVALENTS
(In Millions, Except Per Share Amounts)

	Year Ended December 31				
	1996	1995	1994	1993	1992

Average number of shares of Common Stock outstanding	20.2	20.0	19.9	19.6	19.4
Shares issuable upon assumed exercise of stock options, reduced by the number of shares which could have been purchased with the proceeds from exercise of such options	.3	.4	.3	.3	*
Total	20.5	20.4	20.2	19.9	19.4
Net income (loss)	$ 102.7	$ 100.8	$ 91.5	$ 72.7	$ (16.5)
Deduct - Dividends paid and accrued on Preferred Stock	13.2	13.2	13.3	13.3	13.3
Net income (loss), as adjusted	$ 89.5	$ 87.6	$ 78.2	$ 59.4	$ (29.8)
Net income (loss) per share	$ 4.37	$ 4.30	$ 3.88	$ 2.99	$ (1.53)

<FN>

* Common share equivalents are not considered in the computation of loss per share.
</FN>

EXHIBIT 11B

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF NET INCOME (LOSS) PER SHARE OF COMMON STOCK AND
COMMON STOCK EQUIVALENTS ASSUMING FULL DILUTION
(PRINCIPALLY CONVERSION OF ALL OUTSTANDING PREFERRED STOCK)
(In Millions, Except Per Share Amounts)

	Year Ended December 31				
	1996	1995	1994	1993	1992
Average number of shares used to compute primary earnings per share	20.5	20.4	20.2	19.9	19.4
Common Stock issuable upon assumed conversion of Preferred Stock	4.0	4.0	4.0	*	*
Total	24.5	24.4	24.2	19.9	19.4
Net income (loss) as adjusted per primary computation	$ 89.5	$ 87.6	$ 78.2	$ 59.4	$ (29.8)
Add - Dividends paid and accrued on Preferred Stock	13.2	13.2	13.3	*	*
Net income (loss), as adjusted	$ 102.7	$ 100.8	$ 91.5	$ 59.4	$ (29.8)

Net income (loss) per share,

assuming full dilution	$	4.19$	4.13$	3.78$	2.99$	(1.53)

<FN>

* Conversion of Preferred Stock is excluded from computation of fully diluted earnings because of antidilutive effects.

</FN>

Additional fully diluted computation (1)		
Average number of shares used to compute primary earnings per share	19.6	19.4
Common stock issuable upon assumed conversion of Preferred Stock, and stock option exercises	4.4	4.3
	24.0	23.7
Net income (loss) as adjusted per primary computation	$ 59.4	$(29.8)
Add - Dividends paid and accrued on Preferred Stock	13.3	13.3
	$ 72.7	$(16.5)
Net income (loss) per share, assuming full dilution........................	$ 3.03	$ (.70)

<FN>

(1) This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an antidilutive result.

</FN>

EXHIBIT 12

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(In Millions Except For Ratios)

	1996	1995	1994
Earnings available for fixed charges:			
Net income	$ 102.7	$ 100.8	$ 91.5
Add:			
Income taxes	54.4	47.6	48.8
Equity in net earnings of affiliated companies, net of distributions received	8.0	6.5	3.7
Interest on indebtedness and amortization of debt discount and expense	202.8	170.1	148.2
Amortization of capitalized interest	3.7	1.1	1.1
Portion of rents representative of interest factor (deemed to be one-third)	56.7	43.9	37.9
Total earnings available for fixed charges	$ 428.3	$ 370.0	$ 331.2
Preferred dividend requirements	$ 13.2	$ 13.2	$ 13.3
Ratio to convert preferred dividends to pretax basis (A)	173%	169%	171%
Preferred dividend factor on pretax basis	22.8	22.3	22.7
Fixed charges:			
Interest on indebtedness and amortization			

of debt discount and expense	202.8	170.1	148.2
Capitalized interest	6.8	6.2	3.0
Portion of rents representative of interest factor (deemed to be one-third)	56.7	43.9	37.9
Combined fixed charges and preferred stock dividends	$ 289.1	$ 242.5	$ 211.8
Ratio of earnings to combined fixed charges and preferred stock dividends (B)	1.48X	1.53x	1.56x

<FN>

(A) To adjust preferred dividends to a pretax basis, income before income taxes and equity in net earnings of affiliated companies is divided by income before equity in net earnings of affiliated companies.

(B) The ratios of earnings to combined fixed charges and preferred stock dividends represent the number of times "fixed charges and preferred stock dividends" were covered by "earnings." "Fixed charges and preferred stock dividends" consist of interest on outstanding debt and capitalized interest, one-third (the proportion deemed representative of the interest factor) of rentals, amortization of debt discount and expense, and dividends on preferred stock adjusted to a pretax basis. "Earnings" consist of consolidated net income before income taxes and fixed charges, less equity in net earnings of affiliated companies, net of distributions received.

</FN>

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

The following is a list of subsidiaries included in GATX's consolidated financial statements (excluding a number of subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary), and the state of incorporation of each:

General American Transportation Corporation (New York)--includes one domestic subsidiary, four foreign subsidiaries and an interest in one foreign affiliate, Business Segment--Railcar Leasing and Management

GATX Financial Services, Inc. (Delaware)--56 domestic subsidiaries (which includes GATX Capital Corporation), 12 foreign subsidiaries and six domestic affiliates, Business Segment--Financial Services

GATX Terminals Corporation (Delaware)--three domestic subsidiaries, three foreign subsidiaries, one domestic affiliate, and interests in 13 foreign affiliates, Business Segment--Terminals and Pipelines

GATX Logistics, Inc. (Florida)--9 domestic subsidiaries and two foreign subsidiaries, Business Segment--Logistics and Warehousing

American Steamship Company (New York)--12 domestic subsidiaries, Business Segment--Great Lakes Shipping

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following: (i) Registration Statement No. 2-92404 on Form S-8, filed July 26, 1984; (ii) Registration Statement No. 2-96593 on Form S-8, filed March 22, 1985; (iii) Registration Statement No. 33-38790 on Form S-8 filed February 1, 1991; (iv) Registration Statement No. 33-41007 on Form S-8 filed June 7, 1991; (v) Registration Statement No. 33-61183 filed on July 20, 1995; and (vi) Registration Statement No. 33-06315 on Form S-8 filed June 19, 1996 of GATX Corporation, of our report dated January 28, 1997 with respect to the consolidated financial statements and schedules of GATX Corporation included and/or incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 1996.

ERNST & YOUNG LLP

Chicago, Illinois
March 14, 1997

EXHIBIT FILED WITH DOCUMENT

10A.	GATX Corporation 1985 Long Term Incentive Compensation Plan, as amended, and restated as of April 27, 1990, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, file No. 1-2328. Amendment to said Plan effective as of April 1, 1991, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, file number 1-2328; Sixth Amendment to said Plan effective January 31, 1997, submitted to the SEC along with the electronic transmission of this Annual Report on Form 10-K.
10B.	GATX Corporation 1995 Long Term Incentive Compensation Plan, incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1995, file number 1-2328. First Amendment of said Plan effective as of January 31, 1997 submitted to the SEC along with the electronic transmission of this Annual Report on Form 10-K.
10C.	Management Incentive Plan dated January 1, 1997, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.
10D.	GATX Corporation Deferred Fee Plan for Directors, as Amended and Restated as of October 25, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.
11A.	Statement regarding computation of per share earnings.
11B.	Statement regarding computation of per share earnings (full dilution)
12.	Statement regarding computation of ratios of earnings to combined fixed charges and preferred stock dividends.
13.	Annual Report to Shareholders for the year ended December 31, 1996, pages 33-73, with respect to the Annual Report on Form 10-K for the fiscal year ended December 31, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.
21.	Subsidiaries of the Registrant.
23.	Consent of Independent Auditors.
24.	Powers of Attorney with respect to the Annual Report on Form 10-K for the fiscal year ended December 31, 1996, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.
27.	Financial Data Schedule for GATX Corporation for the fiscal year ended December 31, 1995, file number 1-2328. Submitted to the SEC along with the electronic submission of this Report on Form 10-K.

SIXTH AMENDMENT OF
GATX CORPORATION 1995
LONG TERM INCENTIVE COMPENSATION PLAN

WHEREAS, GATX Corporation (the "Company") maintains the GATX Corporation 1985 Long Term Incentive Compensation Plan (the 1985 "Plan"); and

WHEREAS, amendment of the Plan to permit deferred delivery of option shares is now desirable;

NOW, THEREFORE, IT IS RESOLVED that, pursuant to paragraph I-5 of the 1985 Plan, the Plan be, and it hereby is, amended, effective with respect to awards made on or after the date of adoption of the 1985 Plan in the following particulars:

1. By substituting the following for the second and third sentences of paragraph III.2 of the 1985 Plan:

> "The full purchase price of each share purchased upon the exercise of any Non-Qualified Stock Option shall be paid in cash or shares of Common Stock, or both, at the time of exercise (or by such other method as may be satisfactory to the Committee). A Participant shall not have any rights of a shareholder with respect to the shares of Common Stock of the Company subject to an option granted to the Participant until such shares are purchased upon exercise of the option and, if delivery of the shares is deferred in accordance with paragraph III.3(ii), not until the end of the deferral period."

2. By adding the following at the end of paragraph III.3 of the 1985 Plan:

> "Shares of Common Stock purchased pursuant to the exercise of a Non-Qualified Stock Option shall be transferred to the person entitled thereto (i) as soon as practicable after the exercise; or (ii) at the end of such period of deferral as may be specified or permitted by the Committee; provided that, if transfer of shares is made pursuant to this clause (ii), the Committee may, but shall not be required to, provide that the person entitled to such deferred delivery will earn the right to deferred delivery of additional shares of Company Stock reflecting the value of dividends on the shares during the deferral period, or will receive dividend equivalents with respect to such deferred shares in cash, with the cash amount either paid currently or deferred with interest."

FIRST AMENDMENT OF
GATX CORPORATION 1995
LONG TERM INCENTIVE COMPENSATION PLAN

WHEREAS, GATX Corporation (the "Company") maintains the GATX Corporation 1995 Long Term Incentive Compensation Plan (the "1995 Plan"); and

WHEREAS, amendment of the Plan to permit deferred delivery of option shares is now desirable;

NOW, THEREFORE, IT IS RESOLVED that, pursuant to paragraph I-5 of the Plan, the Plan be, and it hereby is, amended, effective with respect to awards made on or after the date of the adoption of the 1995 Plan, in the following particulars:

1) By substituting the following for the second and third sentences of paragraph III.2 of the Plan:

> "The full purchase price of each share purchased upon the exercise of any Non-Qualified Stock Option shall be paid in cash or shares of Common Stock, or both, at the time of exercise (or by such other method as may be satisfactory to the Committee). A Participant shall not have any rights of a shareholder with respect to the shares of Common Stock of the Company subject to an option granted to the Participant until such shares are purchased upon exercise of the option and, if delivery of the shares is deferred in accordance with paragraph III.3(ii), not until the end of the deferral period."

2) By adding the following at the end of paragraph III.3 of the Plan:

> "Shares of Common Stock purchased pursuant to the exercise of a Non-Qualified Stock Option shall be transferred to the person entitled thereto (i) as

> soon as practicable after the exercise; or (ii) at the end of such period of deferral as may be specified or permitted by the Committee; provided that, if transfer of shares is made pursuant to this clause (ii), the Committee may, but shall not be required to, provide that the person entitled to such deferred delivery will earn the right to deferred delivery of additional shares of Company Stock reflecting the value of dividends on the shares during the deferral period, or will receive dividend equivalents with respect to such deferred shares in cash, with the cash amount either paid currently or deferred with interest."

January 1, 1997

GATX CORPORATION
MANAGEMENT INCENTIVE PLAN

1. OBJECTIVE.

This Management Incentive Plan (the "Plan"), which is administered by the Compensation Committee of the Board of Directors (the "Committee"), is established for the period January 1 through December 31, 1997 (the "Plan Year"), to motivate and reward those employees whose activities and contributions have a significant bearing on the success and profitability of GATX Corporation and its Subsidiaries (collectively, the "Company").

2. ELIGIBILITY.

Recommendation for participation in the Plan is initiated by the Subsidiary Presidents or the Vice President of Human Resources, and approved by the Chief Executive Officer.

3. PARTICIPATION.

Participants under this Plan will be exempt salaried employees with the Company who are individually authorized to participate (the "Participants"). Each Participant will be notified by the Subsidiary President or Corporate Department Head of his or her participation and participation level ("Target Bonus").

4. DEFINITIONS.

For purposes of this Plan, the following terms will have the following meanings:

A. "Base Salary" will mean (1) the total salary (excluding any incentive compensation or lump sum payments) paid to a Participant by the Company before reduction for any contribution authorized under the GATX Corporation Salaried Employees Retirement Savings Plan, plus (2) any compensation which the Participant elects to defer under any deferred compensation plan of the Company.

B. "Income Goals" will mean the net income goals established annually by the Committee for GATX and each subsidiary. See Exhibit II.

C. "Bonus" will mean the amount payable to a Participant under this Plan for the current Plan Year, calculated in accordance with the provisions of this Plan, and approved by the Committee.

D. "Target Bonus" will mean the percentage of base salary payable if 100% of income goals and individual performance goals (if applicable) are attained.

E. "Profit Attainment Percentage" will mean the quotient of income divided by income goal expressed as a percentage.

F. "Payout Percentage" will mean the percentage of the Bonus paid for the Company or Subsidiary performance as determined by the Profit Attainment Percentage. The relationship between the Profit Attainment Percentage and the Payout Percentage is approved by the Committee and presented in Exhibit III.

G. "Personal Evaluation Percentage" will mean the percentage of the Bonus paid for the Participant's individual performance during the Plan

Year. See Exhibit IV.

H. "Threshold" will mean the minimum level of income required for payout under the Earnings Portion of this Plan. See Exhibit II.

5. COMPONENTS OF THE BONUS.

The Bonus is composed of a GATX Earnings Portion, a Subsidiary Earnings Portion and a Personal Portion. As soon as practical following the start of each Plan Year, the Committee will establish Income Goals for GATX and each participating subsidiary.

A. GATX Earnings Portion - The extent to which GATX meets its Income Goal - determined by reference to the Profit Attainment Percentages (Exhibit III) - will be the basis for the GATX Earnings Portion of the Bonus for both corporate and subsidiary participants.

B. Subsidiary Earnings Portion - For subsidiary Participants, the extent to which each subsidiary meets its Income Goal - determined by reference to the Profit Attainment Percentages (Exhibit III) - will be the basis for that subsidiary's Earnings Portion of the Bonus.

For corporate Participants, the Subsidiary Earnings Portion will recognize the relative proportion of the Income Goals established for each participating subsidiary. At the start of the Plan Year, each participating subsidiary will be assigned a weight by the Committee calculated on the basis of its Income Goal as a percent of the total of the Income Goals of all participating subsidiaries, with a minimum weight of 5.0% (Exhibit II). The extent to which each subsidiary meets its Income Goal - determined by reference to the Profit Attainment Percentages (Exhibit III) - will be the basis for the Subsidiary Earnings Portion of the Bonus.

C. Personal Portion - The Personal Portion recognizes the level of the Participant's individual performance (Exhibit IV). The percentage of the Bonus represented by the Personal Portion may vary depending upon whether or not the Threshold levels established annually for the GATX Earnings Portion (for corporate Participants) and the Subsidiary Earnings Portion (for subsidiary Participants) are met.

6. WEIGHTING OF THE COMPONENTS OF THE BONUS.

As soon as practical following the start of each Plan Year, the Committee will determine the weight to be allocated to each of the component parts of the Bonus identified in paragraph 5 hereof. For the current Plan Year, the component parts of the Bonus for each category of Participant are attached as Exhibit I.

7. CALCULATION OF THE BONUS.

A. The weighting of the Income Goals is multiplied by a Participant's Target Bonus to determine the Target Value for the Income Goal. (Exhibit V, Section A).

B. Payout Percentages are determined from the Profit Attainment Percentages as described in paragraph 5 (Exhibit V, Section B.)

C. Payout Percentages are multiplied by the Target Values of the Income Goals to determine the Earnings Portion of the Bonus. (Exhibit V, Section C.) The Personal Portion is determined by multiplying the Target Value of the Personal Portion by the Personal Evaluation Percentage as determined from the table attached as Exhibit IV.

D. The Bonus will be the sum of the Earnings Portions and the Personal

Portion of the Bonus, provided that no Bonus payment will be made with respect to the Earnings Portions unless the Company and participating subsidiaries reach Threshold levels as established by the Committee.

E. The Company's Chief Executive Officer or Subsidiary President may increase or decrease the Bonus to an individual Participant by a maximum of 25%, based on an assessment of that Participant's overall contribution or performance related to a special project.

8. ADMINISTRATION OF THE PLAN.

A. Administration.

Administration of the Plan will be the responsibility of the Committee which may delegate responsibility thereunder to the Corporate Director of Compensation and Benefits, Corporate Human Resources Department.

B. New Participants.

Subject to the provisions of the following sentence, new employees who join the Company during the Plan Year may be authorized to participate in the Plan on a pro-rata basis with the approval of the Chief Executive Officer. Participation under this Plan will not be available to any new employee after October 1st of any Plan Year.

C. Transfers and Promotions.

If a Participant is transferred or promoted during the Plan Year causing an adjustment in his Target Bonus, such Participant's bonus will be calculated on a pro-rata basis to reflect this change.

D. Retirement, Death or Disability.

A Participant who retires, dies, or becomes totally and permanently disabled, as that term is defined in the GATX Pension Plan for Salaried Employees, during the Plan Year will be entitled to a pro-rated bonus in accordance with Paragraph E.

E. Payment of Bonus.

Bonuses will be paid as soon as possible after the completion of the Company's year-end audit, normally no later than March 1. The Participant does not have a contractual right to receive the Bonus. Participants become entitled to receive Bonus payments only after the payments have been approved and authorized by the Committee.

F. Employment as a Condition Precedent.

No bonus will be paid, except pursuant to the provisions of Paragraph D above, unless the Participant is an employee of the Company at the end of the Plan Year.

G. No Employment Contract.

Neither the establishment of the Plan nor the authorization to be a Participant in the Plan will be construed as giving the Participant the right to be retained in the service of the Company.

H. Modification of Goals.

The Committee may, from time to time during the Plan Year, modify the Plan as appropriate including (i) Income Goals, (ii) Thresholds, (iii) Payout Percentages, (iv) assigned weights established for one or more subsidiaries and (v) weighting of the Components of the Bonus if, in the sole discretion of the Committee, any part of the Plan ceases to be a reasonable measure of desired performance. Notwithstanding anything to the contrary contained herein, the Committee shall have the authority and exclusive discretion to determine whether income or expenses of an unusual or nonrecurring nature are to be included with other income of the Company for purposes of determining whether the established Income Goals have been achieved.

EXHIBIT I

WEIGHTING OF THE COMPONENTS OF THE BONUS
1997 MANAGEMENT INCENTIVE PLAN

CHIEF EXECUTIVE OFFICER and CHAIRMAN OF THE BOARD	100%	GATX
OTHER SENIOR CORPORATE OFFICERS and SUBSIDIARY PRESIDENTS	30%	GATX
	70%	subsidiary or combined subsidiaries

	100%	
OTHER PARTICIPANTS	10%	GATX
	40%	subsidiary or combined subsidiaries
	50%	Personal*
	100%	

*30% if Threshold not met

EXHIBIT II

Exhibit intentionally omitted.

EXHIBIT III

Exhibit intentionally omitted.

EXHIBIT IV

PERFORMANCE EVALUATION PERCENTAGE DETERMINATION
1997 MANAGEMENT INCENTIVE PLAN

EVALUATION CRITERIA	PERFORMANCE EVALUATION PERCENTAGE

Performance was truly outstanding; consistently exceeded job requirements and attained particularly difficult and aggressive, high priority goals during the performance period.	150%
Performance was well above average; job requirements were often exceeded and difficult goals were attained during the performance period.	125%
Performance was fully satisfactory; met or at times exceeded job requirements and attained important goals during the performance period.	100%
Performance was less than satisfactory; some but not all job requirements were met and important goals were not attained during the performance period.	50%
Performance was not acceptable; few job requirements 0% were met or goals attained during the performance period.	0%

EXHIBIT V

Exhibit intentionally omitted.

GATX Corporation
Deferred Fee Plan
As Amended and Restated
As of October 25, 1996

1. Purpose

The purpose of the Deterred Fee Plan (the "Plan") is to provide non-officer directors of GATX Corporation (the "Company") an opportunity to receive that portion of their annual retainer and meeting attendance fees paid in cash on a deferred basis.

2. Definitions

Unless the context otherwise requires, the following words as used herein shall have the following meanings:

(a) "Board" -- The Board of Directors of the Company.

(b) "Directors' Fees" -- The annual retainer and Board and committee meeting attendance fees paid to each non-officer director, a portion of which is to be paid in cash (the "Cash Portion"), and a portion of which is to be credited to an account established for each Director in units equal to the number of shares of GATX Corporation Common Stock which may be purchased with the amount so credited.

(c) "Participant" -- An eligible member of the Board who elects to participate in the Plan.

(d) "Deferred Fee" -- That part of the Cash Portion of the Directors' Fees elected to be deferred hereunder.

3. Eligibility

Each non-officer member of the Board shall be eligible to participate in the Plan.

4. Election of Deferred Compensation

Each eligible person elected as a director during a calendar year, may, prior to the beginning of the next calendar quarter, elect to defer all or any part of the Cash Portion of his or her Directors' Fees. Currently eligible directors may elect prior to the end of any calendar year to participate in the Plan with respect to Directors' Fees to be paid in the subsequent calendar year. Once a Participant has made an election to participate in the Plan, such participation shall continue from year to year thereafter until withdrawn or

changed by submitting a completed election form before the beginning of any succeeding calendar year. Elections shall be irrevocable during each calendar year.

5. Manner of Electing Deferral

A Participant may elect to defer all or any part of the Cash Portion of Directors' Fees by giving written notice to the Secretary of the Company on the form of election attached hereto as Exhibit A. Such notice shall include:

(1) the percentage of the Cash Portion of the Directors' Fees to be deferred,

(2) an election to receive a cash payment of the deferred fee either as a lump-sum or in annual installments (not to exceed ten), and

(3) the date of the lump-sum payment or the first installment payment (which may be January 15 of the year following the year in which continuous service as a director terminates or January 15 of a stated year preceding the Participant's 71st birthday).

6. Deferred Fee Account

A Deferred Fee Account shall be maintained for each Participant ("Participant's Account"). Cash and interest thereon shall be credited to a Participant's Account as set forth in the following paragraph.

Until payment of the Deferred Fees are made to the Participant in accordance with Section 7, all amounts credited to a Participant's Account shall accrue interest at a rate equal to the twenty-year US Government Bond rate in effect on the 15th day of January, April, July and October of each year. Interest shall be compounded monthly. As promptly as practicable following the close of each calendar year, a statement will be sent to each Participant reflecting the balance in the Participant's Account as of the end of such year.

7. Payment of Deferred Fees

Each Participant shall be entitled to receive a cash payment equal in amount to the Deferred Fees credited to such Participant's Account (less taxes, if any, required to be withheld by the Federal or any state or local government and paid over to such government for the Participant) in accordance with such Participant's election(s) with respect to date and manner of payment.

If an election is made to receive payments in annual installments, the amount of the first payment shall be a fraction of the balance in the Participant's Account as of the day preceding such payment, the numerator of which shall be one and the denominator of

which shall be the total number of installments elected. The amount of each subsequent payment shall be a fraction of the balance of the Deferred Fees credited to the Participant's Account as of the day preceding each subsequent payment, the numerator of which shall be one and the denominator of which shall be the total number of installments elected minus the number of installments previously paid. No withdrawal may be made from a Participant's Account except as provided in this Section 7.

In the event of a Participant's death, the Participant's designated beneficiary shall continue to receive payment according to the Participant's election(s). In the absence of a designated beneficiary, the balance credited to the Participant's Account shall be determined as of the date of death, and an amount equal to such balance shall be paid in a single payment to the Participant's estate as soon as reasonably possible thereafter.

A Participant who has elected installment payments and who is eligible to receive such payments, or a Participant's beneficiary, may apply to the Secretary of the Company for acceleration of the payments based on hardship and demonstrated need. The Board of Directors of the Company or a designated Committee thereof, shall consider the merits of each such application and determine if the facts warrant permitting such an acceleration. Any such determination of the Board or Committee shall be final and binding on both parties.

8. Change of Control

Notwithstanding any other provision of the Plan or of Election Forms executed by Participants hereunder, the full unpaid balance credited to the Participant's Account shall be paid in a single payment to the Participant or the Participant's beneficiary or estate, as applicable, as promptly as practicable following the occurrence of both (a) a change in control of GATX Corporation (as defined below) and (b) the

Participant's termination of service on the Board of Directors of GATX Corporation.

For purposes of this Deferred Fee Plan, the term "change in control" shall mean the occurrence of any of the following events:

(a) Receipt by GATX Corporation of a Schedule 13D report confirming that a person or group owns beneficially 20 percent or more of the stock of GATX Corporation.

(b) Any purchase under a non-GATX Corporation tender or exchange offer for stock of GATX Corporation following which the offeror owns beneficially 20 percent or more of such stock.

(c) Shareholder approval of any merger in which GATX Corporation is not the surviving corporation or survives only as a subsidiary of another corporation, consolidations or sales of all, or substantially all, of GATX Corporation's assets.

(d) A change in the majority of the Board of Directors of GATX Corporation not recommended by the incumbent directors.

9. Participant's Rights Unsecured

No fund is to be created to meet payment obligations under this Plan, and the right of a Participant to receive any unpaid portion of any amounts credited to the Participant's Account shall be an unsecured claim against the general assets of the Company.

10. Non-assignability

The right of a Participant to receive any unpaid portion of any amounts credited to his or her account shall not be assigned, transferred, pledged or encumbered or be subject in any manner to alienation or anticipation, except that a Participant may designate, on forms provided by the Company, a beneficiary to receive unpaid installments in the event of such Participant 's death.

11. Administration

The administrator of this Plan shall be the Secretary of the Company, who shall have authority to adopt rules and regulations for carrying out the Plan and to interpret and implement the provisions hereof.

12. Amendment and Termination

This Plan may at any time be amended, modified or terminated by the Board. No amendment, modification or termination shall, without the consent of a Participant, adversely affect such Participant's rights with respect to amounts credited to the Participant's Account.

13. Effective Date

The Plan, as amended, will become effective on the day, month and year first above written, and will continue in effect until terminated by the Board.

GATX Corporation

By: /S/ William L. Chambers

Vice President - Human Resources

EXHIBIT 11A

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF NET INCOME (LOSS) PER SHARE OF
COMMON STOCK AND COMMON STOCK EQUIVALENTS
(In Millions, Except Per Share Amounts)

	Year Ended December 31				
	1996	1995	1994	1993	1992
Average number of shares of Common Stock outstanding	20.2	20.0	19.9	19.6	19.4
Shares issuable upon assumed exercise of stock options, reduced by the number of shares which could have been purchased with the proceeds from exercise of such options	.3	.4	.3	.3	*
Total	20.5	20.4	20.2	19.9	19.4
Net income (loss)	$ 102.7	$ 100.8	$ 91.5	$ 72.7	$ (16.5)
Deduct - Dividends paid and accrued on Preferred Stock	13.2	13.2	13.3	13.3	13.3
Net income (loss), as adjusted	$ 89.5	$ 87.6	$ 78.2	$ 59.4	$ (29.8)
Net income (loss) per share	$ 4.37	$ 4.30	$ 3.88	$ 2.99	$ (1.53)

<FN>

* Common share equivalents are not considered in the computation of loss per share.
</FN>

EXHIBIT 11B

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF NET INCOME (LOSS) PER SHARE OF COMMON STOCK AND COMMON STOCK EQUIVALENTS ASSUMING FULL DILUTION (PRINCIPALLY CONVERSION OF ALL OUTSTANDING PREFERRED STOCK)
(In Millions, Except Per Share Amounts)

	Year Ended December 31				
	1996	1995	1994	1993	1992
Average number of shares used to compute primary earnings per share	20.5	20.4	20.2	19.9	19.4
Common Stock issuable upon assumed conversion of Preferred Stock	4.0	4.0	4.0	*	*
Total	24.5	24.4	24.2	19.9	19.4
Net income (loss) as adjusted per primary computation	$ 89.5	$ 87.6	$ 78.2	$ 59.4	$ (29.8)
Add - Dividends paid and accrued on Preferred Stock	13.2	13.2	13.3	*	*
Net income (loss), as adjusted	$ 102.7	$ 100.8	$ 91.5	$ 59.4	$ (29.8)
Net income (loss) per share, assuming full dilution	$ 4.19	$ 4.13	$ 3.78	$ 2.99	$ (1.53)

<FN>

* Conversion of Preferred Stock is excluded from computation of fully diluted earnings because of antidilutive effects.

</FN>

Additional fully diluted computation (1)	1993	1992
Average number of shares used to compute primary earnings per share	19.6	19.4
Common stock issuable upon assumed conversion of Preferred Stock, and stock option exercises	4.4	4.3
	24.0	23.7
Net income (loss) as adjusted per primary computation	$ 59.4	$(29.8)
Add - Dividends paid and accrued on Preferred Stock	13.3	13.3
	$ 72.7	$(16.5)
Net income (loss) per share, assuming full dilution.........................	$ 3.03	$ (.70)

<FN>

(1) This calculation is submitted in accordance with Regulation S-K item 601(b)(11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an antidilutive result.

</FN>

EXHIBIT 12

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF RATIOS OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS
(In Millions Except For Ratios)

	1996	1995	1994
Earnings available for fixed charges:			
Net income	$ 102.7	$ 100.8	$ 91.5
Add:			
Income taxes	54.4	47.6	48.8
Equity in net earnings of affiliated companies, net of distributions received	8.0	6.5	3.7
Interest on indebtedness and amortization of debt discount and expense	202.8	170.1	148.2
Amortization of capitalized interest	3.7	1.1	1.1
Portion of rents representative of interest factor (deemed to be one-third)	56.7	43.9	37.9
Total earnings available for fixed charges	$ 428.3	$ 370.0	$ 331.2
Preferred dividend requirements	$ 13.2	$ 13.2	$ 13.3
Ratio to convert preferred dividends to pretax basis (A)	173%	169%	171%
Preferred dividend factor on pretax basis	22.8	22.3	22.7
Fixed charges:			
Interest on indebtedness and amortization of debt discount and expense	202.8	170.1	148.2
Capitalized interest	6.8	6.2	3.0
Portion of rents representative of interest factor (deemed to be one-third)	56.7	43.9	37.9
Combined fixed charges and preferred stock dividends	$ 289.1	$ 242.5	$ 211.8
Ratio of earnings to combined fixed charges and preferred stock dividends (B)	1.48X	1.53x	1.56x

<FN>

(A) To adjust preferred dividends to a pretax basis, income before income taxes and equity in net earnings of affiliated companies is divided by income before equity in net earnings of affiliated companies.

(B) The ratios of earnings to combined fixed charges and preferred stock dividends represent the number of times "fixed charges and preferred stock dividends" were covered by "earnings." "Fixed charges and preferred stock dividends" consist of interest on outstanding debt and capitalized interest, one-third (the proportion deemed representative of the interest factor) of rentals, amortization of debt discount and expense, and dividends on preferred stock adjusted to a pretax basis. "Earnings" consist of consolidated net income before income taxes and fixed charges, less equity in net earnings of affiliated companies, net of distributions received.

</FN>

GATX Review of Financial Operations

BUSINESS SEGMENTS

The following summary describes GATX's current business segments:

Railcar Leasing and Management represents General American Transportation Corporation and its foreign subsidiaries and affiliates (Transportation), which lease and manage tank cars and other specialized railcars.

Financial Services represents GATX Capital Corporation and its subsidiaries and joint ventures (Capital), which arrange and service the financing of equipment and other capital assets on a worldwide basis.

Terminals and Pipelines represents GATX Terminals Corporation and its domestic and foreign subsidiaries and affiliates (Terminals), which own and operate tank storage terminals, pipelines and related facilities.

Logistics and Warehousing represents GATX Logistics, Inc. (Logistics), which provides distribution and logistics support services and warehousing facilities throughout North America.

Great Lakes Shipping represents American Steamship Company (ASC), which operates self-unloading vessels on the Great Lakes.

Report of GATX Management

To Our Shareholders:

The management of GATX Corporation has prepared the accompanying consolidated financial statements and related information included in this 1996 Annual Report to Shareholders and has the primary responsibility for the integrity of this information. The financial statements have been prepared in conformity with generally accepted accounting principles and necessarily include certain amounts which are based on estimates and informed judgments of management.

The financial statements have been audited by the company's independent auditors, whose report thereon appears on this page. Their role is to form an independent opinion as to the fairness with which such statements present the financial position of the company and the results of its operations.

GATX maintains a system of internal accounting controls which is designed to provide reasonable assurance as to the reliability of its financial records and the protection of its shareholders' assets. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the related benefits. Management believes the company's system provides this appropriate balance in all material respects.

GATX's system of internal controls is further augmented by an audit committee composed of directors who are not officers or employees of GATX, which meets regularly throughout the year with management, the independent auditors and the internal auditors; an internal audit program that includes prompt, responsive action by management; and the annual audit of the company's financial statements by independent auditors.

Ronald H. Zech
Chairman and Chief
Executive Officer

David M. Edwards
Vice President Finance
and Chief Financial Officer

Ralph L. O'Hara
Controller and
Chief Accounting Officer

Report of Ernst & Young LLP, Independent Auditors

To the Shareholders and
Board of Directors of
GATX Corporation:

We have audited the accompanying consolidated balance sheets of GATX Corporation and subsidiaries as of December 31, 1996 and 1995, and the related statements of consolidated income and reinvested earnings and consolidated cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of GATX Corporation and subsidiaries as of December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

Chicago, Illinois
January 28, 1997

Management Discussion and Analysis
1996 Compared to 1995

GATX reported record net income of $103 million or $4.37 per common share for the year ended December 31, 1996 compared to $101 million or $4.30 per common share for 1995. On a fully diluted basis, earnings per share were $4.19 compared to $4.13 in the prior year. This improvement was principally due to record earnings at Transportation and Capital. However, Terminals' net income decreased substantially from the prior year. ASC and Logistics' earnings were relatively flat with 1995. GATX's return on common equity for 1996 was 15.4% compared to 16.7% in 1995. The comparative performance for 1995 versus 1994 is discussed in the prior year's management discussion on pages 68, 69 and 70 of this report.

RAILCAR LEASING AND MANAGEMENT Transportation's gross income of $428 million increased $67 million from 1995. The mid-1996 acquisition of the remaining 55% interest in CGTX, Transportation's Canadian railcar affiliate, accounted for $27 million of the increase; previously the 45% interest had been accounted for as an equity investment. The remainder of the revenue increase is due to the full year effect of a record number of railcar additions in 1995, another strong year of fleet additions in 1996, and an increase in average rental rates. In addition to the 8,700 cars at CGTX, over 4,400 cars were added in 1996. At the end of 1996, Transportation had 73,200 railcars on lease in North America. With a total fleet of 77,500 cars, utilization ended the year at 95%, up from 94% utilization at the end of 1995. Fleet additions in 1997 are expected to remain strong.

Net income of $68 million increased 8% over 1995, reflecting the higher revenues and the impact of CGTX partially offset by higher repair costs and other operating and ownership expenses. Operating margins improved slightly as growth in revenues exceeded the increase in fleet repair costs and SG&A expenses.

Repair costs increased 10% due to the expanded fleet size, but decreased as a percentage of revenue from 1995, in part due to the efficiencies from the major service center upgrade program completed last year. The percentage of cars repaired at Transportation's service centers increased to 71% from 65% last year, indicating a decreased dependence on outside contract repair shops. Throughput days, the time it takes a railcar to be repaired through the Transportation service center network, declined from an average of 38 days in 1995 to 32 days in 1996. Asset ownership costs, consisting of operating lease rents, depreciation, and interest expense, increased as a result of the growing fleet. Equity in earnings of affiliates declined from 1995 due to the aforementioned change in accounting for CGTX.

FINANCIAL SERVICES Capital's gross income of $337 million was $119 million or 55% higher than 1995. All major revenue categories, including lease and interest income, gains on sales of assets, and fees were higher. In addition, equipment sales added $36 million to gross income. Equipment sales represents a new revenue category arising from the October 1996 acquisition of Centron, a technology equipment supplier. Lease income grew to $196 million in 1996 compared to $140 million in 1995 due to the full year effect of the October 1995 acquisition of Sun Financial and new volume. Gains on sales of assets were $36 million, a small increase from last year. Fee income was a record $32 million, $13 million higher than the prior period due to a high level of residual sharing on managed asset sales. Fee income includes residual sharing, portfolio management, and transaction arrangement income. Gains on sales of assets and transaction based fees do not occur evenly from period to period.

Net income was a record $46 million, a 39% increase from last year, due to the higher revenue, improved earnings from affiliates, and a lower loss provision, offset in part by

increased interest, operating and SG&A costs. Equity earnings of $14 million increased $2 million primarily from the earnings of Locomotive Leasing Partners, a joint venture established in 1996 with EMD/General Motors. The provision for possible losses of $13 million decreased $5 million from last year. Capital's allowance for possible losses of $114 million represents 6.6% of net investments, compared to 6.5% last year. Interest expense was higher as debt balances increased to fund the net growth in the portfolio, although average interest rates were modestly lower than last year. Increased operating costs include the cost of equipment sales, the counterpart to the new revenue category, as well as increased depreciation and operating lease expense to support the larger investment base. Selling, general, and administrative expenses increased due to the full year effect of the late 1995 Sun Financial acquisition, the Centron acquisition, and higher human resource costs.

While significant commercial aircraft investments were completed in 1996, Capital also has managed its portfolio to diversify its asset mix further, resulting in a relatively lower concentration of aircraft as a percent of total portfolio investments. Aircraft decreased to 33% of the portfolio from 39% in 1995, while technology, rail, and marine assets all increased.

TERMINALS AND PIPELINES Terminals' gross income for 1996 of $298 million was 5% less than 1995 resulting from general softness in both the domestic and international petroleum markets. The petroleum business environment since the second half of 1995 has been characterized by backwardated markets, historically low petroleum inventory levels, and lower pricing due to increased competition. Backwardation indicates that the economics in the petroleum futures market, as characterized by the spread between spot and future prices, are not providing an incentive to store product.

While throughput of petroleum products remained strong, rates declined. Throughput for 1996 of 705 million barrels at wholly-owned locations increased 8% from 655 million barrels last year. Average utilization for the year was 86%, down from 1995's average of 88%, though 1996 year-end utilization was 89%. Balanced against the difficult petroleum terminaling markets were continued strong chemical demand as well as very good pipeline results. Terminals' pipelines serve the growing Nevada and Florida markets, and those pipelines continue to be enhanced and expanded.

Terminals' net income of $13 million declined from last year's $31 million. The difficult petroleum terminaling markets resulted in decreased operating margins at a number of key locations, including New York Harbor, United Kingdom, Houston, and Los Angeles. Although Terminals has been able to reduce its overall cost base, results have been impacted by rationalization costs and consulting charges. Overall operating costs decreased $5 million or 3% from 1995. Fixed asset ownership costs, which include depreciation and interest, increased to 34% of revenue from 29% in 1995 due to significant facility and infrastructure investments. Terminals' transformation initiatives led to increased expense for consulting studies and rationalization costs; these initiatives continue to address on-going cost reduction and productivity enhancements. Equity in earnings of affiliates of $12 million decreased $3 million from last year primarily from the effects of lower petroleum storage, particularly in Singapore, partially offset by higher earnings from a Japanese affiliate which completed its rebuilding from the 1995 Kobe earthquake.

Going into 1997, Terminals continues to face a difficult petroleum storage market and is continuing its rationalization process, as well as its evaluation of its markets and facilities.

LOGISTICS AND WAREHOUSING Logistics' gross income of $267 million decreased 2% from 1995 due to the impact of lost business partially offset by increased business with existing contract customers. Total warehousing capacity at year-end 1996 of 21.5 million square feet decreased 12% from last year's 24.4 million square feet in part due to the planned effort to eliminate low margin public business. Space utilization was 91% at year end compared to 97% last year. Empty space was particularly troublesome in certain East Coast markets.

Net income of $.9 million was $.4 million higher than last year despite the lower revenues due to an improved margin percentage and lower reserve needs. Margins for 1996 were 10.5% compared with 10.0% last year, though significant empty space costs compressed the improvement. In addition, information systems costs continued to increase to better meet customer needs.

Logistics continues to implement its plan of pursuing contract business and reducing low margin public business. By emphasizing key customer relationships, Logistics successfully expanded volume with several important existing customers. However, this strategy is evolutionary and may take several years to improve earnings significantly.

GREAT LAKES SHIPPING ASC's gross income in 1996 was $85 million, a 1% increase from last year. Revenue increased despite lower tonnage carried, as freight rates per ton increased, both for normal increases as well as the pass-through of a portion of the increase in sharply higher fuel costs. Tonnage carried in 1996 totaled 24.6 million tons, a 4% decrease from the 25.5 million tons carried last year. Adverse weather conditions in early 1996 hampered the start of the navigation season, but all customer needs and requirements were satisfied. Customer demand remained strong throughout the 1996 season. Iron ore and limestone tonnage increased while coal tonnage decreased.

Net income of $6.8 million decreased slightly from 1995 primarily due to the lower tonnage carried, lower interest income on invested funds, and higher fuel costs, offset in part by favorable operating and claims experience. Contribution margin per ton was 2% greater than the prior year, reflecting a change in mix of commodities carried. High fuel costs are expected to persist in 1997, although certain customer contracts allow for fuel escalation costs above a specified range to be recouped.

The environment on the Great Lakes remains competitive, with supply and demand for vessel capacity approximately in balance. ASC carried an estimated 22% of the total U.S. flag Great Lakes tonnage in 1996, down slightly from last year. U.S. flag tonnage was 110 million tons, an increase of 5 million tons from 1995. Iron ore cargoes represented 46% of ASC's tonnage, an increase from 40% last year. Raw steel production was approximately 88% of capacity in late 1996, consistent with 1995 utilization.

CORPORATE AND OTHER Corporate and Other net expense of $31 million decreased $2 million from 1995 primarily due to the reversal of a litigation reserve following the successful defense of previously reported litigation against GATX.

FORWARD-LOOKING STATEMENTS Certain statements in the Management's Discussion and Analysis constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

Financial Data of Business Segments

GATX provides services to a variety of capital goods markets through five principal business segments. The financial data presented on this and the following three pages depict the profitability, financial position, and cash flow of each of GATX's business segments.

The presentation of segment profitability includes the direct costs incurred at the segment's operating level plus expenses allocated by the parent company. Allocated expenses represent costs which these operations would have incurred otherwise, but do not include general corporate expense or parent company interest expense. Interest costs associated with segment indebtedness are included in the determination of profitability of each segment, since interest expense directly influences any investment decision and the evaluation of subsequent operational performance. Interest expense by segment has been shown separately on page 41 to enable the determination of segment profitability before deducting such costs.

SEGMENT PROFITABILITY (IN MILLIONS)

Gross Income	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 427.9	$ 360.9	$ 322.1	$ 302.2	$ 289.3
Financial Services	337.3	217.9	206.8	204.0	177.7
Terminals and Pipelines	297.6	313.4	303.1	281.1	266.5
Logistics and Warehousing	267.4	272.4	244.2	224.4	212.2
Great Lakes Shipping	85.2	83.5	82.4	80.6	78.7
Subtotal	1,415.4	1,248.1	1,158.6	1,092.3	1,024.4
Corporate and Other	(1.0)	(1.7)	(3.6)	(5.4)	(5.3)
Consolidated	$ 1,414.4	$ 1,246.4	$ 1,155.0	$ 1,086.9	$ 1,019.1

Income Before Income Taxes, Equity in Net Earnings of Affiliated Companies and Cumulative Effect of Accounting Changes	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 103.8	$ 90.7	$ 79.6	$ 74.4	$ 68.4
Financial Services	56.1	36.7	34.4	34.5	(38.9)
Terminals and Pipelines	3.0	30.3	33.2	30.2	19.8
Logistics and Warehousing	3.8	3.2	1.6	2.5	3.8
Great Lakes Shipping	10.5	10.8	8.8	10.2	9.3
Subtotal	177.2	171.7	157.6	151.8	62.4
Corporate and Other:					
Selling, general and administrative expense	(16.0)	(20.4)	(18.3)	(22.9)	(18.9)
Interest expense	(30.6)	(31.8)	(17.2)	(18.4)	(23.4)

Other, net	(1.9)	(2.5)	(4.3)	(6.1)	(5.2)
Subtotal	(48.5)	(54.7)	(39.8)	(47.4)	(47.5)
Consolidated	$ 128.7	$ 117.0	$ 117.8	$ 104.4	$ 14.9

Equity in Net Earnings of Affiliated Companies	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 2.9	$ 5.4	$ 4.7	$ 4.5	$ 4.5
Financial Services	13.6	11.3	5.6	5.1	7.7
Terminals and Pipelines	11.9	14.7	12.2	10.1	11.8
Consolidated	$ 28.4	$ 31.4	$ 22.5	$ 19.7	$ 24.0

Income Before Cumulative Effect of Accounting Changes	1996	1995	1994	1993(A)	1992(B)
Railcar Leasing and Management	$ 67.7	$ 62.9	$ 55.1	$ 47.6	$ 49.4
Financial Services	45.9	32.6	24.9	21.5	(16.7)
Terminals and Pipelines	12.6	31.0	31.9	26.5	23.4
Logistics and Warehousing	.9	.5	(.5)	.1	.9
Great Lakes Shipping	6.8	7.0	5.6	6.8	6.2
Subtotal	133.9	134.0	117.0	102.5	63.2
Corporate and Other	(31.2)	(33.2)	(25.5)	(29.8)	(33.9)
Consolidated	$ 102.7	$ 100.8	$ 91.5	$ 72.7	$ 29.3

<FN>

(A) Income includes a $7.3 million charge for the cumulative increase in deferred income taxes as a result of the 1993 federal tax rate change.
(B) Income was reduced further by $45.8 million for the cumulative effect of accounting changes resulting in a net loss of $16.5 million.

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Financial Data of Business Segments (Continued)

The financial position data below present the identifiable asset base of each of GATX's business segments and the degree to which such assets have been financed with external sources of capital. GATX utilizes additional assets, such as railcars, aircraft and warehouses, which are financed through off- balance sheet operating leases and therefore are not included in identifiable assets; similarly, the corresponding financings are not included in long-term debt.

FINANCIAL POSITION (IN MILLIONS)

Identifiable Assets	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 2,387.1	$ 2,041.9	$ 1,882.8	$ 1,701.0	$ 1,694.7
Financial Services	1,808.9	1,503.3	1,255.8	1,240.1	1,320.0
Terminals and Pipelines	1,193.5	1,101.5	1,022.5	872.5	816.2
Logistics and Warehousing	161.8	171.6	172.6	172.8	165.2
Great Lakes Shipping	179.6	187.2	189.8	194.5	204.8

Subtotal	5,730.9	5,005.5	4,523.5	4,180.9	4,200.9
Corporate and Other	30.7	21.9	20.9	25.0	27.3
Intersegment Amounts	(1,011.4)	(984.5)	(893.7)	(813.8)	(801.9)
Consolidated	$ 4,750.2	$ 4,042.9	$ 3,650.7	$ 3,392.1	$ 3,426.3

Long-Term Debt and Capital Lease Obligations	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 1,169.9	$ 979.2	$ 874.9	$ 744.8	$ 744.1
Financial Services	1,216.1	888.9	688.3	715.3	728.4
Terminals and Pipelines	649.1	560.7	506.8	422.8	389.0
Logistics and Warehousing	1.9	2.4	13.1	17.1	10.3
Great Lakes Shipping	108.0	113.2	117.7	122.6	127.1
Subtotal	3,145.0	2,544.4	2,200.8	2,022.6	1,998.9
Intersegment Amounts	(480.9)	(451.9)	(395.7)	(308.8)	(274.3)
Consolidated	$ 2,664.1	$ 2,092.5	$ 1,805.1	$ 1,713.8	$ 1,724.6

Deferred Income Taxes (Benefit)	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 257.9	$ 192.8	$ 188.3	$ 181.0	$ 175.1
Financial Services	17.8	9.7	(.1)	(7.1)	(7.8)
Terminals and Pipelines	96.1	90.4	85.2	87.0	76.8
Logistics and Warehousing	2.1	.5	.9	.8	(.1)
Great Lakes Shipping	11.3	9.7	8.2	6.8	4.5
Subtotal	385.2	303.1	282.5	268.5	248.5
Corporate and Other	(46.0)	(38.3)	(25.0)	(20.3)	(14.4)
Consolidated	$ 339.2	$ 264.8	$ 257.5	$ 248.2	$ 234.1

Major components of GATX's cash flow are shown in the following tabular data. GATX's cash flow from operations and portfolio proceeds has been strong over the five-year period as a result of the long-lived asset base on which GATX has built its service-oriented businesses. Portfolio proceeds represent the proceeds from asset sales and the return of principal on Financial Services' investments. Net cash provided by operating activities includes net income as adjusted for non-cash items which principally consists of the provisions for depreciation and amortization, for deferred income taxes, and for possible losses.

ITEMS AFFECTING CASH FLOW (IN MILLIONS)

Cash From Operations and Portfolio Proceeds	1996	1995	1994	1993	1992
Net cash provided by operating activities	$ 297.5	$ 205.1	$ 265.4	$ 229.6	$ 211.3
Portfolio proceeds	354.8	282.0	212.3	243.4	155.0
Consolidated	$ 652.3	$ 487.1	$ 477.7	$ 473.0	$ 366.3

Net Cash Provided By Operating Activities	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 177.4	$ 141.5	$ 118.0	$ 136.5	$ 108.7
Financial Services	102.2	8.5	67.7	33.0	45.8
Terminals and Pipelines	54.0	70.6	83.5	71.2	82.4
Logistics and Warehousing	17.2	14.3	9.5	4.9	14.5
Great Lakes Shipping	8.9	18.1	8.2	11.4	17.6
Subtotal	359.7	253.0	286.9	257.0	269.0
Corporate and Other	(62.2)	(47.9)	(21.5)	(27.4)	(57.7)
Consolidated	$ 297.5	$ 205.1	$ 265.4	$ 229.6	$ 211.3

Data of Business Segments (Continued)

Provision For Depreciation and Amortization	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 86.8	$ 76.1	$ 68.3	$ 63.9	$ 62.6
Financial Services	45.3	32.0	35.1	29.5	21.1
Terminals and Pipelines	51.9	45.3	43.5	41.0	38.6
Logistics and Warehousing	11.1	11.1	11.5	10.2	10.1
Great Lakes Shipping	6.3	6.2	6.0	5.6	5.6
Subtotal	201.4	170.7	164.4	150.2	138.0
Corporate and Other	1.0	.9	.7	.5	.3
Consolidated	$ 202.4	$ 171.6	$ 165.1	$ 150.7	$ 138.3

Capital Additions and Portfolio Investments	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 386.8	$ 392.6	$ 285.4	$ 195.3	$ 116.6
Financial Services	659.3	388.5	279.2	302.1	178.0
Terminals and Pipelines	129.5	148.6	154.4	77.8	76.2
Logistics and Warehousing	6.6	6.4	8.1	14.1	16.0
Great Lakes Shipping	.8	.7	.7	.1	.6
Subtotal	1,183.0	936.8	727.8	589.4	387.4
Corporate and Other	1.8	.9	.5	7.0	.1

Consolidated	$ 1,184.8	$ 937.7	$ 728.3	$ 596.4	$ 387.5

Interest Expense	1996	1995	1994	1993	1992
Railcar Leasing and Management	$ 108.5	$ 92.2	$ 70.0	$ 69.6	$ 87.3
Financial Services	86.1	68.4	62.7	65.4	71.9
Terminals and Pipelines	53.5	46.4	39.7	39.0	40.3
Logistics and Warehousing	.3	.8	1.0	.7	1.7
Great Lakes Shipping	7.5	7.8	8.1	9.2	9.5
Subtotal	255.9	215.6	181.5	183.9	210.7
Corporate and Other	30.6	31.8	17.2	18.4	23.4
Intersegment Amounts	(83.7)	(77.3)	(50.5)	(50.5)	(58.0)
Consolidated	$ 202.8	$ 170.1	$ 148.2	$ 151.8	$ 176.1

Long-Term Debt and Capital Lease Obligation Maturities	1997	1998	1999	2000	2001
Railcar Leasing and Management	$ 62.3	$ 39.9	$ 55.1	$ 95.3	$ 34.2
Financial Services	218.3	162.0	136.7	116.8	105.9
Terminals and Pipelines	13.0	80.0	48.0	23.1	72.3
Logistics and Warehousing	.4	.1	.1	.1	.1
Great Lakes Shipping	5.8	5.8	5.7	5.7	5.7
Consolidated	$ 299.8	$ 287.8	$ 245.6	$ 241.0	$ 218.2

Statements of Consolidated Income and Reinvested Earnings

GATX Corporation and Subsidiaries
In Millions Except Per Share Data/Year Ended December 31

	1996	1995	1994
Gross Income	$ 1,414.4	$ 1,246.4	$ 1,155.0
Costs and Expenses			
Operating expenses	695.1	625.8	579.5
Interest	202.8	170.1	148.2
Provision for depreciation and amortization	202.4	171.6	165.1
Provision for possible losses	12.5	18.4	19.2
Selling, general and administrative	172.9	143.5	125.2
	1,285.7	1,129.4	1,037.2
Income Before Income Taxes and Equity in Net Earnings of Affiliated Companies	128.7	117.0	117.8
Income Taxes	54.4	47.6	48.8
Income Before Equity in Net Earnings of Affiliated Companies	74.3	69.4	69.0
Equity in Net Earnings of Affiliated Companies	28.4	31.4	22.5
Net Income	102.7	100.8	91.5

Reinvested earnings at beginning of year	409.0	353.5	305.1
Dividends declared on Common and Preferred Stock	(48.0)	(45.3)	(43.1)
Reinvested Earnings at End of Year	$ 463.7	$ 409.0	$ 353.5

Per Share Data			
Net income	$ 4.37	$ 4.30	$ 3.88
Net income, assuming full dilution	4.19	4.13	3.78
Dividends declared per common share	1.72	1.60	1.50
Dividends declared per $2.50 Cumulative Preferred share	2.50	2.50	2.50
Dividends declared per $3.875 Cumulative Preferred share	3.875	3.875	3.875
Average number of common shares and common share equivalents (in thousands)	20,483	20,359	20,153

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See Notes to Consolidated Financial Statements.

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MANAGEMENT DISCUSSION AND ANALYSIS OF INCOME
1996 COMPARED TO 1995

OVERVIEW The comparison of 1996 versus 1995 gross income and expenses is heavily influenced by the effects of three recent acquisitions: CGTX, Centron, and Sun Financial. General American Transportation acquired the remaining interest in CGTX in mid-1996. GATX Capital acquired the remaining interest in Centron in late 1996 and Sun Financial in late 1995. Because GATX previously held less than majority interests in CGTX and Centron, their results were accounted for as equity in earnings of affiliates; they are now fully consolidated.

Gross Income of $1.4 billion increased $168 million or 13% from 1995. Capital's revenue increased $119 million due to Centron's equipment sales and other revenue, a full year of Sun Financial results, the increased portfolio size, and strong fee income. Railcar revenues increased as a result of a larger active railcar fleet and $27 million of CGTX revenue. Terminaling revenue declined $16 million primarily due to highly competitive petroleum storage pricing.

Operating Expenses of $695 million are 11% higher than last year. Centron's cost of equipment sales accounted for $33 million of the increase, with most of the remaining increase attributable to continued sale-leaseback financings at Transportation and Capital. To the extent that sale-leaseback financing is used instead of traditional debt financing, operating lease rent expense, a component of operating expenses, will increase instead of depreciation and interest expense. Logistics' and Terminals' operating expenses were lower, reflecting their reduced revenues.

Interest Expense of $203 million increased 19% as the result of higher average debt balances to fund the growth of the business, somewhat offset by lower interest rates. Over half of the increase occurred at Capital.

The company continues to utilize interest rate swaps to better match the duration of the debt portfolio to the terms of the railcar leases and floating rate assets. The effect of the swaps was to reduce interest expense in both 1996 and 1995.

Depreciation and Amortization Expense increased $31 million due to the increased asset base. Capital's depreciation increased $13 million due to increased investment. Transportation's depreciation increased as a result of CGTX and a larger domestic fleet. A larger asset base at Terminals, including regulatory and maintenance improvements, added $6 million to depreciation.

The Provision for Possible Losses of $13 million, which is largely attributable to Capital, was less than the prior year based on the current assessment of reserve needs.

Selling, General and Administrative Expenses were $29 million higher than last year, $15 million of which is incremental from the three aforementioned acquisitions. In addition, expenses increased for human resource costs, information systems initiatives, consulting, and Terminals' rationalization costs.

Income Tax Expense of $54 million represents an effective tax rate of 42%, somewhat higher than last year's 41%. The effective tax rate exceeded the 35% federal statutory rate because of state taxes, foreign income, and non-deductible items.

Equity in Net Earnings of Affiliated Companies of $28 million declined $3 million from the prior year. The consolidation of CGTX and Centron during the year changed the reporting from the equity method for those two operations which reduced equity earnings by $2 million from 1995. Capital's rail and technology joint ventures reported increased earnings, offset by lower performance at Terminals' petroleum joint venture in Singapore.

Consolidated Net Income of $103 million, an increase of $2 million from last year, was achieved on the strength of record earnings at Capital and Transportation, offset by a decline at Terminals. These consolidated results represent the third consecutive year of record earnings for GATX Corporation.

Consolidated Balance Sheets

GATX Corporation and Subsidiaries

In Millions/December 31	1996	1995
Assets		
Cash and Cash Equivalents	$ 46.2	$ 34.8
Receivables		
Trade accounts	130.1	117.0
Finance leases	761.3	672.2
Secured loans	222.6	239.9
Less - Allowance for possible losses	(121.1)	(100.0)
	992.9	929.1
Operating Lease Assets and Facilities		
Railcars and support facilities	2,436.5	1,945.1
Tank storage terminals and pipelines	1,377.8	1,242.3
Great Lakes vessels	199.3	204.1
Operating lease investments and other	605.6	510.7
	4,619.2	3,902.2
Less - Allowance for depreciation	(1,772.8)	(1,533.1)
	2,846.4	2,369.1
Investments in Affiliated Companies	464.2	408.7
Other Assets	400.5	301.2
	$ 4,750.2	$ 4,042.9
Liabilities, Deferred Items and Shareholders' Equity		
Accounts Payable	$ 312.6	$ 233.3

Accrued Expenses	51.7	48.2
Debt		
Short-term debt	243.8	330.2
Long-term debt	2,436.9	1,850.9
Capital lease obligations	227.2	241.6
	2,907.9	2,422.7
Deferred Income Taxes	339.2	264.8
Other Deferred Items	363.9	356.1
Total Liabilities and Deferred Items	3,975.3	3,325.1
Shareholders' Equity		
Preferred Stock	3.4	3.4
Common Stock	14.4	14.3
Additional capital	329.0	324.8
Reinvested earnings	463.7	409.0
Cumulative unrealized equity adjustments	11.4	13.4
	821.9	764.9
Less - Cost of common shares in treasury	(47.0)	(47.1)
Total Shareholders' Equity	774.9	717.8
	$ 4,750.2	$ 4,042.9

<FN>

See Notes to Consolidated Financial Statements.

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MANAGEMENT DISCUSSION AND ANALYSIS OF BALANCE SHEETS
1996 COMPARED TO 1995

OVERVIEW The comparison of the 1996 balance sheet to 1995 is affected by two acquisitions. Transportation acquired the remaining interest in CGTX in mid-1996. GATX Capital acquired the remaining interest in Centron in late 1996. Because GATX previously held non-controlling interests in CGTX and Centron, they were previously accounted for as investments in affiliated companies; they are now fully consolidated.

Total Assets of $4.8 billion increased $707 million. Approximately half of this increase is due to the consolidation of assets acquired with the CGTX and Centron acquisitions.

Also, the high level of capital additions and portfolio investments more than offset the $202 million of depreciation and the normal runoff of the portfolio. GATX also utilizes over $1 billion of additional assets, such as railcars, aircraft and warehouses, which are financed through off-balance sheet operating leases and therefore are not included on the balance sheet.

Total Receivables increased $85 million primarily due to new investment volume at Capital and trade receivables at CGTX. The allowance for possible losses increased $21 million primarily due to the $13 million addition to the loss reserve and $9 million of net recoveries at Capital. The allowance for possible losses remained largely unchanged at the other subsidiaries.

Operating Lease Assets and Facilities of $2.8 billion increased by $477 million primarily due to the significant level of capital additions during the year, including the acquisitions of CGTX and Centron. Offsetting these additions were depreciation, asset sales and retirements, and sale-leasebacks. Transportation and Capital sold and leased back $214 million of rail and other investments during 1996, removing these assets from the balance sheet.

Investments in Affiliated Companies increased $55 million. Additional investments of $93 million included new aircraft and rail joint ventures at Capital. Other additions were $28 million of equity in net earnings of affiliates and $38 million reclassed from other asset accounts to investments in affiliated companies as joint ventures were formed. Decreases included $53 million when CGTX and Centron became fully consolidated, and $51 million of cash distributions and foreign currency translation adjustments.

Other Assets increased $99 million in large part due to the Centron and CGTX acquisitions.

Accounts Payable increased $79 million. Most of the increase is attributable to the Centron and CGTX acquisitions. Timing of payments for railcars and other accruals also contributed to the increase.

Total Debt of $2.9 billion increased $485 million to fund a portion of the significant capital additions and portfolio investments. In addition, the consolidation of CGTX and Centron resulted in increased debt of $151 million.

Consolidated Equity increased $57 million, reflecting net income of $103 million partially offset by $48 million of common and preferred stock dividends. All other changes, including proceeds from stock option exercises, unrealized gains on stock warrants held, and changes to the cumulative foreign currency translation adjustment, added $2 million to equity.

Statements of Consolidated Cash Flows

GATX Corporation and Subsidiaries

In Millions/Year Ended December 31	1996	1995	1994
Operating Activities			
Net income	$ 102.7	$ 100.8	$ 91.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Realized gain on disposition of leased equipment	(40.9)	(33.3)	(21.7)
Provision for depreciation and amortization	202.4	171.6	165.1
Provision for possible losses	12.5	18.4	19.2
Deferred income taxes	25.2	16.2	9.4
Net change in trade receivables, inventories, accounts payable and accrued expenses	30.2	(68.9)	64.6
Other	(34.6)	.3	(62.7)
Net cash provided by operating activities	297.5	205.1	265.4
Investing Activities			
Additions to operating lease assets & facilities	(436.2)	(521.5)	(435.0)
Additions to equipment on lease, net of nonrecourse financing	(376.3)	(256.1)	(161.3)
Secured loans extended	(117.1)	(84.1)	(101.5)
Investments in affiliated companies	(92.8)	(49.7)	(29.5)
Other investments and progress payments	(162.4)	(26.3)	(1.0)
Capital additions and portfolio investments	(1,184.8)	(937.7)	(728.3)
Portfolio proceeds:			
From disposition of leased equipment	100.7	139.4	65.4
From return of investment	254.1	142.6	146.9
Total portfolio proceeds	354.8	282.0	212.3
Proceeds from other asset dispositions	250.3	318.5	148.5
Net cash used in investing activities	(579.7)	(337.2)	(367.5)
Financing Activities			
Proceeds from issuance of long-term debt	757.3	399.5	239.0
Repayment of long-term debt	(283.3)	(219.6)	(127.0)
Net (decrease) increase in short-term debt	(121.1)	13.3	42.1

Repayment of capital lease obligations	(14.4)	(13.8)	(12.4)
Issuance of common stock under employee benefit programs	3.1	5.5	4.6
Cash dividends	(48.0)	(45.3)	(43.1)
Net cash provided by financing activities	293.6	139.6	103.2
Net Increase In Cash and Cash Equivalents	$ 11.4	$ 7.5	$ 1.1

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See Notes to Consolidated Financial Statements.

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MANAGEMENT DISCUSSION AND ANALYSIS OF CASH FLOWS
1996 COMPARED TO 1995

GATX generates significant cash from its operating activities and proceeds from its investment portfolio which are used to service debt, to pay dividends, and to fund capital additions and portfolio investments. Most of the capital requirements represent additions to the railcar fleet, terminal and pipeline facilities, capital equipment investment portfolio, and joint ventures, and are considered discretionary. As a result, the level of capital spending and investments can be adjusted as conditions in the economy or GATX's businesses warrant.

Cash Provided by Operating Activities generated $298 million of cash flow in 1996, a $93 million increase from 1995. Changes in working capital last year included a $48 million refund of a deposit as the result of a lessee's exercise of its option to return four DC-10 aircraft. Changes in working capital this year included various accruals for payments to be made in early 1997. In addition, non-cash provisions for depreciation and amortization increased $31 million.

Net Cash Used in Investing Activities increased $243 million from the prior year. Capital additions and portfolio investments totaled $1.2 billion in 1996, an increase of $247 million from 1995. Capital's portfolio investments of $659 million were 70% higher than last year, representing strong opportunities in rail, aircraft, technology, marine, and other portfolio sectors. Significant portions of the investments in aircraft and rail were made with other partners. Technology investments included a full year of volume from the late 1995 Sun Financial acquisition, as well as the fourth quarter 1996 acquisition of the remaining interest in Centron. Unlike capital additions, which typically represent assets held for 30 to 50 years, portfolio investments may have a significantly shorter holding period. Transportation's capital additions for 1996, highlighted by the $84 million acquisition of the remaining interest in CGTX, also included more than $300 million primarily for expanding the railcar fleet. Transportation's additions totaled $365 million last year when 6,200 new and used cars were added to the U.S. fleet versus the 4,300 U.S. cars added this year. Terminals' capital additions of $130 million, 13% lower than last year, included the completion of the expansion of the Central Florida pipeline and the acquisition of a majority interest in a Mexican terminal. Most portfolio investments and capital additions represent discretionary spending; only a small percentage of the total amount GATX invests is necessary to maintain existing assets.

Total portfolio proceeds of $355 million exceeded last year by $73 million. Proceeds from the sale of leased equipment, primarily rail and aircraft assets, decreased $39 million from the prior year. Disposition proceeds include both the return of principal and gains on the transactions. Proceeds from the return of investment of $254 million increased $112 million from 1995. In 1996, loan principal received, a component of proceeds from the return of investment, was $122 million, more than double last year's $58 million.

Proceeds from other asset dispositions of $250 million decreased $68 million from 1995 due to lower sale-leaseback activity. In 1996, Transportation completed $150 million of sale-leasebacks of railcars compared to $250 million in 1995. Capital sold and leased back $64 million of assets in 1996 versus $47 million last year.

Cash Provided by Financing Activities increased $154 million compared to 1995 as a result of the high level of current year capital additions and portfolio investments and the lower sale-leaseback activity in 1996. GATX's financing requirements are met with both debt and sale-leaseback financing, and in 1996 the lower sale-leaseback financings led to a higher proportion of debt financing. Net debt financing in 1996 was $339 million, or $159 million greater than last year. A significant portion of debt financing is nonrecourse to the company.

Cash dividends increased $3 million in 1996 due to an increase in the common stock dividend to $1.72 per share from $1.60 per share in 1995. In January 1997, the Board of Directors approved a 7% increase in the quarterly dividend to $.46 per common share, or $1.84 on an annual basis. This was the twelfth consecutive year GATX increased its dividend.

LIQUIDITY AND CAPITAL RESOURCES General American Transportation Corporation (GATC), GATX Capital, GATX Terminals and GATX Logistics have revolving credit facilities. GATC and GATX Capital also have commercial paper programs and uncommitted money market lines which are used to fund operating needs. The GATC credit facility expires in 2001 while GATX Capital's revolver expires in 1999. Under the covenants of the commercial paper programs and rating agency guidelines, GATC and GATX Capital individually must keep unused revolver capacity at least equal to the amount of commercial paper outstanding. At December 31, 1996, GATX and its subsidiaries had available unused committed lines of credit amounting to $594 million.

GATC has a $650 million shelf registration for pass through trust certificates and debt securities of which $207 million had been issued at year end. GATX Capital has a shelf registration for $300 million of which $268 million has been issued. At year end, GATX had $426 million of commitments to provide financing to customers or to acquire assets, $218 million of which is scheduled to fund in 1997.

At December 31, 1996, approximately $748 million of net assets of subsidiaries have certain restrictions which limit the ability to transfer assets to GATX parent in the form of loans, advances or dividends. The majority of the restricted net assets relate to the revolving credit agreement of GATC and the various loan agreements of GATX Capital and GATX Logistics. Such restrictions are not expected to have an adverse impact on the ability of GATX to meet its cash obligations.

ENVIRONMENTAL MATTERS Certain operations of GATX's subsidiaries (collectively GATX) present potential environmental risks principally through the transportation or storage of various commodities. Recognizing that some risk to the environment is intrinsic to its operations, GATX is committed to protecting the environment as well as complying with applicable environmental protection laws and regulations. GATX, as well as its competitors, is subject to extensive regulation under federal, state and local environmental laws which have the effect of increasing the costs and liabilities associated with the conduct of its operations. In addition, GATX's foreign operations are subject to environmental laws in effect in each respective jurisdiction.

GATX's policy is to monitor and actively address environmental concerns in a responsible manner. GATX has received notices from the U.S. Environmental Protection Agency (EPA) that it is a potentially responsible party (PRP) for study and clean-up costs at 11 sites under the requirements of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund). Under Superfund and comparable state laws, GATX may be required to share in the cost to clean-up various contaminated sites identified by the EPA and other agencies. In all but one instance, GATX is one of a number of financially responsible PRPs and has been identified as contributing only a small percentage of the contamination at each of the sites. Due to various factors such as the required level of remediation and participation in clean-up efforts by others, GATX's total clean-up costs at these sites cannot be predicted with certainty; however, GATX's best estimates for remediation and restoration of these sites have been determined and are included in its environmental reserves.

Future costs of environmental compliance are indeterminable due to unknowns such as the magnitude of possible contamination, the timing and extent of the corrective actions that may be required, the determination of the company's liability in proportion to other responsible parties, and the extent to which such costs are

recoverable from third parties including insurers. Also, GATX may incur additional costs relating to facilities and sites where past operations followed practices and procedures that were considered acceptable at the time but in the future may require investigation and/or remedial work to ensure adequate protection to the environment under current or future standards. If future laws and regulations contain more stringent requirements than presently anticipated, expenditures may be higher than the estimates, forecasts, and assessments of potential environmental costs provided below. However, these costs are expected to be at least equal to the current level of expenditures. In addition, GATX has provided indemnities for environmental issues to the buyers of three divested companies for which GATX believes it has adequate reserves.

GATX's environmental reserve at the end of 1996 was $88 million and reflects GATX's best estimate of the cost to remediate known environmental conditions. Additions to the reserve were $12 million in 1996 and $14 million in 1995. Expenditures charged to the reserve amounted to $18 million and $16 million in 1996 and 1995, respectively.

In 1996, GATX made capital expenditures of $17 million for environmental and regulatory compliance compared to $18 million in 1995. These projects included marine vapor recovery, discharge prevention compliance, waste water systems, impervious dikes, tank modifications for emissions control, and tank car cleaning systems. Environmental projects authorized or planned would require capital expenditures of approximately $20 million in 1997. GATX anticipates it will make annual expenditures at approximately the same level over each of the next five years.

Financial data of business segments for 1996, 1995, and 1994 on pages 38 through 41 are an integral part of the consolidated financial statements of GATX Corporation and subsidiaries.

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies of GATX and its consolidated subsidiaries are discussed below.

CONSOLIDATION The consolidated financial statements include the accounts of GATX and its majority-owned subsidiaries. Investments in 20 to 50 percent-owned companies and joint ventures are accounted for under the equity method and are shown as investments in affiliated companies. Less than 20 percent-owned affiliated companies are recorded using the cost method.

CASH EQUIVALENTS GATX considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying amounts reported in the balance sheet for cash and cash equivalents approximate the fair value of those assets.

OPERATING LEASE ASSETS AND FACILITIES Operating lease assets and facilities are stated principally at cost. Assets acquired under capital leases are included in operating lease assets and the related obligations are recorded as liabilities. Provisions for depreciation include the amortization of the cost of capital leases and are computed by the straight-line method which results in equal annual depreciation charges over the estimated useful lives of the assets. The estimated useful lives of depreciable assets are as follows:

Railcars	20-33 years
Buildings, leasehold improvements, storage tanks, and pipelines	5-40 years
Great Lakes vessels	30-40 years
Machinery and related equipment	3-25 years
Operating lease investments	3-38 years

GOODWILL GATX has classified the cost in excess of the fair value of net assets acquired as goodwill. Goodwill, which is included in other assets, is being amortized on a straight-line basis over 10 to 40 years. GATX continually evaluates the existence of goodwill impairment on the basis of whether the goodwill is recoverable from projected undiscounted net cash flows of the related business. Goodwill, net of accumulated amortization of $30.4 million and $25.3 million, was $167.4 million and $136.0 million as of December 31, 1996 and 1995, respectively. Amortization expense was $5.3 million in 1996 and $4.2 million in 1995.

INCOME TAXES United States income taxes have not been provided on the undistributed earnings of foreign subsidiaries and affiliates which GATX intends to permanently reinvest in these foreign operations. The cumulative amount of such earnings was $143.5 million at December 31, 1996.

GATX participates in a Capital Construction Fund agreement with the United States Maritime Administration. Contributions to the Fund reduce taxable income and the tax basis of the related vessels. Deferred taxes are not required to be provided for such contributions and, consequently, income taxes in future years will increase if not offset by additional deposits. Based on current statutory rates, such income tax liability would be $2.7 million at December 31, 1996.

OTHER DEFERRED ITEMS Other deferred items include the accrual for postretirement benefits other than pensions; environmental, general liability and workers' compensation reserves; and other deferred credits.

OFF-BALANCE SHEET FINANCIAL INSTRUMENTS GATX uses interest rate and currency swaps, forwards and similar contracts to set interest and exchange rates on existing or anticipated transactions. These instruments qualify for hedge accounting. Fair values of GATX's off-balance sheet financial instruments (futures, swaps, forwards, options, guarantees, and lending and purchase commitments) are based on current market prices, settlement values or fees currently charged to enter into similar agreements. The fair values of the hedge contracts are not recognized in the financial statements. Net amounts paid or received on such contracts are recognized over the term of the contract as an adjustment to interest expense or the basis of the hedged financial instrument.

ENVIRONMENTAL LIABILITIES Expenditures that relate to current or future operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are charged to environmental reserves. Reserves are recorded in accordance with accounting guidelines to cover work at identified sites when GATX's liability for environmental clean-up is both probable and a minimum estimate of associated costs can be made; adjustments to initial estimates are recorded as necessary.

REVENUE RECOGNITION The majority of GATX's gross income is derived from the rentals of railcars, commercial aircraft, Great Lakes vessels, and terminaling, warehousing and logistics services. In addition, income is derived from finance leases, asset remarketing, secured loans and other services.

FOREIGN CURRENCY TRANSLATION The assets and liabilities of GATX operations located outside the United States are translated at exchange rates in effect at year end, and income statements are translated at the average exchange rates for the year. Gains or losses resulting from the translation of foreign currency financial statements are deferred and recorded as a separate component of consolidated shareholders' equity. The cumulative foreign currency translation adjustment recorded in the cumulative unrealized equity adjustments account was $5.8 million and $13.4 million at the end of 1996 and 1995, respectively. Incremental unrealized translation gains (losses) were $(7.6) million, $(6.9) million, and $18.3 million, during 1996, 1995 and 1994, respectively.

INVESTMENTS IN EQUITY SECURITIES Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," was adopted in 1996 to account for the fair value of stock warrants and stock held in Financial Services' venture leasing portfolio. The unrealized gains recorded in the cumulative unrealized equity adjustments account were $5.6 million for 1996.

USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles necessarily requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as revenues and expenses during the reporting period. Actual amounts when ultimately realized could differ from those estimates.

EARNINGS PER SHARE Primary earnings per share are based on the weighted average number of common shares and common share equivalents outstanding. Net income is adjusted for the preferred stock dividends. The common share equivalents represent the dilutive shares issuable upon exercise of employee stock options. Fully diluted earnings per share are based on the weighted average number of common shares outstanding, including shares issuable upon exercise of employee stock options, and assume all preferred stock has been converted into common shares if the effect of such conversion is not antidilutive.

Reclassifications Certain amounts in the 1995 and 1994 financial statements have been reclassified to conform to the 1996

presentation.

NOTE B - ACCOUNTING FOR LEASES

The following information pertains to GATX as a lessor:

FINANCES LEASES The components of the investment in finance leases were (in millions):

December 31	1996	1995
Minimum future lease receivables	$ 679.4	$ 670.0
Estimated residual values	359.0	269.2
	1,038.4	939.2
Less - Unearned income	(277.1)	(267.0)
Investment in finance leases	$ 761.3	$ 672.2

OPERATING LEASES The majority of railcar and tankage assets and certain other equipment leases included in operating lease assets and facilities are accounted for as operating leases.

MINIMUM FUTURE RECEIPTS Minimum future lease receipts from finance leases and minimum future rental receipts from noncancelable operating leases by year at December 31, 1996 were (in millions):

	Finance Leases	Operating Leases	Total

1997	$163.6	$ 619.4	$ 783.0
1998	127.5	455.5	583.0
1999	98.4	335.6	434.0
2000	81.2	220.5	301.7
2001	58.5	130.5	189.0
Years thereafter	150.2	380.0	530.2
	$679.4	$2,141.5	$2,820.9

The following information pertains to GATX as a lessee:

CAPITAL LEASES Certain assets classified as operating lease assets and facilities and finance leases which have been financed under capital leases were (in millions):

December 31	1996	1995
Railcars	$ 152.2	$ 152.8
Great Lakes vessels	159.5	159.5
	311.7	312.3
Less - Allowance for depreciation	(162.6)	(152.0)
	149.1	160.3
Finance leases	12.4	15.9
	$ 161.5	$ 176.2

OPERATING LEASES GATX has financed railcars, aircraft and warehouses through sale-leasebacks which are accounted for as operating leases. In addition, GATX leases certain other assets and office facilities. Total rental expense, net of sublease income, for the years ended December 31, 1996, 1995 and 1994 was $170.2 million, $139.7 million, and $113.7 million, respectively. Sublease income was $6.9 million, $8.2 million, and $6.8 million in 1996, 1995 and 1994, respectively.

FUTURE MINIMUM RENTAL PAYMENTS Future minimum rental payments due under noncancelable leases at December 31, 1996 were (in millions):

	Capital Leases	Operating Leases
1997	$ 32.9	$ 162.0
1998	32.0	151.5
1999	32.0	135.0
2000	31.4	122.9
2001	30.7	111.7
Years thereafter	215.8	1,511.5
	$374.8	$2,194.6
Less - Amounts representing interest	(147.6)	
Present value of future minimum capital lease payments	$227.2	

The above capital lease amounts and certain operating leases do not include the costs of licenses, taxes, insurance, and maintenance which GATX is required to pay. Future minimum operating lease payments have not been reduced by aggregate future noncancelable sublease rentals of $15.1 million. Interest expense on the above capital leases was $19.1 million in 1996, $20.1 million in 1995, and $21.2 million in 1994.

NOTE C - SECURED LOANS

Investments in secured loans are stated at the principal amount outstanding plus accrued interest. The loans are collateralized by equipment, golf courses or real estate. As of December 31, 1996, secured loan principal due by year was as follows (in millions):

	Loan Principal
1997	$ 42.7
1998	17.4
1999	19.9
2000	11.9
2001	14.3
Years thereafter	116.4
	$222.6

NOTE D - INVESTMENTS IN AFFILIATED COMPANIES

GATX has investments in 20 to 50 percent-owned companies and joint ventures which are accounted for using the equity method. These domestic and foreign investments are in businesses similar to those of GATX's principal subsidiaries. Distributions received from such affiliates were $36.4 million, $37.9 million, and $26.2 million, in 1996, 1995 and 1994, respectively.

Summarized operating results for all affiliated companies in their entirety were (in millions):

For the Year	1996	1995	1994
Revenues	$ 360.9	$ 526.8	$ 489.2
Net income	75.6	78.8	60.9

Summarized balance sheet data for all affiliated companies in their entirety were (in millions):

December 31	1996	1995
Total assets	$2,229.3	$2,178.0
Long-term liabilities	891.7	790.1
Other liabilities	179.9	294.5
Shareholders' equity	$1,157.7	$1,093.4

NOTE E - FOREIGN OPERATIONS

GATX has a number of investments in subsidiary and affiliated companies which are located in or derive income from foreign countries. Foreign entities contribute significantly to equity in net earnings of affiliated companies. The foreign identifiable assets represent investments in affiliated companies as well as fully consolidated assets for a Canadian railcar subsidiary, a United Kingdom terminaling operation, a Mexican railcar operation, and foreign lease and loan investments.

Gross Income (In Millions)	1996	1995	1994
Foreign	$ 112.5	$ 71.5	$ 63.7
United States	1,301.9	1,174.9	1,091.3
	$ 1,414.4	$ 1,246.4	$ 1,155.0

Income Before Income Taxes and Equity in Net Earnings of Affiliated Companies (In Millions)	1996	1995	1994
Foreign	$ 4.1	$ 3.3	$ 4.6
United States	124.6	113.7	113.2
	$ 128.7	$ 117.0	$ 117.8

Equity in Net Earnings of Affiliated Companies (In Millions)	1996	1995	1994
Foreign	$ 20.3	$ 26.6	$ 21.2
United States	8.1	4.8	1.3
	$ 28.4	$ 31.4	$ 22.5

Identifiable Assets (In Millions)	1996	1995	1994
Foreign	$ 872.4	$ 516.8	$ 479.6
United States	3,877.8	3,526.1	3,171.1
	$ 4,750.2	$ 4,042.9	$ 3,650.7

Foreign cash flows generated are used to meet local operating needs and for reinvestment. The translation of the foreign balance sheets into U.S. dollars results in an unrealized foreign currency translation adjustment, a component of the cumulative unrealized equity adjustments account.

NOTE F - SHORT-TERM DEBT AND LINES OF CREDIT

Short-term debt and its weighted average interest rate as of year end were (in millions):

December 31	1996 Amount	1996 Rate	1995 Amount	1995 Rate
Commercial paper	$ 21.0	5.82%	$ 175.2	6.14%
Other short-term borrowings	222.8	6.11%	155.0	6.49%
	$ 243.8		$ 330.2	

Under a revolving credit agreement with a group of banks, GATC may borrow up to $300.0 million. The revolving credit agreement contains various restrictive covenants which include, among other things, minimum net worth, restrictions on additional indebtedness, and requirements to maintain certain financial ratios for GATC. Under the agreement, GATC met its requirement to maintain a minimum net worth of $590.1 million at December 31, 1996. While at year end no borrowings were outstanding under the agreement, the available line of credit was reduced by $10.0 million of commercial paper outstanding. GATC had borrowings of $96.4 million under unsecured money market lines at December 31, 1996. CGTX, GATC's Canadian subsidiary, had bankers acceptances and other uncommitted short-term borrowings of $21.1 million Canadian dollars at December 31, 1996. GTL, GATX Terminals' UK subsidiary, has a revolving credit agreement of (pound)28.0 million of which (pound)1.7 million was available at year end. Also, GATX Logistics has a $10.0 million revolving credit agreement, all of which was available at the end of 1996.

GATX Capital and its wholly owned subsidiaries, Sun Financial and Centron, have commitments under its credit agreements with a group of banks for revolving credit loans totaling $345.5 million of which $290.9 million was available at December 31, 1996; the commitment was reduced by $54.6 million of outstanding commercial paper and bankers' acceptances. The primary credit agreement contains various covenants which include, among other things, minimum net worth, restrictions on dividends, and requirements to maintain certain financial ratios for GATX Capital. At December 31, 1996, such covenants limited GATX Capital's ability to transfer net assets to GATX to no more than $44.2 million.

Interest expense on short-term debt was $26.2 million in 1996, $19.4 million in 1995, and $13.2 million in 1994.

NOTE G- LONG-TERM DEBT

Long-term debt consisted of (in millions):

	Interest Rates	Final Maturity	December 31 1996	December 31 1995
Variable rate:				
Term notes	5.675%-8.5%	1997-2018	$ 72.1	$ 40.5
Nonrecourse obligations	6.6875%-9.75%	2000-2002	50.2	52.6
			122.3	93.1

Fixed rate:				
Term notes	5.45%-10.875%	1997-2012	1,952.3	1,526.5
Nonrecourse obligations	5.10%-11.08%	1997-2013	272.8	140.8
Industrial revenue bonds	6.625%-7.3%	2019-2024	87.9	87.9
Title XI bonds	7.1%	1998	1.6	2.6
			2,314.6	1,757.8
			$2,436.9	$1,850.9

Maturities of GATX's long-term debt as of December 31, 1996 for each of the years 1997 through 2001 were (in millions):

	Long-Term Debt
1997	$283.5
1998	272.4
1999	229.1
2000	223.6
2001	200.0

At December 31, 1996, certain technology assets, facilities, aircraft, vessels and warehouse equipment with a net carrying value of $356.9 million were pledged as collateral for $253.8 million of notes and bonds.

Interest cost incurred on long-term debt, net of capitalized interest, was $157.5 million in 1996, $130.6 million in 1995, and $113.8 million in 1994. Interest cost capitalized as part of the cost of construction of major assets was $6.8 million in 1996, $6.2 million in 1995, and $3.0 million in 1994.

At December 31, 1996, certain debt agreements of subsidiaries restrict the ability of the subsidiaries to transfer net assets to the parent company in the form of loans, advances or dividends. Such restrictions affect $747.9 million of the $1,285.2 million of total subsidiary net assets. The majority of these restrictions relate to the revolving credit agreement of GATC and certain loan agreements of GATX Capital and GATX Logistics.

NOTE H - OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

In the ordinary course of business, GATX utilizes off-balance sheet financial instruments to manage financial market risk, including interest rate and foreign exchange risk.

At December 31, 1996 GATX had the following off-balance sheet financial instruments (in millions):

Interest Rate Swaps	Notional Amount	Pay Rate/Index	Receive Rate/Index	Maturity
GATX pays fixed, receives floating	$ 907.9	5.097-8.745%	LIBOR	1997-2001
GATX pays floating, receives fixed	1,137.0	LIBOR	5.27-7.646%	1997-2006

Currency Forwards and Swaps	Receive	Deliver	Maturity
Canadian dollar swaps	$146.2	C$198.5	2001-2011

GATX had the following interest rate hedge activity (in millions):

Interest Rate Swaps	Pay Fixed	Pay Floating
Balance at January 1, 1995	$ 500.0	$ 780.0
Additions	405.5	290.0
Maturities	(100.0)	(25.0)
Balance at December 31, 1995	$ 805.5	$1,045.0
Additions	442.4	137.0
Maturities	(340.0)	(45.0)
Balance at December 31, 1996	$ 907.9	$1,137.0

GATX uses interest rate swaps and forwards to manage its assets and liabilities, to convert floating rate debt to fixed rate debt (or fixed to floating) and to manage interest rate risk associated with the issuance of debt. At GATC, interest rate swaps are utilized to better match the duration of its debt portfolio to the duration of its railcar leases. Railcar assets are financed with long-term fixed rate debt or through sale-leasebacks. However, the railcar assets are placed on lease with average new lease terms of 5 years; the average renewal term is 3 years. Rents are fixed over these lease terms. Interest rate swaps effectively convert GATC's long-term fixed rate debt to fixed rate debt with maturities of 3 months to 3 years. Through the swap program, railcar lease rates are expected to better reflect GATC's interest costs. Also, GATX Capital uses interest rate swaps in addition to commercial paper and floating rate medium-term notes to match fund its floating rate lease and loan portfolio with floating rate borrowings.

In its swaps, GATX agrees to exchange, at specific intervals, the difference between fixed and floating rate interest amounts calculated on an agreed upon notional principal amount. The swaps have in effect converted $229.1 million of long-term fixed rate debt into floating rate debt and $907.9 million of long-term fixed rate debt into 1-3 year fixed rate debt.

The net amount payable or receivable from the interest rate swap agreements is accrued as an adjustment to interest expense. The fair value of its interest rate swap agreements is an estimate of the amount the company would receive or pay to terminate those agreements. At December 31, 1996, GATX would have paid $12.8 million if the swaps

were terminated; GATX would have received $28.2 million if the swaps were terminated at December 31, 1995.

GATX has entered into currency swaps to hedge $146.2 million in debt obligations at its Canadian subsidiaries.

In the event that a counterparty fails to meet the terms of the interest rate swap agreement or a foreign exchange contract, GATX's exposure is limited to the interest rate or currency differential. GATX manages the credit risk of counterparties by dealing only with institutions that the company considers financially sound and by avoiding concentrations of risk with a single counterparty. GATX considers the risk of nonperformance to be remote.

NOTE I - FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of GATX's financial instruments that are recorded on the balance sheet. SFAS No. 107, Disclosures about Fair Value of Financial Instruments, defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

December 31	1996		1995	
(In Millions):	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Cash and cash equivalents	$ 46.2	$ 46.2	$ 34.8	$ 34.8
Trade accounts receivables	130.1	130.1	117.0	117.0
Secured loans	222.6	219.4	239.9	252.4
Liabilities:				
Accounts payable - trade	312.6	312.6	233.3	233.3
Short-term debt	243.8	243.8	330.2	330.2
Long-term debt - variable	122.3	122.3	93.1	93.1
Long-term debt - fixed	2,314.6	2,405.7	1,757.8	1,923.7

The carrying amounts shown in the table are included in the balance sheet under the indicated captions.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade receivables, trade payables and short-term debt are carried at cost which approximates fair value because of the short maturity of those instruments.

Secured loan investments are stated at the principal amount outstanding plus accrued interest. The loans are collateralized by equipment, golf courses or real estate. The fair value of variable rate loans is assumed to be equal to their recorded amounts. The fair value of fixed rate loans is estimated using discounted cash flow analyses, at interest rates currently offered for loans with similar terms to borrowers of similar credit quality.

The carrying amounts of variable rate long-term debt reported in the balance sheet approximate fair value. The fair value of fixed rate long-term debt was estimated by performing a discounted cash flow calculation using the note term and market interest rate for each note based on GATX's current incremental borrowing rates for similar borrowing arrangements.

NOTE J - PENSION BENEFITS

GATX and its subsidiaries, exclusive of GATX Logistics, Sun Financial and Centron, maintain several noncontributory defined benefit pension plans (the "pension plans") covering substantially all employees. Benefits payable under the pension plans are based on years of service and/or final average salary. The funding policy for the pension plans is based on an actuarially determined cost method allowable under Internal Revenue Service regulations.

The net periodic pension cost for the pension plans was determined based on the funds' status at the beginning of the year. Significant assumptions used in determining pension cost for 1994 through 1996 were:

	1996-1994
Discount rate	7.75%
Expected long-term rate of return on assets	8.75%
Rate of increase in compensation levels	5.5%

The components of net periodic pension cost were (in millions):

For the Year	1996	1995	1994
Service cost of benefits earned during the period	$ 6.5	$ 6.0	$ 5.6
Interest cost on projected benefit obligation	20.3	19.9	19.4
Actual (gain) loss on plan assets	(33.3)	(49.7)	1.6
Net amortization and deferral	11.2	28.6	(22.5)
Net periodic pension cost	$ 4.7	$ 4.8	$ 4.1

The projected benefit obligation was determined based on the funded status at year end. Significant assumptions used in determining the projected benefit obligations were:

	1996-1994
Discount rate	7.75%
Rate of increase in compensation levels	5.5%

The funded status of the defined benefit plans and the amounts recognized in GATX's consolidated balance sheet were (in millions):

December 31	1996	1995
Actuarial present value of benefit obligation:		
Accumulated benefit obligation		
- vested	$230.2	$226.8
- nonvested	7.2	6.9
	237.4	233.7

Effects of projected future compensation levels	37.3	35.5
Projected benefit obligation	274.7	269.2
Plan assets at fair market value, primarily listed stocks and bonds	290.7	271.6
Projected benefit obligation (less than) in excess of plan assets	$(16.0)	$ (2.4)

Reconciliation of funded status to recorded amounts:

Net pension liability included in balance sheet	$ (4.6)	$ (2.9)
Unrecognized net asset from transition to new pension accounting standard	(.4)	(.4)
Unrecognized net (gain) loss	(15.1)	(3.5)
Unrecognized prior service cost	4.1	4.4
Projected benefit obligation (less than) in excess of plan assets	$(16.0)	$ (2.4)

GATX makes contributions to its defined benefit pension plans in addition to the multiemployer pension plans of various unions. Further, GATX and its subsidiaries maintain several 401(k) retirement plans which are available to substantially all salaried and certain other employee groups. GATX may contribute to the plans as defined by their respective terms. The contributions to such plans were (in millions):

For the Year	1996	1995	1994
Contributions to GATX's pension plans	$ 6.2	$ 4.4	$ 7.9
Contributions to multiemployer pension plans	2.0	1.9	2.1
Contributions to 401(k) plans	3.6	3.2	2.9

NOTE K - POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

GATX provides health care, life insurance and other benefits for certain retired employees who meet established criteria. Most domestic employees are eligible for health care and life insurance benefits if they retire from GATX with immediate pension benefits under the GATX pension plan. The plans are either contributory or non-contributory, depending on various factors.

Net periodic postretirement benefit cost included the following components (in millions):

For the Year	1996	1995	1994
Current service cost	$ .6	$ .5	$ .5

Interest cost on accumulated postretirement benefit obligation	5.3	5.4	6.3
Net amortization and deferral	(.5)	(.4)	(.1)
Net periodic postretirement benefit cost	$ 5.4	$ 5.5	$ 6.7
Discount rate	7.75%	7.75%	7.75%

The following table sets forth the amounts recognized in GATX's consolidated balance sheet (in millions):

December 31	1996	1995
Accumulated postretirement benefit obligation:		
Retirees	$ 60.4	$ 62.5
Fully eligible active plan participants	3.1	3.3
Other active plan participants	6.8	6.1
Total accumulated postretirement benefits obligation	70.3	71.9
Unrecognized gain	13.7	11.6
Accrued postretirement benefit liability	$ 84.0	$ 83.5

The accrued postretirement benefit liability was determined using an assumed discount rate of 7.75% for 1996 and 1995.

For measurement purposes, blended rates ranging from 7% decreasing to 5% over the next year and remaining at that level thereafter were used for the increase in the per capita cost of covered health care benefits. The health care cost trend rate assumption has a significant effect on the amount of the obligation and periodic cost reported. An increase in the assumed health care cost trend rates by 1% would increase the accumulated postretirement benefit obligation by $4.1 million and would increase aggregate service and interest cost components of net periodic postretirement benefit cost by $.6 million per year.

NOTE L - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of GATX's deferred tax liabilities and assets were (in millions):

December 31	1996	1995
Deferred tax liabilities:		
Book/tax basis differences due to depreciation	$ 378.4	$ 312.8
Leveraged leases	67.7	61.1
Lease accounting (other than leveraged)	45.0	46.8
Other	48.2	38.3

Total deferred tax liabilities	539.3	459.0
Deferred tax assets:		
Alternative minimum tax credit	58.7	61.2
Accruals not currently deductible for tax purposes	54.2	56.7
Allowance for possible losses	44.8	36.3
Postretirement benefits other than pensions	28.8	28.8
Other	13.6	11.2
Total deferred tax assets	200.1	194.2
Net deferred tax liabilities	$ 339.2	$ 264.8

At December 31, 1996, GATX had an alternative minimum tax credit of $58.7 million that can be carried forward indefinitely to reduce future regular tax liabilities.

GATX and its United States subsidiaries file a consolidated federal income tax return. Amounts shown as Current - Federal represent taxes payable as determined by the Alternative Minimum Tax. Income taxes consisted of (in millions):

For the Year	1996	1995	1994
Current -			
Domestic:			
Federal	$ 24.4	$ 27.9	$ 35.9
State and local	2.4	4.6	2.5
	26.8	32.5	38.4
Foreign	2.4	(1.1)	1.0
	29.2	31.4	39.4
Deferred -			
Domestic:			
Federal	18.9	10.3	3.1
State and local	4.9	3.0	4.3
	23.8	13.3	7.4
Foreign	1.4	2.9	2.0
	25.2	16.2	9.4
Income tax expense	$ 54.4	$ 47.6	$ 48.8
Income taxes paid	$ 33.6	$ 33.9	$ 42.1

The reasons for the difference between GATX's effective income tax rate and the federal statutory income tax rate were:

For the Year	1996	1995	1994
Federal statutory income tax rate	35.0%	35.0%	35.0%
Add (deduct) effect of:			
Corporate owned life insurance	(2.0)	(4.5)	(3.2)
State income taxes	3.6	4.1	3.8
Foreign income	1.7	1.3	1.9
Goodwill amortization	1.1	1.1	1.3
Minority interest	.3	2.1	.8
Other	2.6	1.6	1.8

Effective income tax rate	42.3%	40.7%	41.4%

NOTE M - SHAREHOLDERS' EQUITY

GATX's Certificate of Incorporation has authorized 60,000,000 shares of common stock at a par value of $.625 per share and 5,000,000 shares of preferred stock at $1.00 per share. Shares of preferred stock issued and outstanding consist of Series A and B $2.50 Cumulative Convertible Preferred Stock and $3.875 Cumulative Convertible
Preferred Stock.

Holders of both series of $2.50 Cumulative Convertible Preferred Stock are entitled to receive a cumulative annual cash dividend of $2.50 per share. Each share of such preferred stock may be called for redemption by GATX at $63 per share, has a liquidating value of $60 per share, and may be converted into 2.5 shares of common stock.

Holders of $3.875 Cumulative Convertible Preferred Stock are entitled to receive a cumulative annual cash dividend of $3.875 per share. Each share of such preferred stock may be converted at the option of the holder at any time, unless previously redeemed, into 1.1494 shares of common stock. The shares became redeemable at GATX's option on and after August 1, 1992, initially at a redemption price of $52.7125 per share and thereafter at prices declining to $50 per share on and after August 1, 1999, plus dividends accrued and unpaid at the redemption date. The liquidating value is $50 per share plus accrued and unpaid dividends.

At December 31, 1996, 6,639,271 shares of common stock were reserved for:

	Shares
Conversion of outstanding preferred stock	3,967,133
Incentive compensation programs	2,653,338
Employee service awards	18,800
	6,639,271

Holders of $2.50 and $3.875 Cumulative Convertible Preferred Stock and Common Stock are entitled to one vote for each share held. Except in certain instances, all such classes vote together as a single class.

Transactions in preferred stock, common stock, and treasury shares are shown in the following table:

Capital Transactions
(in Thousands, Except Number of Shares)

	Preferred Stock			Common Stock			Cost of Common Shares in Treasury (Deduction)	
	Shares Issued	Par Value	Additional Capital	Shares Issued	Par Value	Additional Capital	Shares	Amount
Balance at January 1, 1994	3,440,551	$ 3,441	$ 162,909	22,491,351	$14,057	$149,520	(2,790,954)	$(47,082)
Add (deduct):								
Conversion of preferred stock into common stock	(2,716)	(3)	(267)	6,789	4			266
Common stock issued under option, incentive and service award plans	187,450	117	5,634					
Balance at December 31, 1994	3,437,835	$ 3,438	$ 162,642	22,685,590	$14,178	$155,420	(2,790,954)	$(47,082)
Add (deduct):								

Conversion of preferred stock into common stock	(6,815)	(7)	(71)	11,467	7			70
Common stock issued under option, incentive and service award plans	199,350	125	6,769					
Balance at December 31, 1995	3,431,020	$ 3,431	$ 162,571	22,896,407	$14,310	$162,259	(2,790,954)	$(47,082)
Add (deduct):								
Conversion of preferred stock into common stock	(12,315)	(12)	(334)	30,790	19			327
Common stock issued under option, incentive and service award plans	137,577	86	4,181	915	16			
Balance at December 31, 1996	3,418,705	$ 3,419	$ 162,237	23,064,774	$14,415	$166,767	(2,790,039)	$(47,066)

NOTE N - INCENTIVE COMPENSATION PLANS

THE 1995 PLAN The GATX Corporation 1995 Long Term Incentive Compensation Plan (the 1995 Plan) contains provisions for the granting of non-qualified stock options, incentive stock options, stock appreciation rights (SARs), cash and common stock individual performance units (IPUs), restricted stock rights, restricted common stock and performance awards. An aggregate of 1,500,000 shares of common stock may be issued under the 1995 Plan. As of December 31, 1996, 986,190 shares are available for issuance under the 1995 Plan.

Non-qualified stock options and incentive stock options may be granted for the purchase of common stock for periods not longer than ten years from the date of grant. The exercise price will be not less than the higher of market value at date of grant or par value of the common stock. All options become exercisable commencing on a date no earlier than one year from the date of grant.

SARs can be issued in conjunction with non-qualified or incentive stock options and entitle the holder to receive the difference between the option price and fair market value of the common stock at time of exercise, either in shares of common stock, cash, or a combination of the two at GATX's discretion. Exercise of SARs results in cancellation of the underlying options. During 1996, no SARs were issued and none were outstanding.

IPUs may be granted to key employees and, if predetermined performance goals are met, will be redeemed in cash and common stock, as applicable, with the redemption value determined in part by the fair market value of the common stock as of the date of redemption and in part by the extent to which pre-established performance goals have been achieved. A total of 11,537 IPUs were granted during 1996 and 31,864 IPUs in total were outstanding at the end of the year. In 1996, 19,752 shares of common stock and $.5 million in cash were paid to the participants in redemption of previously issued IPUs.

Restricted stock rights may be granted to key employees entitling them to receive a specified number of shares of restricted common stock. The recipients of restricted common stock are entitled to all dividends and voting rights, but the shares are not transferable prior to the expiration of a "restriction period" as determined at the discretion of the Compensation Committee of the Board of Directors. Performance Awards are granted to employees who have been granted restricted stock rights or restricted common stock, but these Awards may not exceed the market value of the restricted common stock when restrictions lapse. The Performance Awards provide cash payments if certain criteria and earnings goals are met over a predetermined period. During 1996, no grants or payments were made.

THE 1985 PLAN Stock options are outstanding under the GATX Corporation 1985 Long Term Incentive Compensation Plan (the 1985 Plan), as amended, but no additional options, stock or awards may be issued thereunder. At December 31, 1996, 176,142 shares of common stock were reserved for grants previously made under the 1985 Plan.

Data with respect to both plans are set forth below:

	Number of Shares Under Stock Option Plans 1996	1995	Price Per Share
Outstanding at January 1,	1,425,475	1,316,675	$14.53-$50.5625
Granted	374,200	316,000	46.3125-50.5625
Exercised or issued	(117,775)	(198,950)	14.5300-41.8125
Canceled	(14,750)	(8,250)	41.8125-47.5625
Outstanding at December 31,	1,667,150	1,425,475	$16.34-$50.6525
Outstanding at December 31, by year granted:			
1986-1987	22,000	35,000	$16.345-$19.47
1988	45,000	60,500	25.655
1989	79,800	97,050	29.9375
1990	71,250	93,750	19.94
1991	149,900	160,400	26.13-28.1875
1992	142,500	159,075	25.50
1993	210,600	222,300	37.6875
1994	268,650	281,400	41.8125
1995	306,500	316,000	47.5625-50.5625
1996	370,950		46.3125-49.8125
Total	1,667,150	1,425,475	$16.345-$50.5625
Options exercisable at December 31	1,207,950	1,109,475	
Options available for future grant at December 31	986,190	1,365,392	

ACCOUNTING FOR STOCK OPTIONS GATX has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25) in accounting for its employee stock options. Under these guidelines, no compensation expense is recognized because the exercise price of GATX's employee stock options equals the market price of the underlying stock on the date of grant.

Pro forma information regarding net income and earnings per share is required by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), and has been determined as if GATX had accounted for its employee stock options under the fair value method. The fair value for these options was estimated at the date of grant using a Black- Scholes option pricing model with the following assumptions for 1995 and 1996: dividend yield of 3.6%; volatility factor of the expected market price of GATX's common stock of .15; expected life of the option of 5 years; and a weighted average risk-free interest rate for 1995 of 5.9%; and for 1996 of 6.1%.

The Black-Scholes model, one of the most frequently referenced models to value options, was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including expected stock price volatility. Because GATX's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the option vesting period. The resultant proforma net income and earnings per share were (in millions except for earnings per share information):

	1996	1995
Pro forma net income	$101.6	$100.7
Pro forma earnings per share:		
Primary	$4.31	$4.29
Fully diluted	$4.15	$4.13

Because SFAS 123's provisions are prospective (retroactive application is prohibited), awards granted prior to 1995 are not considered in the above pro forma amounts. Additionally, because options granted in 1995 and 1996 generally vest over a three year period, neither the 1995 nor 1996 pro forma amounts reflect a full annualized effect.

NOTE O - COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS OF CREDIT RISK

GATX's revenues are derived from a wide range of industries and companies. However, approximately 44% of total consolidated revenues are generated from the transportation or storage of products for the chemical and petroleum industries. In addition, approximately 14% of GATX's assets consist of commercial aircraft operated by various domestic and international airlines.

Under its lease agreements, GATX retains legal ownership of the asset except where such assets have been financed by sale- leasebacks. With loan financings, the loan is collateralized by the equipment. GATX performs credit evaluations prior to approval of a lease or loan contract. Subsequently, the creditworthiness of the customer and the value of the collateral are monitored on an ongoing basis. GATX maintains an allowance for possible losses and other reserves to provide for potential losses which could arise should customers become unable to discharge their obligations to GATX and to provide for permanent declines in investment value.

At December 31, 1996, GATX had commitments of $305 million for orders and options by aircraft joint ventures for 33 new aircraft to be delivered between 1997-2001. In addition, GATX has issued $161 million of residual and rental guarantees. GATX also has firm commitments to acquire railcars and to upgrade terminal and repair facilities totaling $121 million.

GATX and its subsidiaries are engaged in various matters of litigation and have a number of unresolved claims pending, including proceedings under governmental laws and regulations related to environmental matters. While the amounts claimed are substantial and the ultimate liability with respect to such litigation and claims cannot be determined at this time, it is the opinion of management that damages, if any, required to be paid by GATX and its subsidiaries in the discharge of such liability are not likely to be material to GATX's consolidated financial position or results of operations.

GATX Corporation and Subsidiaries
Quarterly Results of Operations (Unaudited)

In Millions, Except Per Share Data	Gross Income	Operating Expenses and Depreciation	Net Income	Net Income Per Share(A)	Net Income Per Share, Assuming Dilution(A)
1996					
First Quarter	$ 303.6	$ 193.3	$ 24.7	$ 1.05	$ 1.01
Second Quarter	337.8	212.6	25.7	1.09	1.05
Third Quarter	367.8	222.8	33.4	1.47	1.37
Fourth Quarter	405.2	263.5	18.9	.76	.76(B)
Total	$ 1,414.4	$ 892.2	$ 102.7	$ 4.37	$ 4.19
1995					
First Quarter	$ 290.8	$ 179.5	$ 25.7	$ 1.11	$ 1.06
Second Quarter	317.1	196.1	29.9	1.31	1.23
Third Quarter	315.5	203.5	26.5	1.13	1.08
Fourth Quarter	323.0	214.1	18.7	.75	.75(B)
Total	$ 1,246.4	$ 793.2	$ 100.8	$ 4.30	$ 4.13

<FN>
(A) Quarterly results may not be additive, as per share amounts are computed independently for each quarter and the full year based on the respective weighted average common shares and common stock equivalents outstanding.

(B) Conversion of preferred stock is excluded from computation of fully diluted earnings because of antidilutive effect.
</FN>

Common and Preferred Stock Information

GATX common shares are listed on the New York, Chicago and London Stock Exchanges under ticker symbol GMT. Shares of both series of $2.50 Cumulative Convertible Preferred Stock and $3.875 Cumulative Convertible Preferred Stock are listed on the New York and Chicago Stock Exchanges.

The approximate number of holders of record of Common Stock, $2.50 Cumulative Convertible Preferred Stock and $3.875 Cumulative Convertible Preferred Stock as of February 28, 1997 was 3,774, 129 and 237, respectively. The following table shows the reported high and low sales price of GATX common and preferred shares on the New York Stock Exchange, the principal market for GATX shares, and the dividends declared per share:

$2.50 Cumulative Convertible	$3.875 Cumulative Convertible

	Common Stock High	Common Stock Low	Preferred Stock High	Preferred Stock Low	Preferred Stock High	Preferred Stock Low
1996						
First Quarter	$ 51.25	$ 44.00	$ 124.25	$ 124.25	$ 59.50	$ 54.25
Second Quarter	48.37	43.00	116.50	116.25	58.50	53.88
Third Quarter	49.12	43.00	116.50	116.25	59.38	55.25
Fourth Quarter	51.25	46.12	125.50	119.00	59.50	56.25
Annual Dividends Declared	$ 1.72		$ 2.50		$ 3.875	
1995						
First Quarter	$ 47.25	$ 40.37	$ 120.00	$ 95.00	$ 55.62	$ 50.50
Second Quarter	47.12	42.12	125.00	100.00	56.00	52.25
Third Quarter	54.25	47.00	140.00	107.00	63.00	55.50
Fourth Quarter	52.87	47.25	138.00	114.00	61.50	56.00
Annual Dividends Declared	$ 1.60		$ 2.50		$ 3.875	

Selected Financial Data

GATX Corporation and Subsidiaries

In Millions, Except Per Share Data	1996	1995	1994	1993	1992
Results of Operations					
Gross income	$ 1,414.4	$ 1,246.4	$ 1,155.0	$ 1,086.9	$ 1,019.1
Costs and expenses	1,285.7	1,129.4	1,037.2	982.5	1,004.2
Income before income taxes, equity in net earnings of affiliated companies and cumulative effect of accounting changes	128.7	117.0	117.8	104.4	14.9
Income taxes	54.4	47.6	48.8	51.4	9.6
Income before equity in net earnings of affiliated companies and cumulative effect of accounting changes	74.3	69.4	69.0	53.0	5.3
Equity in net earnings of affiliated companies	28.4	31.4	22.5	19.7	24.0
Income before cumulative effect of accounting changes	102.7	100.8	91.5	72.7	29.3
Cumulative effect of accounting changes	--	--	--	--	(45.8)
Net income (loss)	$ 102.7	$ 100.8	$ 91.5	$ 72.7	$ (16.5)
Per Share Data					
Net income (loss) applicable to common stock, as adjusted	$ 89.5	$ 87.6	$ 78.2	$ 59.4	$ (29.8)
Per share of common stock and common stock equivalents:					
Income before cumulative effect of accounting changes	$ 4.37	$ 4.30	$ 3.88	$ 2.99	$ .82
Cumulative effect of accounting changes	--	--	--	--	(2.35)
Net income (loss)	$ 4.37	$ 4.30	$ 3.88	$ 2.99	$ (1.53)
Shares used in computation (in thousands)	20,483	20,359	20,153	19,894	19,441
Pershare assuming conversion, except in 1993 and 1992, of all outstanding preferred stock:					
Net income (loss), fully diluted	$ 4.19	$ 4.13	$ 3.78	$ 2.99	$ (1.53)
Shares used in computation (in thousands)	24,499	24,386	24,216	19,894	19,441
Dividends declared per share of common stock	$ 1.72	$ 1.60	$ 1.50	$ 1.40	$ 1.30

Selected Financial Data (Continued)

GATX Corporation and Subsidiaries In Millions, Except Per Share Data	1996	1995	1994	1993	1992
Financial Condition					
Total assets	$ 4,750.2	$ 4,042.9	$ 3,650.7	$ 3,392.1	$ 3,426.3
Total long-term debt and capital lease obligations	2,664.1	2,092.5	1,805.1	1,713.8	1,724.6
Shareholders' equity	774.9	717.8	662.4	589.9	557.6
Common shareholders' equity	609.2	551.8	496.1	423.6	391.2
Common shareholders' equity per share	29.58	26.88	24.30	20.78	19.27

Management Discussion and Analysis: 1995 Compared To 1994

The following discussion analyzes GATX's comparative performance for the years ended December 31, 1995 and 1994. This information should be read in conjunction with the consolidated financial statements on pages 42, 44 and 46. The discussion of the comparative results of GATX's operations for the years ended December 31, 1996 and 1995 is presented in the management discussion and analysis on pages 35, 36, 37, 43, 45, 47, 48 and 49, and the financial data of business segments on pages 38 through 41.

GATX reported record net income of $101 million or $4.30 per common share for the year ended December 31, 1995 compared to $91 million or $3.88 per common share for 1994. The improvement was principally due to record earnings at Transportation, Capital and American Steamship and improved earnings at Logistics. Terminals' net income decreased slightly from 1994's record level. GATX's return on common equity for 1995 was 16.7% compared to 17.0% in 1994.

RAILCAR LEASING AND MANAGEMENT Transportation's gross income of $361 million increased $39 million from 1994. Rental revenues increased 12% due to the increase in the number of railcars on lease, higher average rental rates and new operations in Mexico. At the end of 1995, Transportation had 61,400 railcars on lease in the United States versus 56,500 a year ago. Domestic fleet utilization of 95% at the end of the year was slightly higher than the prior year due to the continued high demand for tank cars. Over 6,200 new and used railcars were added to the domestic fleet in 1995, which is 1,400 more than were added in 1994. In addition, 1,200 cars were leased in from the Mexican National Railroad.

Net income of $63 million increased 14% over 1994 reflecting the higher revenues, the increase in income generated from invested funds due to higher interest rates, and higher equity earnings from Transportation's Canadian affiliate. Fleet repair costs increased 11% as a result of the increased fleet size and number of cars repaired, primarily at Transportation's service centers. Operating margins improved slightly as the growth in revenues exceeded the increase in fleet repair costs and SG&A expense. Ownership costs, consisting of lease rental expense, depreciation and interest, increased 21% from last year due to the increased fleet size, investments in GATX service centers, and the new operations in Mexico.

Transportation invested $350 million in the railcar fleet versus $264 million in 1994; $28 million also was invested in operations in Mexico and Europe and $15 million in a multi-year program to significantly upgrade its repair facilities versus $18 million in 1994.

FINANCIAL SERVICES Capital's gross income of $218 million increased $11 million from 1994. The increase was principally due to higher asset remarketing income, largely from the remarketing of rail equipment from both owned and managed portfolios which generated increased disposition gains and fee income. Fee income increased $9 million. Pretax disposition gains were $33 million compared to $21 million in 1994. Lease income decreased $4 million due to the return of four aircraft at lease termination in early 1995 and the sale of an interest in two aircraft which were on lease; these were partially offset by revenues generated as a result of the acquisition in November of Sun Financial, a technology- focused finance company, and the impact of overall increased lease volume. Interest income decreased $4 million primarily as the result of prepayment premiums received in 1994.

Net income of $33 million increased $8 million from 1994 due to the increased revenues and higher joint venture income, partially offset by increased interest and SG&A expenses. Equity earnings increased $6 million primarily due to improved earnings at an international aircraft joint venture, higher income from rail and technology joint ventures, and a gain from the sale of a real estate investment. Interest expense exceeded 1994 by $6 million due to the increase in average debt balances between years and higher interest rates. SG&A increased $4 million primarily due to higher employee costs, legal expenses and incremental costs from Sun

Financial. The provision for possible losses of $18 million decreased $1 million from 1994. The loss reserve at the end of 1995 was $92 million, or 6.5% of net investments. During the year, the carrying value of certain older widebody aircraft was reduced to reflect current market values.

Portfolio investments at Capital of $388 million were $109 million higher than in 1994 primarily due to higher spending on the air and rail portfolios and the acquisition of Sun Financial.

TERMINALS AND PIPELINES Terminals' gross income of $313 million increased 3% over 1994 reflecting incremental revenues from newly-acquired terminals and strong petroleum activity in the first half of 1995, especially in the Los Angeles market. However, revenues in the latter part of the year were less than in 1994 as a result of lower worldwide petroleum storage demand, significantly lower utilization of tanks in the Northeast due to reduced buildup of heating oil inventories, and lower demand and price competition in Los Angeles. Revenues from chemical markets remained strong. The non- strategic Wyco pipeline was sold early in 1995. Capacity utilization at Terminals' wholly-owned facilities was 85% at the end of 1995 compared to 94% a year earlier, reflecting the effects of lower industry-wide petroleum inventory levels and tanks out of service for repairs and upgrades. Throughput was 655 million barrels compared to 671 million barrels the year before. Incremental throughput from newly-acquired terminals was offset by the absence of throughput at Wyco. Lower overall throughput reflected mild weather in early 1995, lower blending activity, refinery turnarounds, tanks out of service, and a contract termination with a large customer.

Terminals' net income of $31 million decreased $1 million from 1994. Higher revenues, slightly improved operating margins and increased earnings from foreign affiliates were offset by higher SG&A and interest expenses. Operating costs in 1995 approximated 1994 levels. Interest expense grew 17% as additional debt was incurred to finance acquisitions as well as maintenance, regulatory and environmental expenditures. SG&A expenses increased 19% due to improvements in information systems, additional personnel, training, and moving and relocation costs. Equity in net earnings of affiliates of $15 million grew $3 million over 1994 due to strong chemical demand in Europe and Singapore. Also contributing to the increase in equity earnings were results from the Olympic Pipeline Company in which a 25% interest was acquired in the third quarter of 1995.

Terminals invested $149 million compared to $154 million in 1994 for tank construction, facility improvements and expansion, and the acquisition of terminal facilities.

LOGISTICS AND WAREHOUSING GATX Logistics' gross income of $259 million increased $15 million over 1994 as a result of new customers, higher volumes from existing customers and some rate increases. Total warehousing square footage of 24.4 million square feet increased 5% over 1994. Space utilization at year end was 97% compared to 92% at the end of 1994. The reduction in empty space is due to new business, the closing of one warehouse, and the subleasing of space in three warehouses.

Net income in 1995 of $.5 million was $1 million higher than in 1994 due to improved margins and lower amortized costs, partially offset by higher SG&A costs related to increased employee costs. Margins improved due to new business, price increases, volume levels and reduced empty space cost.

Logistics' capital spending of $6 million was down $2 million from a year ago.

GREAT LAKES SHIPPING American Steamship Company's gross income of $83 million increased $1 million over 1994 as higher per ton rates were partially offset by fewer tons transported. Tonnage carried in 1995 was 25.5 million tons compared to 26.3 million tons in 1994. Customer demand remained strong throughout the 1995 season. Favorable weather conditions contributed to an early start to the navigation season in the spring of 1995 but were offset by substantially colder temperatures and early ice formation in late 1995.

Net income of $7 million increased 25% from 1994 as a result of the higher revenue, increased income on invested funds, and an increased contribution margin due to efficient vessel operations and cost controls. Contribution per ton was 7% greater than the prior year as operating expenses were reduced due to lower insurance and vessel repair costs. Also, ASC's training programs for vessel personnel and preventive maintenance programs contributed to reduced costs. These savings were partially offset by additional operational expenses, principally tugs, incurred late in the year due to the adverse weather conditions.

Corporate and Other Corporate and Other net expense of $33 million was $8 million more than in 1994 primarily as the result of increased interest expense due to higher interest rates.

GENERAL AMERICAN TRANSPORTATION CORPORATION	Headquarters Chicago, Illinois Business Offices Glendale, California Atlanta, Georgia Chicago, Illinois Hackensack, New Jersey Pittsburgh, Pennsylvania Houston, Texas Mexico City, Mexico Calgary, Alberta Toronto, Ontario Montreal, Quebec	Location of Service Facilities Colton, California Major Service Centers Colton, California Waycross, Georgia East Chicago, Indiana Hearne, Texas Tierra Blanca, Mexico Red Deer Alberta Montreal, Quebec Moose Jaw, Saskatchewan Mini Service Centers Muscle Shoals, Alabama White Springs, Florida Terre Haute, Indiana Plaquemine, Louisiana Midland, Michigan Cincinnati, Ohio Ivorydale, Ohio Masury, Ohio Catoosa, Oklahoma Copper Hill, Tennessee Freeport, Texas (2)	Mobile Service Units Mobile, Alabama Macon, Georgia East Chicago, Indiana Good Hope, Louisiana Carteret, New Jersey Las Cruces, New Mexico Albany, New York Galena Park, Texas Olympia, Washington Tierra Blanca, Mexico Red Deer, Alberta Montreal, Quebec Moose Jaw, Saskatchewan

GATX	Headquarters	Sydney, Australia	Joint Venture Locations
CAPITAL	San Francisco, California	Toronto, Canada	Sydney, Australia
CORPORATION		Blagnac, France	South Ruislip, United Kingdom
	Offices	Frankfurt, Germany	
	Tampa, Florida	Singapore, Republic of Singapore	
	Chicago, Illinois	Tokyo, Japan	
	Eden Prairie, Minnesota		

GATX	Headquarters	Pipeline Locations	Terminal Joint Venture Locations
TERMINALS	Chicago, Illinois		Antwerpen/Lillo, Belgium
CORPORATION		Calnev Pipe Line	Lanshan, China
	Domestic Terminal Locations	Adelanto, California	Kawasaki, Japan
	Carson, California	Barstow, California	Kobe, Japan
	Los Angeles, California	Colton, California	Yokohama, Japan
	Richmond, California	Las Vegas, Nevada	Altamira, Mexico
	San Pedro, California		Jurong Town, Singapore
	Orlando, Florida	Central Florida Pipeline	Pulau Busing, Singapore
	Port Everglades, Florida	Orlando, Florida	Barcelona, Spain
	Tampa, Florida	Tampa, Florida	Bilbao, Spain
	Argo, Illinois		Tarragona, Spain
	Norco, Louisiana	Olympic Pipeline	Valencia, Spain
	Carteret, New Jersey	Renton, Washington	Seal Sands, United Kingdom
	Paulsboro, New Jersey		Wymondham, United Kingdom
	Staten Island, New York	Manchester Jet Line	
	Portland, Oregon (2)	Manchester, United Kingdom	
	Philadelphia, Pennsylvania		
	Galena Park, Texas	International Terminal Locations	
	Pasadena, Texas	Wholly-owned	
	Seattle, Washington	Avonmouth, United Kingdom	
	Vancouver, Washington	Belfast, United Kingdom	
		Eastham, United Kingdom	
		Glasgow, United Kingdom	
		Grays, United Kingdom	
		Leith, United Kingdom	
		Runcorn, United Kingdom	

GATX	Headquarters	Indianapolis, Indiana-CW	Cleveland, Ohio-CW,T,S
LOGISTICS,	Jacksonville, Florida	Lexington, Kentucky-2 CW,T,S	Columbus, Ohio-4 CW,T
INC.		Shreveport, Louisiana-CW,T	Oklahoma City, Oklahoma-CW,T
	Number of Locations and	Baltimore, Maryland-CW	Philadelphia, Pennsylvania-2 CW,PW,
106 Facilities with	Services Offered	Grand Rapids, Michigan-2 CW,T	T,S,SL
21.5 Million Square Feet	Los Angeles, California-10	Kalamazoo, Michigan-T	Memphis, Tennessee-2 CW,T
	CW,PW,T,S,SL	Gulfport, Mississippi-CW	Dallas, Texas-7 CW,PW,T,S
CW=Contract Warehousing	Stockton, California-2 CW,T	St. Louis, Missouri-PW,T	El Paso, Texas-3 CW
T=Transportation	Walnut, California-2 PW,T	Greensboro, North Carolina-	Fort Worth, Texas-CW
PW=Public Warehousing	Denver, Colorado-CW,T	7 CW,PW,T	Clearfield, Utah-2 PW,T,SL
S=Sales	Jacksonville, Florida-	Winston-Salem, North Carolina-	Seattle, Washington-3 CW,T
SL=Subleased	3 CW,PW,T,S,SL	4 CW,PW,T,S,SL	Racine, Wisconsin-CW
	Atlanta, Georgia-13 CW,	New York, New York-CW	Toronto, Canada-CW,T
	PW,T,S	Syracuse, New York-8 PW,T,S,SL	Mexico City, Mexico-2 PW,T
	Chicago, Illinois-9 CW,PW,	Akron, Ohio-PW,T	
	T,S,SL		
	Normal, Illinois-4 CW,T		
	Richmond, Indiana-CW,T		

AMERICAN STEAMSHIP COMPANY	Headquarters Williamsville, New York Regional Office Toledo, Ohio	Vessels M/V Indiana Harbor M/V Walter J. McCarthy,Jr. M/V St. Clair M/V American Mariner M/V H. Lee White M/V Charles E. Wilson	M/V Adam E. Cornelius M/V American Republic M/V Buffalo M/V Sam Laud Str. John J. Boland

GATX OFFICERS

Ronald H. Zech
Chairman and Chief Executive Officer

David B. Anderson
Vice President, Corporate Development, General Counsel and Secretary

William L. Chambers
Vice President, Human Resources

Gail L. Duddy
Vice President, Compensation and Benefits

David M. Edwards
Vice President Finance, Chief Financial Officer

Brian A. Kenney
Vice President and Treasurer

Ralph L. O'Hara
Controller

GATX BOARD OF DIRECTORS

Franklin A. Cole 3,4
Chairman of the Board
Croesus Corporation

James M. Denny 1,2
Managing Director, William Blair Capital Partners, LLC

Richard M. Fairbanks 1,4
Managing Director of Domestic & International Issues, Center for Strategic & International Studies

William C. Foote 1,4
Chairman, President and Chief Executive Officer, USG Corporation

Deborah M. Fretz 3,4
Senior Vice President, Logistics, Sun Company, Inc.

Richard A. Giesen 2,3
Chairman and Chief Executive Officer, Continental Glass & Plastic, Inc.

Miles L. Marsh 1,4
Chairman, President and Chief Executive Officer, James River Corporation

Charles Marshall 2,3
Retired: Former Vice Chairman of the Board, American Telephone and Telegraph Company

Michael E. Murphy 1,2
Vice Chairman and Chief Administrative Officer, Sara Lee Corporation

Ronald H. Zech
Chairman and Chief Executive Officer, GATX Corporation

1Member, Audit Committee
2Member, Compensation Committee
3Member, Nominating Committee
4Member, Retirement Funds Review

GATX SUBSIDIARIES

General American Transportation Corporation
D. Ward Fuller, President

GATX Capital Corporation
Joseph C. Lane, President

GATX Terminals Corporation
John F. Chlebowski, Jr., President

GATX Logistics, Inc.
Joseph A. Nicosia, President

American Steamship Company
Ned A. Smith, President

ANNUAL MEETING
Friday, April 25, 1997, 9:00 a.m.
GATX Corporation
500 West Monroe Street
Chicago, Illinois 60661-3676

FINANCIAL INFORMATION & PRESS RELEASES: A copy of the company's annual report on Form 10-K for 1996 and selected other information are available without charge.

Corporate information and press releases may be found at Internet address http://www.gatx.com.

A variety of current financial information, historical financial information, press releases and photographs are available at this site. GATX press releases may be obtained by automated PR News Company News On-Call's automated fax service at (800)758-5804. The company identification number for GATX is 105121.

INQUIRIES
Inquiries regarding dividend checks, the dividend reinvestment plan, stock certificates, replacement of lost certificates, address changes, account consolidation, transfer procedures and year-end tax information should be addressed to GATX Corporation's Transfer Agent and Registrar:

ChaseMellon Shareholder Services,
Stock Transfer Department
450 West 33rd Street
New York, NY 10001-2697
Telephone: (800) 647-4273

Information relating to shareholder ownership, dividend payments, or share transfers:

Janet M. Dongarra, Assistant Corporate Secretary
Law Department
Telephone: (312) 621-6603
Email: jmdongar@gatx.com

GATX Corporation welcomes and encourages questions and comments from its shareholders, potential investors, financial professionals and the public at large. To better serve interested parties, the following GATX personnel may be contacted by telephone, fax and/or writing. To request published financial information and financial reports, contact:

GATX CORPORATION
Investor Relations Department
500 West Monroe Street
Chicago, Illinois 60661-3676
Telephone: (800) 428-8161
Automated request line for materials: (312) 621-6300
Janet Bower, Communications Coordinator
(312) 621-4297 FAX: (312) 621-6698
Email: jmbower@gatx.com

Analysts, institutional shareholders and financial community professionals:

George S. Lowman, Director of Communications
Telephone: (312) 621-6599
Fax: (312) 621-6698
Email: gslowman@gatx.com

Questions regarding sales, service or lease information:

General American Transportation Corporation - (312) 621-6564

GATX Capital Corporation -(415) 955-3200

GATX Terminals Corporation -(312) 621-8032

GATX Logistics, Inc. -(904) 396-2517

American Steamship Company -(716) 635-0222

INDEPENDENT AUDITORS
Ernst & Young LLP

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

The following is a list of subsidiaries included in GATX's consolidated financial statements (excluding a number of subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary), and the state of incorporation of each:

General American Transportation Corporation (New York)--includes one domestic subsidiary, four foreign subsidiaries and an interest in one foreign affiliate, Business Segment--Railcar Leasing and Management

GATX Financial Services, Inc. (Delaware)--56 domestic subsidiaries (which includes GATX Capital Corporation), 12 foreign subsidiaries and six domestic affiliates, Business Segment--Financial Services

GATX Terminals Corporation (Delaware)--three domestic subsidiaries, three foreign subsidiaries, one domestic affiliate, and interests in 13 foreign affiliates, Business Segment--Terminals and Pipelines

GATX Logistics, Inc. (Florida)--9 domestic subsidiaries and two foreign subsidiaries, Business Segment--Logistics and Warehousing

American Steamship Company (New York)--12 domestic subsidiaries, Business Segment--Great Lakes Shipping

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following: (i) Registration Statement No. 2-92404 on Form S-8, filed July 26, 1984; (ii) Registration Statement No. 2-96593 on Form S-8, filed March 22, 1985; (iii) Registration Statement No. 33-38790 on Form S-8 filed February 1, 1991; (iv) Registration Statement No. 33-41007 on Form S-8 filed June 7, 1991; (v) Registration Statement No. 33-61183 filed on July 20, 1995; and (vi) Registration Statement No. 33-06315 on Form S-8 filed June 19, 1996 of GATX Corporation, of our report dated January 28, 1997 with respect to the consolidated financial statements and schedules of GATX Corporation included and/or incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 1996.

ERNST & YOUNG LLP

Chicago, Illinois
March 14, 1997

POWER OF ATTORNEY

The undersigned, Ronald H. Zech, the Chairman, President, Chief Executive Officer and a director of GATX Corporation, a New York corporation, does hereby constitute and appoint David B. Anderson, David M. Edwards, and Ronald J. Ciancio, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in said Ronald H. Zech's name, as Chairman, President, Chief Executive Officer and director, or as any of them, of and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/S/ Ronald H. Zech

Ronald H. Zech

Date: March 7, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Franklin A. Cole

Director

Date: February 25, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ James M. Denny

Director

Date: February 26, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Richard M. Fairbanks

Director

Date: March 4, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ William C. Foote

Director

Date: February 27, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Deborah M. Fretz

Director

Date: February 25, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Richard A. Giesen

Director

Date: February 25, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Miles L. Marsh

Director

Date: February 24, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Charles Marshall

Director

Date: February 25, 1997

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Ronald H. Zech, David B. Anderson and David M. Edwards, or any of them, attorneys and agents of the undersigned, with full power and authority to sign in such director's name, and on behalf of GATX Corporation, the 1996 Annual Report on Form 10-K under the Securities Exchange Act of 1934, together with any amendments thereto, hereby ratifying and confirming all that said attorneys and agents and each of them may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal.

/s/ Micheal E. Murphy

Director

Date: February 25, 1997

<ARTICLE> 5
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This schedule contains summary financial information extracted from the Consolidated Balance Sheet and Consolidated Income Statement of GATX Corporation and is qualified in its entirety by reference to such financial statements.
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<FN>
<F1> Receivables consists of three components: Trade accounts of 130 million, Finance leases of $761 million and secured loans of 223 million.
<F2> Not applicable because GATX has an unclassified balance sheet.
<F3> This value consists of two components: long-term debt of 2,437 million and capital lease obligations of 227 million. Short-term debt not included.
<F4> This value represents operating expenses on the consolidated income statement.
<F5> This value consists of the provision for depreciation and amortization on the consolidated income statement.
<F6> This value represents icome before income taxes and equity in net earnings of affiliated companies.
</FN>