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, 2001

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, IL 60661
(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
$2.50 Cumulative Convertible Preferred Stock, Series A	New York Stock Exchange Chicago Stock Exchange
$2.50 Cumulative Convertible Preferred Stock, Series B	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.

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 8, 2002, 48,787,524 common shares were outstanding, and the aggregate market value of the common shares (based upon the March 8, 2002, closing price of these shares on the New York Stock Exchange) of GATX Corporation held by non-affiliates was approximately $1,567.5 million.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of GATX's proxy statement dated March 22, 2002 are incorporated by reference into Part III.

INDEX TO GATX CORPORATION

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PART I

ITEM 1. BUSINESS

During 2000 and 2001, GATX Corporation (GATX or the Company) redefined its strategic focus and undertook certain initiatives to position itself as a specialized finance and leasing company. To accomplish this goal, a decision was made to exit the businesses of the former GATX Integrated Solution Group (ISG) segment. As of December 31, 2001, GATX had substantially completed the sale of these ISG businesses. The ISG segment was comprised of GATX Terminals Corporation (Terminals), GATX Logistics, Inc. (Logistics) and minor business development efforts. As a result of these actions, the financial data for the ISG segment is presented as discontinued operations for all periods shown.

GATX is headquartered in Chicago, Illinois and provides its services and products through two operating segments: Financial Services and GATX Rail. Through these businesses, GATX combines asset knowledge and services, structuring expertise, partnering and risk capital to serve customers and partners worldwide. GATX specializes in railcar and locomotive leasing, aircraft leasing, information technology leasing, venture leasing and finance, and the leasing and portfolio management of other large ticket assets.

In prior years, the Financial Services segment included a rail business unit, which leased freight cars and locomotives under operating and finance leases. In 2001, GATX combined into one segment the rail business unit of Financial Services with GATX Rail, a full service lessor of railcars, primarily tank cars. The financial data for GATX Rail and Financial Services has been restated for all periods presented to reflect the change in the composition of each operating segment.

In August 2001, GATX completed a realignment of the legal structure of its subsidiary companies. The new structure combined GATX's principal subsidiaries, GATX Rail Corporation and GATX Capital Corporation, into a single legal entity that was renamed GATX Financial Corporation (GFC).

At December 31, 2001, GATX had on balance sheet assets of $6.1 billion, primarily operating assets such as railcars, commercial aircraft and information technology equipment. In addition to the $6.1 billion of assets recorded on the balance sheet, GATX utilizes approximately $1.6 billion of other assets, such as railcars and aircraft, which were financed with operating leases and therefore are not recorded on the balance sheet.

BUSINESS SEGMENTS

FINANCIAL SERVICES

Financial Services provides financing for equipment and other capital assets on a worldwide basis. These financings, which are held within Financial Services' own portfolio and through partnerships with co-investors, are structured as leases and secured loans, and frequently include interests in an asset's residual value and warrants of non-public companies. Financial Services also generates fee-based income through transaction structuring and portfolio management services. Fees are earned at the time a transaction is completed, an asset is remarketed, and/or on an ongoing basis in the case of portfolio management activities.

Headquartered in San Francisco, California, Financial Services consists of four business units: Air, Technology, Venture Finance and Specialty Finance.

The Air business unit primarily leases newer, narrow-body aircraft used by commercial airlines throughout the world. Financial Services has an interest in 173 aircraft. Of these, 24 aircraft are wholly owned by Financial Services and the remainder are owned in combination with other investors. All of the 173 aircraft are in compliance with generally applicable noise standards (Stage III) and have an average age of approximately nine years. These aircraft have an estimated useful life of approximately 25 years. For aircraft currently on lease, the average remaining lease term is approximately four years. Financial Services' customer base is diverse in carrier type and geographic location. Financial Services leases to over 50 airlines in 20 countries and is not highly dependent on any one airline; no single customer exposure exceeds 10% of the net book value of the total air portfolio (including off balance sheet assets). Financial Services purchases its aircraft from two manufacturers, Airbus Industrie (Airbus) and The Boeing Company (Boeing). See

discussion in the OTHER INFORMATION section of Management's Discussion and Analysis and in the RISK FACTORS section of Part I of this document for additional details regarding the air portfolio.

The Technology business unit provides lease financing and asset management services related to information technology (IT) equipment, primarily to Fortune 1000 companies, including companies within the professional services, healthcare, industrial and food industries. The equipment leased to customers includes personal computers, servers, mainframes and mid-range equipment. Financial Services purchases equipment from a number of manufacturers and vendors and is therefore not dependent on a single provider. In 2001, Financial Services acquired a portfolio of IT equipment leases from El Camino Resources for approximately $372.5 million, including the assumption of $256.0 million of nonrecourse debt. IT equipment is typically depreciated over the lease term, which is approximately 2-5 years. The average size of an IT lease transaction is approximately $200,000. Financial Services is not dependent on any single customer.

The Venture Finance business unit provides secured loan and lease financing to early-stage, venture-backed companies. The financing is typically secured by specific equipment and/or by a lien on the customer's property, including intellectual property. Additionally, the financings frequently include warrants of non-public companies. In recent years, the Venture Finance portfolio included leases and loans to a number of telecommunication (telecom) companies. However, due to the poor performance of the telecom market, Venture Finance has exited the telecom financing business and has reduced its exposure to $20.3 million. Currently, Venture Finance has a highly diversified portfolio and provides financings to customers in a variety of industries, including pharmaceutical and life sciences, software and network equipment, and other business services. Venture capital firms are a critical source of new financings and Financial Services has long-standing relationships with leading venture capital firms. Financial Services typically limits transaction size to an average of $2.0 million per customer, and is therefore not dependent on, nor has concentration of risk with respect to, any single customer.

The Specialty Finance business unit acts as an investor, arranger and manager of financing services involving a variety of asset types and industries, with an established presence in the marine business. Specialty Finance also manages $1.1 billion of assets for third-party clients. The majority of these managed assets are in markets which Financial Services has a high level of expertise, such as air and rail. In addition, Financial Services, through American Steamship Company, operates a fleet of self-unloading vessels on the Great Lakes.

Financial Services primarily competes with captive leasing companies, leasing subsidiaries of commercial banks, independent leasing companies, lease brokers, investment bankers, financing arms of equipment manufacturers, and other Great Lakes captive and commercial fleets. No single customer accounts for more than 5% of Financial Services' revenues. In addition to its San Francisco home office, Financial Services has 7 domestic and 7 foreign offices.

GATX RAIL

GATX Rail (Rail) is headquartered in Chicago, Illinois and is principally engaged in leasing rail equipment, including tank cars, freight cars and locomotives. Rail provides both full service leases and net leases. Under a net lease, the lessee is responsible for maintenance, insurance and taxes. Under its full service leases, Rail maintains and services its railcars, pays ad valorem taxes, and provides many ancillary services. Rail owns, or has an interest in, approximately 164,000 railcars worldwide. As of December 31, 2001, Rail owned or had an interest in approximately 129,000 railcars in North America, comprised of 71,000 tank cars and 58,000 specialized freight cars. Rail's fleet has a depreciable life of 20 to 38 years and an average age of approximately 16 years. The utilization rate of Rail's wholly owned North American railcar fleet at December 31, 2001 was approximately 91%. Rail also owns or has an interest in approximately 900 locomotives. The utilization rate for Rail's locomotives at December 31, 2001 was 82%.

In March 2001, Rail purchased Dyrekcja Eksploatacji Cystern (DEC), Poland's national tank car fleet. DEC assets include 11,000 tank cars and a railcar maintenance network. Rail also has an interest in two other European railcar fleets through its investments in affiliated companies. Rail owns a 49.5% interest in KVG Kesselwagen Vermietgesellschaft mbH, a German- and Austrian-based tank car leasing company with

approximately 8,000 cars, and a 37.5% interest in AAE Cargo, a freight car lessor headquartered in Switzerland, with approximately 15,000 cars. Additionally, Rail has an interest in 1,300 other railcars.

In North America, Rail's customers use its railcars to ship over 900 different commodities, principally chemicals, petroleum, and food products. For 2001, approximately 36% of railcar leasing revenue was attributable to shipments of chemical products, 24% related to shipments of petroleum products, 12% related to shipments of food, and 28% was derived from the railroad industry and the shipment of other products. Rail leases railcars to approximately 700 customers, including major chemical, oil, food, agricultural and railroad companies. No single customer represents more than 3% of total railcar leasing revenue.

Rail typically leases new tank cars and specialty freight cars to its customers for terms of approximately four years. Renewals, or extensions of existing leases, are typically for periods ranging from less than a year to seven years with an average lease term of three years. In North America, Rail purchases most of its new railcars from a limited number of manufacturers, including Trinity Industries, Inc., a Texas-based manufacturer and American Railcar Industries, a Missouri-based manufacturer. Rail operates a network of major service centers in North America and Europe. Rail supplements these major service centers with smaller service centers and a fleet of service trucks. Additionally, Rail utilizes independent third-party repair facilities. Two business offices and four service centers in Poland were added as part of the DEC acquisition.

The North American full-service tank car and freight car leasing industry is comprised of Rail, Union Tank Car Company, General Electric Railcar Services Corporation, and various financial institutions. At the end of 2001, there were 275,000 tank cars and 1.4 million freight cars owned and leased in the United States. At December 31, 2001, Rail's fleet was approximately 26% of the tank cars in North America and 36% of the leased market; and approximately 3% of the freight cars in North America and 7% of the leased market. As of year-end 2001, Rail's entire fleet comprised 15% of the total North American leased fleet market. Principal competitive factors include price, service and availability.

DISCONTINUED OPERATIONS -- INTEGRATED SOLUTIONS GROUP

As of December 31, 2001, GATX had substantially completed the divestiture of its Integrated Solutions Group (ISG). The ISG segment provided logistics and supply chain services to the chemicals, petroleum, and dry goods industries.

GATX sold 81% of Logistics in May 2000 and the remaining 19% in December 2000. In the first quarter of 2001, GATX sold the majority of Terminals' domestic operations. The sale included substantially all of Terminals' domestic terminaling operations, the Central Florida Pipeline Company and Calnev Pipe Line Company. Also in the first quarter of 2001, GATX sold substantially all of Terminals' European operations. In the second and third quarters of 2001, Terminals sold its Asian operations and its interest in a distillate and blending distribution affiliate. Additionally, in the first quarter GATX sold or terminated various smaller supply chain businesses.

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

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

CUSTOMER BASE

GATX, as a whole, is not dependent upon a single customer or concentration among a few customers.

EMPLOYEES

GATX and its subsidiaries have approximately 1,900 employees, of whom 40% are hourly employees covered by union contracts.

ENVIRONMENTAL MATTERS

Certain operations of GATX present potential environmental risks principally through the transportation of various commodities. Recognizing that potential 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 within 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 cleanup costs at three sites in accordance with the requirements of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund). Under these Acts 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. GATX has also received notice that it is a PRP at one site to undertake a Natural Resource Damage Assessment. In all instances, GATX is one of a number of financially responsible PRPs and has been identified as potentially contributing only a small percentage of the contamination at each of the sites. Due to various factors such as the required level of remediation or restoration and participation in cleanup or restoration efforts by others, GATX's total cleanup 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.

In the first quarter of 2001, GATX sold substantially all of the U.S. terminals and pipeline assets, representing the bulk of Terminals' operations. The transaction was structured as a sale of the capital stock of Terminals. Under the terms of the agreement, the buyer assumed various environmental liabilities associated with the terminals and pipeline assets, and GATX provided a limited indemnity to the buyer.

The following information excludes the potential liabilities associated with the sold Terminals' locations. GATX's environmental reserve at December 31, 2001 was $37.6 million and reflects GATX's best estimate of the cost to remediate known environmental conditions. Additions to the reserve were $1.7 million and $1.9 million for 2001 and 2000, respectively. Expenditures charged to the reserve amounted to $15.8 million and $2.9 million in 2001 and 2000, respectively. In 2001, GATX made capital expenditures of $0.2 million for environmental and regulatory compliance compared to $0.3 million in 2000.

RISK FACTORS

GATX's businesses are subject to a number of risks which investors should consider.

- Air Industry: The effects of the terrorist attacks on September 11, 2001, or future events arising as a result of these terrorist attacks, including military or police activities in the United States or abroad, future terrorist activities or threats of such activities, political unrest and instability, riots and protests, could have on the U.S. economy, global financial markets and GATX's business cannot presently be determined with any accuracy. The effects may include, among other things, a permanent decrease in demand for air travel, consolidation in the airline industry, lower utilization of new and existing aircraft, lower aircraft rental rates, impairment of air portfolio assets and fewer available partners for joint ventures. Depending upon the severity, scope and duration of these effects, the impact on GATX's financial position, results of operations, and cash flows could be material.

- Liquidity and Capital Resources: GATX utilizes uncommitted money market lines, commercial paper borrowings, unsecured debt and secured debt to fund its operations and contractual commitments. Since September 11, 2001, the borrowing spreads over treasury securities of unsecured debt for GATX have significantly increased. As a result of recent rating agency downgrades, GATX could incur increased borrowing costs and have greater difficulty accessing public and private markets for both secured and unsecured debt. GATX will also likely experience much greater difficulty in accessing the commercial paper market. If these events or further deterioration in the capital markets prevent GATX from accessing these funding sources, GATX's other sources of funds, including its bank facilities and cash flow from operations and portfolio proceeds, may not provide adequate liquidity to fund its operations and contractual commitments.

- Competition: GATX is subject to competition in its aircraft, rail and technology leasing markets. In many cases, the competitors are larger, higher-rated entities that have greater financial resources and access to lower cost capital than GATX. These factors permit many competitors to provide financing at lower rates than GATX.

- Lease versus Purchase Decision: GATX's core businesses are reliant upon its customers continuing to lease rather than purchase assets. There are a number of items that factor into a customer's decision to lease or purchase assets, such as tax considerations, balance sheet considerations, and operational flexibility. GATX has no control over these external considerations and changes in these factors could negatively impact demand for its leasing products.

- Effects of Inflation: Inflation in railcar rental rates as well as inflation in residual values for air and rail equipment have historically benefited GATX's financial results. Positive effects of inflation are unpredictable as to timing and duration depending on market conditions and economic factors.

- Asset Obsolescence: GATX's core assets may be subject to functional or economic obsolescence. Although GATX believes it is adept at managing obsolescence risk, there is no guarantee that changes in various market fundamentals will not cause unexpected asset obsolescence in the future.

- Allowance for Possible Losses: GATX's allowance for possible losses may be inadequate if unexpected adverse changes in the economy occur or discrete events adversely affect specific customers, industries or markets. If the allowance for possible losses is insufficient to cover losses in the receivables portfolio, then GATX's future financial position or results of operations could be negatively impacted.

- Insurance: The ability to insure its rail and aircraft assets is an important aspect of GATX's ability to manage risk in these core businesses. There is no guarantee that such insurance will be available on a cost-effective basis consistently in the future.

- Environmental: GATX is subject to federal and state requirements for protection of the environment, including those for discharge of hazardous materials and remediation of contaminated sites. GATX routinely assesses its environmental exposure, including obligations and commitments for remediation of contaminated sites and assessments of ranges and probabilities of recoveries from other responsible

parties. Because of the regulatory complexities and risk of unidentified contaminants on its properties, the potential exists for remediation costs to be materially different from the costs the Company has estimated.

- Legal Matters: GATX has from time to time been, and may in the future be, named as a defendant in litigation involving personal injury, property damage and damage to the environment arising out of incidents in which its railcars have been, and may be, involved.

- Regulation: GATX's air and rail operations are subject to the jurisdiction of a number of federal agencies, including the Department of Transportation. State agencies regulate some aspects of rail operations with respect to health and safety matters not otherwise preempted by federal law. GATX's failure to comply with the requirements and regulations of these agencies could negatively affect its operations and consequently its profitability.

Additional risks and uncertainties not presently known, or that GATX currently deems immaterial, may also negatively impact business operations.

ITEM 2. PROPERTIES

Information regarding the location and general character of certain properties of GATX is included in ITEM 1, BUSINESS, of this document. Properties are suitable and adequate for the current level of the Company's operations.

At December 31, 2001, locations of operations were as follows:

FINANCIAL SERVICES

HEADQUARTERS
San Francisco, California

BUSINESS OFFICES
Lafayette, California
Farmington, Connecticut
Tampa, Florida
Chicago, Illinois
Williamsville, New York
Toledo, Ohio
Seattle, Washington
Sydney, Australia
Paris, France
Toulouse, France
Frankfurt, Germany
Tokyo, Japan
Zurich, Switzerland
London, United Kingdom

AFFILIATES
Homburg, Germany
Dublin, Ireland
Elstree, United Kingdom
London, United Kingdom
Woking, United Kingdom

GATX RAIL

NORTH AMERICAN
HEADQUARTERS
Chicago, Illinois

EUROPEAN HEADQUARTERS
Zurich, Switzerland

BUSINESS OFFICES
San Francisco, California
Valencia, California
Alpharetta, Georgia
Chicago, Illinois
Marlton, New Jersey
Houston, Texas
Mexico City, Mexico
Calgary, Alberta
Montreal, Quebec
Krakow, Poland
Warsaw, Poland

MAJOR SERVICE CENTERS
Colton, California
Waycross, Georgia
Hearne, Texas
Tierra Blanca, Mexico
Red Deer, Alberta
Sarnia, Ontario
Montreal, Quebec
Moose Jaw, Saskatchewan
Gdansk, Poland
Nowa Wies Wielka, Poland
Ostroda, Poland

Slotwiny, Poland

MINI SERVICE CENTERS
Macon, Georgia
Terre Haute, Indiana
Geismar, Louisiana
Plaquemine, Louisiana
Midland, Michigan
Cincinnati, Ohio
Catoosa, Oklahoma
Copper Hill, Tennessee
Freeport, Texas (2)
Monterrey, Mexico
Czechowice, Poland
Jedlicze, Poland
Nidzica, Poland
Plock, Poland

MOBILE SERVICE UNITS
Mobile, Alabama
Colton, California
Lake City, Florida
Norco, Louisiana
Las Cruces, New Mexico
Albany, New York
Masury, Ohio
Galena Park, Texas
Nederland, Texas
Olympia, Washington
Altamira, Mexico
Edmonton, Alberta
Red Deer, Alberta
Vancouver, British Columbia
Montreal, Quebec
Quebec, Quebec
Moose Jaw, Saskatchewan

AFFILIATES
Vienna, Austria
Hamburg, Germany
Zug, Switzerland

ITEM 3. LEGAL PROCEEDINGS

On May 25, 2001, a suit was filed in Civil District Court for the Parish of Orleans, State of Louisiana, in the matter styled Joseph A. Schneider, et al. vs. CSX Transportation, Inc., Hercules, Inc., Rhodia, Inc., Oil Mop, L.L.C., The Public Belt Railroad Commission For The City Of New Orleans, GATX Corporation, GATX Capital Corporation, The City of New Orleans, and The Alabama Great Southern Railroad Company, Number 2001-8924. The suit asserts that on May 25, 2000 tank car GATX 16770 leaked the fumes of its cargo, Dimethyl Sulfide, in a residential area in the western part of the city of New Orleans and that the tank car was subsequently taken by defendant New Orleans Public Belt Railroad to another location in the city of New Orleans, where it was later repaired. The plaintiffs are seeking compensation for alleged personal injuries and property damages. The petition alleges that a class should be certified.

During the period from May, 2000 through April, 2001, twenty-two (22) law suits were filed seeking damages in connection with a May 3, 2000 incident in which a Burlington Northern Santa Fe Railway Company (Burlington Northern) train, proceeding through the Louisiana town of New Iberia, derailed several of its cars. One of the derailed cars was a tank car owned by the GATX Rail division (Rail) of GATX Financial Corporation, with a cargo of Xylene, which overturned in the derailment and ruptured when it was struck by an adjacent car. There was no fire or explosion. Some five hours later, after approximately 500 to 700 gallons of the Xylene had escaped, the rupture in the tank car was plugged. Additionally, hopper cars, not owned by Rail, were overturned and the material they contained, Polyvinyl Chloride powder and pellets, spilled out. The following cases have been filed in the United States District Court for the Western District of Louisiana: David Theriot, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1097), David Theriot, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV01-0861), Janice

Olivier, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1561), Ethel Taylor, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1436), Arthur Gregoire, III, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1188), Peggy Jerac, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1155), Kenneth Estilette, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1170), Gloria Berry, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1141), Mary Viltz, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV00-1140), The Burlington Northern and Santa Fe Railway Co. v. General American Transportation Co., et al (No. CV01-0797), Nelson J. Badeaux, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV01-0794), Joseph Rochelle, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV01-0877), Walter Thompson, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV01-0878), John H. Bell, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. CV01-0876). The remainder of the cases are filed in the 16th Judicial District Court for the Parish of Iberia, State of Louisiana as follows: Rebecca Hammons v. The Burlington Northern and Santa Fe Railway Co., et al, (No. 95710), Phillip Walker v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95712), Serella M. Adams, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95711), Barry Bennett v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95718), Tiny Vallian, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95861), Edward Martin v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95665), Janelle Allen, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95723), Vernice Johnson, et al v. The Burlington Northern and Santa Fe Railway Co., et al (No. 95617). The suits collectively name approximately 112 plaintiffs and some assert that a class should be certified. The Company and certain of the predecessor companies of GATX Financial Corporation were not added as defendants until May of 2001; however, discovery and motions with regard to both class certification and remand have been stayed since August of 2000. The federal court has been supervising a mediation process that is ongoing at present. If mediation is unsuccessful, it is anticipated that litigation will actively proceed and that discovery, the litigating of motions to remand and for class certification and other such activities will commence.

In March 2001, East European Kolia-System Financial Consultant S.A. filed a complaint in the Regional Court (Commercial Division) in Warsaw, Poland against Dyrekcja Eksploatacji Cystern Sp. z.o.o. (DEC), an indirect wholly owned subsidiary of GATX Financial Corporation, alleging damages of approximately

$52 million arising out of the unlawful taking over by DEC in August of 1998, of a 51% interest in Kolsped Spedytor Miedzynarodwy Sp. z.o.o. (Kolsped), and removal of valuable property from Kolsped. The complaint was not served on DEC until December of 2001. The plaintiff claims that DEC unlawfully obtained confirmation of satisfaction of a condition precedent to its purchase of 51% interest in Kolsped, following which it allegedly mismanaged Kolsped and put it into bankruptcy. The plaintiff claims to have purchased the same 51% interest in Kolsped in April of 1999, subsequent to DEC's alleged failure to satisfy the condition precedent. GATX purchased DEC in March 2001 and believes this claim is without merit, and is vigorously pursuing the defense thereof.

GATX and its subsidiaries are engaged in various other 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 amounts, if any, required to be paid by GATX and its subsidiaries in the discharge of such liabilities are not likely to be material to GATX's consolidated financial position or results of operations.

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, President and Chief Executive Officer	1996	58
Ronald J. Ciancio	Vice President, General Counsel and Secretary	2000	60
Gail L. Duddy	Vice President, Human Resources	1999	49
Brian A. Kenney	Vice President and Chief Financial Officer	1999	42
William M. Muckian	Vice President, Controller and Chief Accounting Officer	2002	42
Clifford J. Porzenheim	Vice President, Corporate Strategy	1999	38
William J. Hasek	Vice President and Treasurer	2002	45
Robert C. Lyons	Vice President, Investor Relations	2002	38

Officers are elected annually by the Board of Directors.

- Mr. Zech has served as Chairman, President and Chief Executive Officer of GATX since 1996. Mr. Zech served as Chief Operating Officer of GATX from 1994 to 1996.

- Mr. Ciancio has served as Vice President, General Counsel and Secretary of GATX since 2000. Mr. Ciancio was Assistant General Counsel of GATX from 1984 to 2000.

- Ms. Duddy joined GATX in 1992 as Director of Compensation and in 1995 also assumed responsibility for the employee benefits function. In 1997, Ms. Duddy was elected Vice President, Compensation, Benefits and Corporate Human Resources. In 1999, Ms. Duddy was elected Vice President, Human Resources of GATX.

- Mr. Kenney has served as Vice President and Chief Financial Officer of GATX since 1999. Prior to that, Mr. Kenney served as Vice President, Finance from 1998 to 1999, Vice President and Treasurer from 1997 to 1998, and Treasurer from 1995 to 1996.

- In 2002, Mr. Muckian was elected Vice President, Controller and Chief Accounting Officer. Prior to that, Mr. Muckian served as Controller and Chief Accounting Officer of GATX from 2000 to 2001 and Director of Taxes for GATX from 1994 to 2000.

- In 1999, Mr. Porzenheim was elected Vice President, Corporate Strategy of GATX. Mr. Porzenheim was the Director of Corporate Development for GATX from 1996 to 1998.

- In 2002, Mr. Hasek was elected Vice President and Treasurer. Prior to that, Mr. Hasek was Treasurer of GATX from 1999 to 2001, Director of Financial Analysis and Budgeting from 1997 to 1999 and Manager of Corporate Finance from 1995 to 1997.

- In 2002, Mr. Lyons was elected Vice President, Investor Relations of GATX. Mr. Lyons joined GATX in 1996 and was Director of Investor Relations from 1998 to 2001 and prior to that was a Project Manager in Corporate Finance.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

GATX common stock is listed on the New York and Chicago Stock Exchanges under ticker symbol GMT. The approximate number of common stock holders of record as of March 8, 2002 was 3,618. The following table shows the reported high and low sales price of GATX common shares on the New York Stock Exchange, which is the principal market for GATX shares, and the dividends declared per share:

	2001	2001	2000	2000	2001 DIVIDENDS	2000 DIVIDENDS

COMMON STOCK	HIGH	LOW	HIGH	LOW	DECLARED	DECLARED
First quarter	$49.94	$40.50	$40.25	$28.38	$.31	$.30
Second quarter	43.05	36.40	38.75	33.13	.31	.30
Third quarter	43.55	29.80	45.19	34.13	.31	.30
Fourth quarter	33.75	23.65	50.50	36.31	.31	.30

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA -- FIVE-YEAR SUMMARY

	YEAR ENDED OR AT DECEMBER 31				
	2001(A)	2000(B)	1999	1998	1997(C)
	IN MILLIONS, EXCEPT PER SHARE DATA				
RESULTS OF OPERATIONS					
Gross income	$1,521.4	$1,389.9	$1,258.6	$1,263.6	$1,197.0
Costs and expenses	1,515.8	1,336.4	1,049.5	1,063.4	1,027.6
Income from continuing operations before income taxes	5.6	53.5	209.1	200.2	169.4
Income tax (benefit) provision	(1.9)	22.7	82.8	86.0	66.8
Income from continuing operations	7.5	30.8	126.3	114.2	102.6
Income (loss) from discontinued operations	165.4	35.8	25.0	17.7	(153.5)
NET INCOME (LOSS)	$ 172.9	$ 66.6	$ 151.3	$ 131.9	$ (50.9)
PER SHARE DATA					
Basic:					
Income from continuing operations	$ .15	$ .64	$ 2.56	$ 2.32	$ 2.15
Income (loss) from discontinued operations	3.41	.75	.51	.36	(3.43)
Total	$ 3.56	$ 1.39	$ 3.07	$ 2.68	$ (1.28)
Average number of common shares (in thousands)	48,512	47,880	49,296	49,178	45,084
Diluted:					
Income from continuing operations	$ .15	$ .63	$ 2.51	$ 2.27	$ 2.06
Income (loss) from discontinued operations	3.36	.74	.50	.35	(3.34)
Total	$ 3.51	$ 1.37	$ 3.01	$ 2.62	$ (1.28)
Average number of common shares and common share equivalents (in thousands)	49,202	48,753	50,301	50,426	45,084
Dividends declared per share of common stock	$ 1.24	$ 1.20	$ 1.10	$ 1.00	$ .92
FINANCIAL CONDITION					
Assets	$6,109.7	$6,263.7	$5,429.2	$4,581.1	$4,583.8
Long-term debt and capital lease obligations	3,788.5	3,752.3	3,280.2	2,663.1	2,674.1
Shareholders' equity	881.8	789.5	836.0	732.9	655.4

(a) 2001 includes a gain on sale of a portion of a segment of $343.0 million on a pre-tax basis, or $163.9 million on an after-tax basis.

(b) 2000 includes a provision for litigation of $160.5 million on a pre-tax basis, or $97.6 million on an after-tax basis.

(c) 1997 includes a restructuring charge of $224.8 million on a pre-tax basis, or $162.8 million on an after-tax basis.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

COMPANY OVERVIEW

Information regarding general information and characteristics of the Company is included in ITEM 1, BUSINESS, of this document.

The following discussion and analysis should be read in conjunction with the audited financial statements included herein. Certain statements within this document may constitute forward-looking statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. These statements are identified by words such as "anticipate," "believe," "estimate," "expects," "intend," "predict," or "project" and similar expressions. This information may involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. 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. Refer to the RISK FACTORS section of Part I of this document for a discussion of these risks and uncertainties.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

FINANCIAL SERVICES

The recessionary economy and challenging market conditions of 2001 impacted Financial Services' businesses, particularly the telecommunications (telecom) and air businesses. Financial Services' financing of telecom equipment expanded over the last few years as Financial Services diversified its portfolio across many telecom sub-sectors and co-invested with other financial institutions. A significant portion of the losses experienced by Financial Services in 2001 was attributable to the poor performance of the telecom market. Financial Services has exited the telecom equipment financing business and has reduced its exposure to $20.3 million, or approximately 1% of Financial Services' total assets at December 31, 2001, a decrease of $150.9 million from December 31, 2000.

A weakening economy coupled with the events of September 11th have caused a decrease in air travel which in turn has resulted in lower air asset utilization and increased pressure on lease rates for new and existing aircraft. Financial Services expects aircraft demand and lease rates to remain under pressure in 2002. See discussion in the OTHER INFORMATION section of Management's Discussion and Analysis for additional details regarding the air portfolio.

Gross Income

Financial Services' gross income of $842.5 million increased $134.3 million over the prior year principally due to higher lease income generated from a larger investment portfolio and higher asset remarketing income. This increase was partially offset by a decrease in share of affiliates' earnings. Lease income of $512.4 million increased $131.3 million from 2000, primarily from new leases within the technology portfolio. In the first quarter of 2001, Financial Services acquired a portfolio of technology leases from El Camino Resources that contributed significantly to the increase in lease income.

Asset remarketing income, which includes gains from the sale of assets from Financial Services' own portfolio as well as residual sharing fees from the sale of managed assets, was $96.1 million, $51.2 million higher than 2000. The increase in asset remarketing income was driven by larger gains within the specialty finance and technology portfolios. Gains on the sale of equity securities, which are derived from warrants received as part of financing and leasing transactions with non-public companies, were $38.7 million, a decrease of $13.6 million from the prior year. Because the timing of such sales is dependent on changing market conditions, gains from the sale of equity securities and asset remarketing income do not occur evenly from period to period. It is expected that asset remarketing income for 2002 will be lower than the 2001 level. Additionally, it is anticipated that gains from the sale of equity securities in 2002 will be well below 2001 levels absent a strong recovery in the initial public offering market.

GATX invests in companies and joint ventures that complement its existing business activities. GATX partners with financial institutions and operating companies to improve scale in certain markets, broaden diversification within an asset class, and enter new markets. GATX uses the equity method to account for these investments. Share of affiliates' earnings represent GATX's pre-tax earnings on undistributed earnings or losses of these investments.

Financial Services' share of affiliates' earnings decreased $32.0 million to $25.4 million in 2001 due primarily to losses within telecom joint ventures. Specifically, earnings from affiliates were net of a $35.6 million provision for possible losses and asset impairment charges from telecom affiliates.

Ownership Costs

Ownership costs, including interest, depreciation and operating lease expense, of $507.4 million increased $97.6 million compared with the prior year due to higher depreciation and interest expense. Depreciation and amortization expense of $295.8 million increased $80.3 million from 2000 reflecting the higher level of investment in operating lease assets, specifically technology and air assets. Interest expense increased $22.0 million in 2001 to $182.8 million reflecting higher average debt balances associated with funding new investment activity. Operating lease expense was comparable year over year.

Selling, General and Administrative

Selling, general and administrative (SG&A) expenses of $127.7 million increased $17.5 million over the prior year due to higher human resource and administrative expenses associated with an overall increase in business activity and increased legal expenses associated with the Airlog litigation (see discussion of Airlog litigation below).

Provision for Possible Losses

The provision for possible losses is derived from Financial Services' estimate of losses based on a review of credit, collateral and market risks. The current year provision at Financial Services of $97.8 million increased $81.8 million from 2000. This increase reflects the weakness in the economy and the deterioration of certain venture, steel and telecom investments. The allowance for possible losses of $86.5 million at December 31, 2001 decreased $2.6 million from the prior year and was approximately 6.0% of reservable assets, down from 6.5% at the prior year end. Reservable assets are defined as rent receivables, direct financing leases, leveraged leases and secured loans. Net charge-offs of reservable assets totaled $100.4 million for the year ended December 31, 2001, and were comprised primarily of venture, telecom, steel and other specialty finance investments.

Asset Impairment Charges

A review for impairment of long-lived assets is performed whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment charge to be recognized is measured by the amount by which the carrying amount of the assets exceeds fair value. Asset impairment charges of $85.2 million increased $80.2 million from 2000. Asset impairment in the telecom and air portfolios were $67.8 million and $7.8 million, respectively, for the year ended December 31, 2001.

Provision (Reversal) for Litigation Charges

GATX Capital Corporation (GCC), formerly a subsidiary of GATX Corporation, and currently part of the Financial Services' operating segment, was party to litigation arising from the issuance by the Federal Aviation Administration of Airworthiness Directive 96-01-03 in 1996, the effect of which significantly reduced the amount of freight that ten 747 aircraft were authorized to carry. GATX/Airlog, a California partnership in which a subsidiary of GCC was a partner, through a series of contractors, modified these aircraft from

passenger to freighter configuration between 1988 and 1994. GCC reached settlements covering five of the aircraft, and the remaining five were the subject of this litigation.

On February 16, 2001, a jury found that GATX/Airlog breached certain warranties under the applicable aircraft modification agreements, and fraudulently failed to disclose information to the operators of the aircraft. In 2001, GCC reached settlement with each of the plaintiffs in this litigation.

GATX had recorded a pre-tax charge of $160.5 million in 2000 to accrue for its estimated liability under the various settlement agreements. Upon settlement of these matters, $13.1 million of the previously recorded provision was reversed in 2001.

Reduction in Workforce Charges

During 2001, Financial Services recorded a pre-tax charge of $5.6 million related to a reduction in workforce. This action was part of GATX's previously announced initiative to reduce SG&A costs in response to current economic conditions. The reduction in workforce charge included involuntary employee separation and benefit costs for 88 employees as well as occupancy and other costs.

Net Loss

Financial Services' net loss for 2001 was $18.9 million and was principally the result of increases to the loss provision and asset impairment charges. Financial Services' net loss for 2000 was $30.4 million and included an after-tax litigation charge of $97.6 million.

GATX RAIL

In 2001, GATX combined the rail business unit of Financial Services and GATX Rail into one rail segment. All periods presented have been restated to reflect the combination of the rail operations. The North American and European rail markets continue to be negatively impacted by the economic downturn. Several industries serviced by GATX Rail (Rail), most notably the chemical industry, are experiencing adverse market conditions that have in turn reduced railcar and locomotive demand and lease rate pricing. Aggressive competition and railroad efficiency have also contributed to lower demand and lease rate pricing. These factors negatively impacted Rail's 2001 results, and are expected to continue to adversely affect railcar and locomotive demand and lease rates during 2002. In response to current rail market conditions, Rail has retired excess railcars, has limited orders of new railcars to specific customer requests and has taken steps to reduce operating and SG&A expenses.

In March 2001, Rail purchased Dyrekcja Eksploatacji Cystern (DEC), Poland's national tank car fleet, for $95.8 million. Under the terms of the acquisition agreement, Rail is obligated to invest $71.9 million in DEC over the next five years. DEC assets include 11,000 tank cars and a railcar maintenance network. Comparisons between periods are affected by the inclusion of DEC in the 2001 financial statements.

Gross Income

Rail's gross income of $676.1 million was flat with 2000. Excluding DEC's gross income of $25.6 million, Rail's gross income decreased $25.5 million from the prior year. Rental revenue was $602.9 million in 2001 excluding DEC, $3.4 million lower than 2000, despite a slight increase in active railcars. Lease rates were affected by excess capacity in the leasing market, which in turn negatively impacted rental revenue. Rail had approximately 103,000 of wholly owned railcars on lease throughout North America at year end, compared to 102,000 railcars a year ago. North American utilization ended the year at 91.2% on a total fleet of 112,000 wholly owned railcars, compared to 92.4% at the end of 2000. In North America, Rail added 4,000 cars in 2001, a sharp decrease from the 8,000 cars added in 2000, as a result of limiting new railcar orders in response to the current rail market.

Asset remarketing income of $2.9 million was $9.4 million lower than the prior year. Share of affiliates' earnings of $7.4 million decreased $13.2 million. The decrease in both asset remarketing income and share of affiliates' earnings was partly attributable to the 2000 sale of six-axle locomotives. Rail and its affiliate

Locomotive Leasing Partners, LLC reconfigured the locomotive fleet from six-axle locomotives to four-axle locomotives, which resulted in sales of wholly owned equipment and of assets held by the joint venture. Additionally, share of affiliates' earnings decreased $3.4 million in 2001 due to nonrecurring adjustments.

Ownership Costs

Ownership costs of $348.0 million increased $14.7 million from last year and include approximately $10.7 million of costs related to DEC. Excluding the impact of DEC, the $4.0 million increase in ownership costs from the prior year period is primarily due to the full year impact of last year's new car additions.

Operating Costs

Rail's operating costs of $176.3 million included $24.5 million of nonrecurring items, of which $19.7 million related to the closing of its East Chicago repair facility. Excluding the nonrecurring charges, operating expenses increased $22.1 million, of which $11.1 million was due to the acquisition of DEC. Repair costs, excluding DEC, were essentially flat with the prior year, however, storage costs increased due to a larger idle fleet. The current year results also included an increase in the general liability insurance reserves.

Selling, General and Administrative

SG&A expense increased $5.2 million from the prior year period to $83.3 million and include $6.2 million attributable to DEC. International business development costs of $4.9 million also contributed to this increase. Excluding these costs, SG&A decreased $5.9 million in 2001 due to a reduction in personnel costs and lower discretionary spending.

Provision for Possible Losses

Rail's provision for possible losses of $0.6 million decreased $1.1 million from the prior year.

Reduction in Workforce Charges

During 2001, Rail recorded a pre-tax charge of $5.3 million related to a reduction in workforce. This action was part of GATX's previously announced initiative to reduce selling, general and administrative costs in response to current economic conditions. The reduction in workforce charge included involuntary employee separation and benefit costs for 47 employees, as well as occupancy and other costs.

Net Income

Rail's net income of $44.1 million was $38.1 million lower than the prior year primarily due to closure costs related to its East Chicago repair facility, unfavorable market conditions and other nonrecurring charges.

CORPORATE AND OTHER

Corporate and other net expense of $17.7 million was $3.5 million favorable to 2000. Decreases in SG&A expense and net interest expense were partially offset by a $4.0 million tax charge related to the Company's corporate-owned life insurance program (COLI). The decrease in net interest expense reflects the utilization of the proceeds from the sale of the ISG businesses. Corporate also recorded a pre-tax charge of $2.5 million related to a reduction in workforce.

INCOME TAXES

The 2001 consolidated effective tax rate for continuing operations was (34.1)% compared to the 2000 rate of 42.4%. The 2001 tax provision was impacted by a favorable deferred tax adjustment attributable to a reduction in foreign tax rates offset by the COLI tax reserve.

DISCONTINUED OPERATIONS

Discontinued operations encompasses the former GATX Integrated Solutions Group segment and comprises GATX Terminals Corporation (Terminals), GATX Logistics, Inc. (Logistics), and minor business development efforts.

GATX sold 81% of Logistics in May 2000 and the remaining 19% in December

2000. In the first quarter of 2001, GATX sold substantially all of Terminals' domestic operations. The sale included substantially all of Terminals' domestic terminaling operations, the Central Florida Pipeline Company and Calnev Pipe Line Company. In the first quarter of 2001, GATX also sold substantially all of Terminals' European operations. In the second and third quarters of 2001, Terminals sold its Asian operations and its interest in a distillate and blending distribution affiliate. Additionally, in the first quarter GATX sold various smaller supply chain businesses. At December 31, 2001, substantially all discontinued operations were sold. A net after-tax gain of $163.9 million was recognized on the sales of ISG assets in 2001.

Operating results for 2001 were $1.5 million, down $25.9 million from the prior year. Comparisons between periods were affected by the timing of the sale of ISG assets.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

FINANCIAL SERVICES

Gross Income

Financial Services' gross income of $708.2 million increased $116.2 million over the prior year. Excluding VAR, the value added technology equipment sales and service business that was sold in June 1999, gross income increased $183.2 million. Lease income of $381.1 million increased $116.4 million from 1999, primarily from new leases within the air, technology and specialty finance portfolios. Interest income of $60.1 million increased $19.3 million from the prior year due to higher average loan balances. The average loan balance was $196.3 million higher in 2000 compared to 1999 as a result of increased venture financing. Gains on the sale of equity securities were $52.3 million, an increase of $37.6 million from the prior year. Asset remarketing income was $44.9 million, $16.5 million lower than 1999. Share of affiliates' earnings increased $16.3 million to $57.4 million in 2000. Earnings growth in air and technology joint ventures contributed to this increase.

Ownership Costs

Financial Services' ownership costs of $409.8 million increased $136.1 million from 1999. Depreciation and amortization expense of $215.5 million increased $76.7 million from 1999 and reflected a higher level of investments in operating lease assets. Interest expense increased $55.2 million to $160.8 million in 2000. Higher average debt outstanding combined with an increase in borrowing rates drove interest expense higher in 2000. Operating lease expense was comparable year over year.

Operating Expenses

Excluding VAR, operating expenses at Financial Services increased $3.5 million primarily due to higher marine operating costs.

Selling, General and Administrative

Excluding VAR, SG&A of $110.2 million increased $15.6 million over the prior year due to higher human resource and administrative expenses associated with increased growth initiatives.

Provision for Litigation Charges

GATX recorded a pre-tax charge of $160.5 million in 2000 to accrue for its estimated liability under various settlement agreements related to GATX/Airlog and management's best estimate of its potential liability under the judgment entered in favor of Kalitta Air.

Provision for Possible Losses

The provision for possible losses was $16.0 million, $5.5 million higher than 1999. The allowance for possible losses decreased $10.9 million from December 31, 1999 to $89.1 million and was approximately 6.5% of reservable assets, down from 10.1 % at December 31, 1999.

Net (Loss) Income

Financial Services' net loss for 2000 was $30.4 million compared to net income of $52.2 million in 1999. This decrease was primarily the result of an after-tax litigation charge of $97.6 million.

GATX RAIL

Gross Income

Rail's gross income of $676.0 million was $7.9 million higher than 1999. Rental revenue increased $14.2 million over the prior year, reflecting the net impact of a larger active North American fleet partially offset by lower lease renewal rates. Asset remarketing income of $12.3 million was $1.8 million lower than 1999 and share of affiliates' earnings of $20.6 million decreased $1.9 million from 1999. Rail's 1999 results include a gain from the sale of 1,700 grain cars that did not provide an acceptable level of long-term economic value.

At year end 2000, Rail had 102,000 wholly owned railcars on lease in North America compared to 100,000 railcars on lease at the end of 1999. Utilization was 92.4% and 94.1% at the end of 2000 and 1999, respectively. Rail added 8,000 cars in 2000, which was comparable to 1999 additions. The majority of Rail's car additions occurred during the first half of 2000, as market conditions and growing economic uncertainty led to a sharp curtailment of new car orders and fleet acquisitions during the second half of the year.

Ownership Costs

Ownership costs of $333.3 million increased $28.2 million from 1999. Although Rail's fleet increased in 2000, depreciation and interest expense was comparable to 1999 as the incremental ownership costs were reflected as operating lease expense due to the sale-leaseback financing of railcars.

Operating Costs

Rail's operating costs decreased $6.0 million from 1999. Higher repair and maintenance expenses were offset by a number of nonrecurring items that affected both years. Repair and maintenance expenses were higher due in part to the increased use of third-party contract repair shops as a result of a labor dispute at Rail's U.S. service centers. The labor dispute was resolved in the first quarter of 2001.

Selling, General and Administrative

SG&A expenses were comparable year over year.

Net Income

Rail's net income of $82.2 million was $8.3 million lower than 1999 primarily due to decreased utilization and higher ownership costs.

CORPORATE AND OTHER

Corporate and other net expense of $21.2 million was $4.6 million higher than 1999. The increase was the result of higher SG&A and interest expenses. Additionally, 1999 net expense included a $1.0 million favorable insurance benefit.

INCOME TAXES

The 2000 effective tax rate of 42.4% was higher than the 1999 rate of 39.6% due to the relative impact of state and foreign taxes and certain nondeductible expenses on pre-tax income.

DISCONTINUED OPERATIONS

Operating results of discontinued operations contributed $27.4 million and $25.0 million to net income in 2000 and 1999, respectively. Strong results in the terminal and pipeline business were partially offset by losses incurred in the warehousing business and higher business development costs. GATX sold Logistics in 2000, recognizing an $8.4 million after-tax gain.

BALANCE SHEET DISCUSSION

ASSETS

Assets for continuing operations increased to $6.1 billion in 2001 from $5.6 billion in 2000. Portfolio investments and capital additions of $1.8 billion were partially offset by depreciation and amortization, the sale-leaseback of railcars at Rail, and portfolio asset sales at Financial Services.

In addition to the $6.1 billion of assets recorded on the balance sheet, GATX utilizes approximately $1.6 billion of other assets, such as railcars and aircraft, which were financed with operating leases and therefore are not recorded on the balance sheet. The value of the off balance sheet assets was derived from the present value of GATX's committed future operating lease payments at various appropriate borrowing rates.

The following table presents assets for continuing operations (on and off balance sheet) by segment and business unit (in millions):

	2001			2000		
DECEMBER 31	ON BALANCE SHEET	OFF BALANCE SHEET	TOTAL ASSETS	ON BALANCE SHEET	OFF BALANCE SHEET	TOTAL ASSETS
GATX RAIL	$2,280.9	$1,533.6	$3,814.5	$2,091.2	$1,506.0	$3,597.2
FINANCIAL SERVICES						
Air	1,375.7	35.0	1,410.7	1,081.0	38.2	1,119.2
Specialty Finance	1,065.1	3.0	1,068.1	1,154.9	2.0	1,156.9
Technology	914.7	12.7	927.4	801.0	13.9	814.9
Venture Finance	346.1	--	346.1	506.7	--	506.7
TOTAL FINANCIAL SERVICES	3,701.6	50.7	3,752.3	3,543.6	54.1	3,597.7
CORPORATE AND OTHER	127.2	22.4	149.6	(2.0)	13.7	11.7
	$6,109.7	$1,606.7	$7,716.4	$5,632.8	$1,573.8	$7,206.6

RECEIVABLES

Receivables, including finance leases and secured loans, were comparable to last year. Prior year amounts included a $17.0 million receivable related to the sale of Logistics. Excluding this amount, receivables increased $45.7 million from the prior year. Investment volume was partially offset by portfolio asset sales and asset write-offs.

ALLOWANCE FOR POSSIBLE LOSSES

The purpose of the allowance is to provide an estimate of possible credit losses inherent in the investment portfolio. GATX sets the allowance by assessing overall risk and probable losses in the portfolio and by reviewing the Company's historical loss experience. GATX charges off amounts that management considers unrecoverable from obligors or through the disposition of collateral. GATX assesses the recoverability of

investments by considering factors such as a customer's payment history and financial position, and the value of collateral based on internal and external appraisal sources.

The following summarizes changes in the allowance for possible losses (in millions):

	DECEMBER 31	
	2001	2000
Balance at beginning of the year	$ 95.2	$113.5

Provision for possible losses	98.4	17.7
Charges to allowance	(105.2)	(37.0)
Recoveries and other	5.8	1.0
Balance at end of the year	$ 94.2	$ 95.2

There were no material changes in estimation methods or assumptions for the allowance during 2001. The allowance for possible losses is periodically reviewed for adequacy by considering changes in economic conditions, collateral values and credit quality indicators. GATX believes that the allowance is adequate to cover losses inherent in the portfolio as of December 31, 2001. Because the allowance is based on judgments and estimates, it is possible that those judgments and estimates could change in the future, causing a corresponding change in the recorded allowance.

The consolidated allowance for possible losses of $94.2 million decreased $1.0 million compared to the prior year. The allowance for possible losses at Financial Services decreased $2.6 million in 2001 to $86.5 million and was approximately 6.0% of reservable assets, down from 6.5% in the prior year. Rail's allowance for possible losses decreased $3.4 million in 2001. Consolidated net charge-offs totaled $104.4 million for the year, an increase of $68.3 million from 2000, and were related primarily to venture, telecom and steel investments.

NON-PERFORMING INVESTMENTS

Investments, such as leases and loans that are 90 days or more past due, or where reasonable doubt exists as to timely collection, including leases and loans that are individually identified as being impaired, are generally classified as non-performing unless adequately secured by collateral. Non-performing investments do not include operating lease assets that are temporarily off lease. Lease or interest income accrued but not collected is reversed when a lease or loan is classified as non-performing. Interest payments received on non-performing loans for which the ultimate collectibility of principal is uncertain are applied as principal reductions. Otherwise, such collections are credited to income when received.

At December 31, 2001, non-performing investments of $96.4 million increased $18.0 million from the prior year end due to weakness in the venture and air markets. Non-performing investments as of December 31, 2001 were 3.4% of Financial Services investments, compared to 3.0% of Financial Services investments at December 31, 2000.

OPERATING LEASE ASSETS, FACILITIES AND OTHER

Operating lease assets and facilities increased $64.7 million from 2000 largely due to portfolio investments in aircraft, technology and railcar assets. Offsetting these investments were increases in accumulated depreciation, the sale-leaseback of railcars at Rail and portfolio asset sales at Financial Services.

GATX classifies amounts deposited toward the construction of wholly owned aircraft and other equipment, including capitalized interest, as progress payments. Progress payments made for aircraft within joint ventures are classified as investments in affiliated companies. In 2001, GFC terminated a joint venture with Flightlease, a Swissair Group Company. The joint venture had contracted with Boeing for the purchase of ten B737-800 aircraft and with Airbus for the purchase of 38 Airbus aircraft. GFC purchased Flightlease's interest in the Boeing order. GFC also reached an agreement with Airbus whereby in consideration for its agreement to purchase 19 A320 family aircraft from Airbus over the next four years, Airbus agreed to release

GFC from any further obligations with respect to the original joint venture order. The $248.5 million increase in progress payments relates to these Airbus and Boeing orders.

INVESTMENTS IN AFFILIATED COMPANIES

Investments in affiliated companies decreased $14.9 million in 2001 largely due to $35.6 million in asset impairment and loss provision charges at the telecom affiliates. GATX invested $249.4 million and $244.4 million in joint ventures in 2001 and 2000, respectively. Share of affiliates' earnings were $32.8 million, $78.1 million and $63.6 million in 2001, 2000 and 1999, respectively. Distributions from affiliates were $225.6 million and $119.7 million in 2001 and 2000, respectively.

The following table shows GATX's investment in affiliated companies by segment and business unit (in millions):

	DECEMBER 31	
	2001	2000
GATX RAIL	$200.6	$205.9
FINANCIAL SERVICES		
Air	523.5	512.4
Specialty Finance	205.9	184.0
Technology	8.9	13.0
Venture Finance	14.1	52.1
TOTAL FINANCIAL SERVICES	752.4	761.5
CORPORATE AND OTHER	--	.5
	$953.0	$967.9

OTHER ASSETS

Other assets of $349.8 million at December 31, 2001 were $24.8 million lower than the prior year. Increases in assets held for sale and goodwill were partially offset by lower balances in stock warrants and securities held for investment. Assets held for sale are comprised mostly of aircraft.

NET ASSETS OF DISCONTINUED OPERATIONS

Net assets of discontinued operations decreased from 2000 reflecting the 2001 sale of ISG assets. GATX received $1.2 billion in pre-tax proceeds from the sale of ISG assets.

ACCRUED EXPENSES

Accrued expenses decreased $90.6 million compared to the prior year due to the settlement payments made in connection with the Airlog litigation.

DEFERRED INCOME TAXES

Deferred income taxes of $464.5 million increased $53.7 million from the end of 2000 reflecting the realization of deferred tax assets attributable to the litigation reserve and the full utilization of the alternative minimum tax (AMT) credit carryforward.

DEBT

Debt decreased $192.5 million since the end of 2000 as proceeds from the sale of ISG were used to pay down short-term debt and fund portfolio investments. Nonrecourse debt increased $234.0 million primarily to fund technology and rail investments. The acquisition by Financial Services of a portfolio of technology leases from El Camino Resources also contributed significantly to the increase in nonrecourse debt in 2001.

Additionally, GATX has approximately $1.6 billion of off balance sheet debt related to assets that are financed with operating leases. The $1.6 billion was derived from the present value of GATX's committed future operating lease payments at various appropriate borrowing rates.

TOTAL SHAREHOLDERS' EQUITY

Shareholders' equity increased $92.3 million reflecting net income of

$172.9 million offset by common stock dividends of $60.2 million.

CASH FLOW DISCUSSION

GATX generates significant cash flow from its operating activities and proceeds from its investment portfolio, which is used to service debt, pay dividends, and fund portfolio investments and capital additions.

NET CASH PROVIDED BY CONTINUING OPERATIONS

Net cash provided by continuing operations of $355.7 million decreased $42.1 million from 2000. Payments related to the settlement of the Airlog litigation decreased cash flow from operations by $141.0 million. All cash received from asset dispositions (excluding the proceeds from the sale of the ISG segment), including gain and return of principal, was included in investing activities as portfolio proceeds or other asset sales.

PORTFOLIO INVESTMENTS AND CAPITAL ADDITIONS

Portfolio investments and capital additions of $1.8 billion decreased $134.2 million from 2000.

The following table presents portfolio investments and capital additions by segment and business lines (in millions):

	DECEMBER 31	
	2001	2000
GATX RAIL	$ 370.1	$ 482.7
FINANCIAL SERVICES		
Air	577.1	288.3
Technology	431.3	397.7
Venture Finance	259.4	339.9
Specialty Finance	147.8	412.3
Other	8.2	6.7
TOTAL FINANCIAL SERVICES	1,423.8	1,444.9
CORPORATE AND OTHER	.3	.8
	$1,794.2	$1,928.4

Significant investments in Air included $264.3 million in progress payments for wholly owned aircraft and a $70.4 million investment in a new joint venture, The Pembroke Group. In the first quarter, Financial Services acquired a portfolio of technology leases from El Camino Resources for $116.5 million (which is net of the assumption of $256.0 million of nonrecourse debt). Rail's capital additions in 2001 included $243.3 million to acquire approximately 4,000 railcars and locomotives throughout North America and $95.8 million for the acquisition of DEC. Future portfolio investments and capital additions (excluding contractual commitments) will be dependent on market conditions and opportunities to acquire desirable assets.

PORTFOLIO PROCEEDS

Portfolio proceeds of $1.0 billion increased $403.6 million from the 2000 period primarily due to an increase in the remarketing of manufacturing-related equipment and air assets, loan principal received and cash distributions from air and telecom joint venture investments. The timing of assets coming off lease, opportunities to renew leases at attractive rates, and the composition of the investment portfolio all contributed to the year-over-year increase in remarketing proceeds.

PROCEEDS FROM OTHER ASSET SALES

Proceeds from other asset sales included $189.2 million from the sale-leaseback of railcars at Rail compared to $291.1 million in 2000.

PROCEEDS FROM SALE OF A PORTION OF SEGMENT

Proceeds of $1.2 billion from the sale of a portion of a segment and $281.9 million of taxes paid were related to the sale of various ISG assets.

NET CASH OF FINANCING ACTIVITIES FOR CONTINUING OPERATIONS

Net cash provided by financing activities of continuing operations decreased $1.1 billion compared to 2000. Portfolio investments and capital additions were funded with proceeds from debt, cash from operations, and proceeds from asset sales, including the sale of ISG. A portion of the proceeds from the sale of ISG was utilized to repay short-term debt obligations.

GATX repurchased 1.4 million of its common shares for $48.0 million in 2000 in addition to the 1.1 million its common shares purchased in 1999 for $34.6 million. Additionally, on January 26, 2001, the Board of Directors authorized the purchase of up to an additional 3.5 million shares of GATX's outstanding common shares.

LIQUIDITY AND CAPITAL RESOURCES

GATX funds asset growth and meets debt and lease obligations through cash flow from operations, portfolio proceeds (including proceeds from asset sales), commercial paper borrowings, uncommitted money market lines, committed revolving credit facilities, the issuance of unsecured debt, and a variety of secured borrowings. GATX utilizes both the domestic and international bank and capital markets.

GATX Financial Corporation (GFC), a wholly owned subsidiary of GATX Corporation, has revolving credit facilities totaling $775.0 million, consisting of a 364-day agreement for $141.7 million expiring in June 2002, which GFC intends to renew, and two other agreements for $350.0 million and $283.3 million that will expire in 2003 and 2004, respectively. The revolving credit facilities contain various restrictive covenants, including an asset coverage test, requirements to maintain a defined minimum net worth and a certain fixed charges coverage ratio. At December 31, 2001, GFC was in compliance with the covenants and conditions of the credit facilities. As defined in the credit facilities, the net worth of GFC at December 31, 2001 was $1.4 billion, which was in excess of the minimum net worth requirement of $900.0 million. Additionally, the ratio of earnings to fixed charges as defined by the credit facilities was 2.7x for the December 31, 2001 period, which was in excess of the 1.2x requirement. Pursuant to the terms of the commercial paper programs and rating agency guidelines, GFC must maintain unused revolving credit capacity at least equal to the amount of commercial paper outstanding. At December 31, 2001, GFC had available unused committed lines of credit amounting to $606.5 million.

Secured financings are comprised primarily of the sale-leaseback of railcars. Other secured borrowings include mortgages on railcars and aircraft. The railcar sale-leasebacks qualify as operating leases and as such assets or liabilities associated with this equipment are not recorded on the balance sheet. Certain sale-leasebacks involve railcars that are operated by special purpose entities (SPE) that are wholly owned by GFC. The railcars are owned by various financial institutions and leased to the SPE. These financial institutions also have a security interest in the underlying customer subleases on these railcars. GFC manages the railcars for

the SPE, and the lease obligations are non-recourse to GFC. The SPE structure was used in order to secure a higher credit rating and a lower cost of borrowing for GFC.

GFC has a $1.0 billion shelf registration for debt securities, of which $600.0 million has been issued.

The availability of these funding options may be adversely impacted by certain factors. Access to capital markets at competitive borrowing rates is dependent on GFC's credit rating as determined by rating agencies such as Standard & Poor's (S&P) and Moody's Investors Service (Moody's). On March 13, 2002, Moody's downgraded GFC's long-term unsecured debt to Baa3 from Baa2 and GFC's commercial paper to Prime-3 from Prime-2. Moody's now maintains a stable outlook on GFC's ratings. On March 14, 2002, S&P downgraded GFC's long-term unsecured debt from BBB+ to BBB and GFC's commercial paper from A-2 to A-3. S&P also placed GFC's long-term unsecured debt on credit watch with negative implications. Both rating agencies had maintained a negative outlook on the credit ratings of GFC due to the uncertainty surrounding the performance of GFC's aircraft portfolio resulting from the events of September 11, 2001. This negative outlook had increased the cost of borrowing in the financial markets for GFC. Due to these rating agency downgrades, GFC's access to the commercial paper market is likely to be seriously constrained or eliminated and GFC could have more difficulty accessing the long-term capital market on a cost efficient basis. A continued weak economic environment could decrease demand for GATX's services, which could impact the Company's ability to generate cash flow from operations and portfolio proceeds.

Subsequent to December 31, 2001, GATX completed a convertible debt transaction and a secured debt transaction that provided approximately $250.0 million in net proceeds to GFC's liquidity position. In addition, through mid-March 2002, GFC has received approximately $295.0 million in secured aircraft financing proceeds from two aircraft warehouse financing facilities and GFC's European Credit Agency (ECA) financing program. The ECA program was arranged to finance GFC's 2001-2004 Airbus A320 aircraft deliveries. On March 14, 2002, GFC received initial approval from the Export-Import Bank of the United States (Ex-Im Bank) to provide credit support to finance GFC's 2002-2003 Boeing 737 aircraft deliveries. The Ex-Im Bank Board of Directors approved the transaction for referral to Congress on March 14, 2002 and GFC expects final approval to be received by late April. GFC believes that the combination of its current cash position, the ongoing proceeds from the aircraft warehouse facility, and the ECA and Ex-Im financings will enable it to meet its contractual obligations for 2002 without the further issuance of debt or a sustained drawdown of its committed bank lines.

At December 31, 2001, GATX's contractual commitments were (in millions):

	PAYMENTS DUE BY PERIOD				
DECEMBER 31	TOTAL	2002	2003-2004	2005-2006	YEARS THEREAFTER
Long-Term Debt	$3,625.5	$ 854.5	$1,391.0	$1,077.1	$ 302.9
Capital Lease Obligations	237.1	35.1	63.7	35.7	102.6
Operating Leases -- Recourse	1,993.8	136.5	265.9	291.7	1,299.7
Operating Leases -- Nonrecourse	718.4	37.4	79.9	81.6	519.5
Unconditional Purchase Obligations	1,132.7	694.5	438.2	--	--
Other	71.9	--	37.8	34.1	--
	$7,779.4	$1,758.0	$2,276.5	$1,520.2	$2,224.7

GATX has commitments of $885.1 million for firm orders and options for 27 new aircraft to be delivered between 2002 and 2004. Other unconditional purchase obligations include $194.3 million of specialty finance primarily related to business jet aircraft and marine equipment purchases and $45.0 million related to new venture transactions generated in the ordinary course of business. Commitments to purchase railcars total $8.3 million. Additionally, under the terms of the DEC acquisition agreement GATX is obligated to invest $71.9 million in DEC over the next five years.

At December 31, 2001, GATX's unconditional purchase obligations by segment and business unit were (in millions):

	PAYMENTS DUE BY PERIOD				
DECEMBER 31	TOTAL	2002	2003-2004	2005-2006	YEARS THEREAFTER
GATX RAIL	$ 8.3	$ 8.3	$ --	$ --	$ --
FINANCIAL SERVICES					
Air	885.1	516.9	368.2	--	--

Specialty Finance.................	194.3	124.3	70.0	--	--
Technology.........................	--	--	--	--	--
Venture Finance...................	45.0	45.0	--	--	--
TOTAL FINANCIAL SERVICES...........	1,124.4	686.2	438.2	$ --	--
	$1,132.7	$694.5	$438.2	$ --	$ --

GATX has various commercial commitments, such as guarantees and standby letters of credit, that could potentially require performance in the event of demands by third parties. Similar to GATX's on balance sheet investments, these guarantees expose GATX to credit and market risk; accordingly, GATX evaluates commitments and other contingent obligations using the same techniques used to evaluate funded transactions.

Guarantees are commitments issued to guarantee performance of an affiliate to a third party, generally in the form of lease and loan payment guarantees, or to guarantee the value of an asset at the end of a lease. Lease and loan payment guarantees generally involve guaranteeing repayment of the financing utilized to acquire assets being leased by an affiliate to third parties, and are in lieu of making direct equity investments in the affiliate. GATX is not aware of any event of default which would require it to satisfy these guarantees, and expects the affiliates to generate sufficient cash flow to satisfy their lease and loan obligations.

Asset residual value guarantees represent GATX's commitment to third parties that an asset or group of assets will be worth a specified amount at the end of a lease term. Over 50% of the asset residual value guarantees are related to rail equipment. Based on known and expected market conditions, management does not believe that the asset residual value guarantees will result in any adverse financial impact to GATX.

GATX and its subsidiaries are also parties to letters of credit and bonds. Historically, no material claims have been made against these obligations. Management does not expect any material losses to result from these off-balance sheet instruments because performance is not expected to be required, and therefore, is of the opinion that the fair value of these instruments is zero.

GATX's commercial commitments were (in millions):

	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD				
DECEMBER 31	TOTAL	2002	2003-2004	2005-2006	YEARS THEREAFTER
Standby Letters of Credit and Bonds...	$ 30.0	$ 29.1	$ .9	$ --	$ --
Affiliate Debt -- Recourse to GATX....	131.1	87.2	28.6	.4	14.9
Residual Value Guarantees.............	410.5	26.3	20.9	27.8	335.5
Rental Guarantee......................	40.2	--	--	--	40.2
	$611.8	$142.6	$50.4	$28.2	$390.6

At December 31, 2001, $425.0 million of subsidiary net assets were restricted, limiting the ability of the subsidiaries to transfer assets to GATX in the form of loans, advances or dividends. The majority of net asset restrictions relate to the revolving credit agreements and various loan agreements of GFC. Such restrictions are not expected to have an adverse impact on the ability of GATX to meet its cash obligations.

OTHER INFORMATION

On September 11, 2001, terrorists highjacked and crashed four commercial aircraft resulting in a significant loss of life and a substantial loss of property. These events have caused significant disruption to the United States' economy as a whole, and in particular have significantly impacted the airline industry. The terrorist attacks resulted in a precipitous decline in airline travel, which in turn has significantly and adversely affected the financial health of the airline industry.

One of GATX's primary lines of business is aircraft leasing. The Company has an interest in 173 aircraft. Of these, 24 aircraft are wholly owned by GATX and the remainder are owned in combination with other investors. All of the 173 aircraft are Stage III compliant, mostly narrow-body aircraft, with an average age of approximately nine years. These planes have an estimated useful life of approximately 25 years.

At December 31, 2001, the air portfolio consisted of assets with a net book value of $1.4 billion. In total, the air portfolio accounted for 18.3% of GATX's total assets (including both on and off balance sheet assets). For the year ended December 31, 2001, 8.0% of GATX's gross income was derived from its air portfolio investments. This included lease and interest income, income generated by joint ventures, remarketing gains, and management fees. GATX's customer base is diverse in carrier type and geographic location. GATX leases to over 50 airlines in 20 countries and is not highly dependent on any one airline; no single customer exposure exceeds 10% of the net book value of the total air portfolio. For aircraft currently on lease, the average remaining lease term is approximately four years.

At December 31, 2001, 15 aircraft were not on lease, seven of which are being remarketed by GATX. The seven GATX aircraft represented approximately 7% of the net book value of GATX's total air portfolio. Subsequent to year end, GATX successfully placed six of the seven aircraft; the remaining aircraft represents less than 1.0% of the net book value of the total air portfolio. The remaining eight aircraft are being remarketed by The Pembroke Group (Pembroke), a Dublin-based aircraft lessor in which the Company owns a 50% equity interest. These eight aircraft represent approximately 3% of the net book value of Pembroke's aircraft portfolio.

In 2001, GFC terminated a joint venture with Flightlease, a Swissair Group Company. The joint venture had contracted with Boeing for the purchase of ten B737-800 aircraft and with Airbus for the purchase of 38 aircraft. GFC purchased Flightlease's interest in the Boeing order. GFC also reached an agreement with Airbus whereby in consideration for its agreement to purchase 19 A320 family aircraft from Airbus over the next four years, Airbus agreed to release GFC from any further obligations with respect to the original joint venture order. The Swissair Group and several of its subsidiary companies are currently in bankruptcy. GFC does not have any aircraft on lease to Swissair. GFC therefore expects no material impact from the reorganization of Swissair.

GFC has 27 planes on order, including the aircraft on order from Airbus and Boeing. The delivery schedule for these aircraft is as follows: 16 in 2002, six in 2003 and five in 2004. Currently, there are signed letters of intent to place these aircraft with lessees for 14 of the 16 aircraft to be delivered in 2002. Additionally, the renewal schedule for existing aircraft leases is as follows: seven in 2002, 15 in 2003, 11 in 2004 and 19 in 2005. Leases for the remaining aircraft will expire subsequent to 2005.

At December 31, 2001, a subsidiary of Pembroke had an order for 21 Boeing 717 aircraft. During January 2002, an agreement in principle to restructure this order was reached. Subject to documentation, this agreement will result in the reduction of the order to fourteen aircraft with deliveries occurring in 2005 and 2006. If Boeing does not meet certain milestones with respect to new 717 program sales, the agreement permits cancellation of the commitment by either party.

The effects that these terrorist attacks, or related future events, including military or police activities in the United States or abroad, future terrorist activities or threats of such activities, political unrest and instability, riots and protests, could have on the U.S. economy, global financial markets and our business cannot presently be determined with any accuracy. The effects may include, among other things, a permanent decrease in demand for air travel, consolidation in the airline industry, lower utilization of new and existing aircraft, lower aircraft rental rates, impairment of air portfolio assets and fewer available partners for joint

ventures. In the fourth quarter of 2001, GATX and its joint ventures reviewed their air portfolio for impairment and recorded $17.1 million in asset impairment charges. Depending upon the severity, scope and duration of these effects, the impact on GATX's financial position, results of operations, and cash flows could be material.

CRITICAL ACCOUNTING POLICIES

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. Operating lease assets and facilities are depreciated using the straight-line method to an estimated residual value. Railcars, locomotives, aircraft, marine vessels, buildings and leasehold improvements are depreciated over the estimated useful lives of the assets. Technology equipment is depreciated over the term of the lease contract.

Impairment of Long-Lived Assets: A review for impairment of long-lived assets, such as operating lease assets and facilities, is performed whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment loss to be recognized is measured by the amount by which the carrying amount of the assets exceeds fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less selling costs.

Allowance for possible losses: The purpose of the allowance is to provide an estimate of possible credit losses inherent in the investment portfolio. GATX sets the allowance by assessing overall risk and total probable losses in the portfolio and by reviewing GATX's historical loss experience. GATX charges off amounts that management considers unrecoverable from obligors or through the disposition of collateral. GATX assesses the recoverability of investments by considering factors such as a customer's payment history and financial position, and the value of collateral based on internal and external appraisal sources. The allowance for possible losses is periodically reviewed for adequacy considering changes in economic conditions, collateral values and credit quality indicators. GATX believes that the allowance is adequate to cover losses inherent in the portfolio as of December 31, 2001. Because the allowance is based on judgments and estimates, it is possible that those judgments and estimates could change in the future, causing a corresponding change in the recorded allowance.

Investments in affiliated companies: Investments in affiliated companies represent investments in domestic and foreign companies and joint ventures that are in businesses similar to those of GATX, such as aircraft leasing, rail equipment leasing, technology equipment leasing and other business activities, including ventures that provide asset residual value guarantees. 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. Certain investments in joint ventures that exceed 50% ownership are not consolidated and are also accounted for using the equity method as GATX does not have effective or voting control of these legal entities. The investments in affiliated companies are initially recorded at cost and are subsequently adjusted for GATX's share of the affiliate's undistributed earnings. Distributions, which include both dividends and the return of principal, reduce the carrying amount of the investment.

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2001, GATX adopted Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133, and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities -- an amendment of FASB Statement No. 133. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts. The statement requires that an entity recognize all derivatives as either assets or liabilities in the

statement of financial position and measure those instruments at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the qualified nature of the hedge, changes in fair value of the derivative will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive (loss) income. The change in fair value of the ineffective portion of a hedge will be immediately recognized in earnings.

GATX frequently obtains stock and warrants from non-public, venture capital-backed companies in connection with its financing activities. Under previous accounting guidance, both the stock and warrants were generally accounted for as available-for-sale securities in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, with changes in fair value recorded as unrealized gains or losses in other comprehensive (loss) income in the equity section of the balance sheet.

Upon adoption of SFAS No. 133, as amended, these warrants will be accounted for as derivatives, with prospective changes in fair value recorded in current earnings. Stock will continue to be accounted for in accordance with SFAS No. 115.

Apart from warrants, GATX uses interest rate swap agreements, Treasury derivatives, currency swap agreements, and forward currency sale agreements, as hedges to manage its exposure to interest rate and currency exchange rate risk on existing and anticipated transactions. To qualify for hedge accounting under previous accounting guidance, the derivative instrument must be identified with and reduce the risk arising from a specific transaction. Interest income or expense on interest rate swaps and Treasury derivatives was accrued and recorded as an adjustment to the interest income or expense related to the hedged item. Realized and unrealized gains on currency swaps and forwards were deferred and included in the measurement of the hedged investment over the term of the contract. Fair value changes arising from forward sale agreements were deferred in the investment section of the balance sheet and recognized as part of other comprehensive (loss) income in shareholders' equity. The adoption of SFAS No. 133 resulted in $1.1 million being recognized as expense in the consolidated statement of income and $4.7 million of unrealized gain in other comprehensive (loss) income in the first quarter of 2001.

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, Business Combinations and SFAS No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment testing in accordance with the statements. Other intangible assets will continue to be amortized over their useful lives.

GATX will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. Application of the nonamortization provisions of the statement is expected to result in an increase in pre-tax income from continuing operations of approximately $7.7 million in 2002. During 2002, GATX will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002, and has not yet determined what impact, if any, such review will have on the earnings and financial position of the Company.

In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, effective for fiscal years beginning after December 15, 2001. This statement supercedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Although the new rules retain many of the fundamental recognition and measurement provisions of SFAS No. 121, they modify the criteria required to classify an asset as held-for-sale. SFAS No. 144 will also supersede certain provisions of APB Opinion 30 with regard to reporting the effects of a disposal of a segment of a business and will require expected future operating losses from discontinued operations to be separately reported in discontinued operations during the period in which the losses are incurred (rather than as of the measurement date as presently required by APB 30). GATX is currently assessing the impact, if any, of this statement on the Company.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

GATX, like most other companies, is exposed to certain market risks, including changes in interest rates and currency exchange rates. To manage these risks, GATX, pursuant to established and authorized policies, enters into certain derivative transactions, principally interest rate swaps, Treasury derivatives and currency swaps. These instruments and other derivatives are entered into for hedging purposes only. GATX does not hold or issue derivative financial instruments for speculative purposes.

GATX's interest expense is affected by changes in interest rates as a result of its use of variable rate debt instruments, including commercial paper and other floating rate debt. Based on GATX's variable rate debt at December 31, 2001, if market rates were to increase hypothetically by 10% of GATX's weighted average floating rate, after-tax interest expense would increase by approximately $2.0 million in 2002.

Changes in certain currency exchange rates would also affect GATX's reported earnings. Based on 2001 reported earnings from continuing operations, a uniform and hypothetical 10% strengthening in the U.S. dollar versus applicable foreign currencies would decrease after-tax income from continuing operations in 2002 by approximately $1.5 million.

The interpretation and analysis of the results from the hypothetical changes to interest rates and currency exchange rates should not be considered in isolation; such changes would typically have corresponding offsetting effects. For example, offsetting effects are present to the extent that floating rate debt is associated with floating rate assets.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF GATX MANAGEMENT

To Our Shareholders

The management of GATX Corporation is responsible for the preparation, integrity and objectivity of the accompanying consolidated financial statements and the related financial information included in the Annual Report on Form 10-K to shareholders. 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 page 31. 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 independent directors, that meets several times during 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	BRIAN A. KENNEY	WILLIAM M. MUCKIAN
Chairman, President and Chief Executive Officer	Vice President and Chief Financial Officer	Vice President, Controller and Chief Accounting Officer

REPORT OF 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, 2001 and 2000, and the related consolidated statements of income, changes in shareholders' equity, comprehensive income, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedules listed in the index at Item 14(a). These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, 2001 and 2000, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement 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 22, 2002

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS, EXCEPT PER SHARE DATA		
GROSS INCOME			
Revenues	$1,488.6	$1,311.8	$1,195.0
Share of affiliates' earnings	32.8	78.1	63.6
TOTAL GROSS INCOME	1,521.4	1,389.9	1,258.6
OWNERSHIP COSTS			
Depreciation and amortization	415.9	333.9	254.6
Interest, net	249.9	242.6	179.9
Operating lease expense	194.8	178.7	153.0
TOTAL OWNERSHIP COSTS	860.6	755.2	587.5
OTHER COSTS AND EXPENSES			
Operating expenses	241.1	188.8	247.6
Selling, general and administrative	229.7	209.2	203.4
Provision for possible losses	98.4	17.7	11.0
Asset impairment charges	85.2	5.0	--
Provision (reversal) for litigation charges	(13.1)	160.5	--
Reduction in workforce charges	13.4	--	--
Fair value adjustments for derivatives	.5	--	--
TOTAL OTHER COSTS AND EXPENSES	655.2	581.2	462.0
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	5.6	53.5	209.1
INCOME TAX (BENEFIT) PROVISION	(1.9)	22.7	82.8
INCOME FROM CONTINUING OPERATIONS	7.5	30.8	126.3
DISCONTINUED OPERATIONS			

Operating results, net of taxes	1.5	27.4	25.0
Gain on sale of portion of segment, net of taxes	163.9	8.4	--
TOTAL DISCONTINUED OPERATIONS	165.4	35.8	25.0
NET INCOME	$ 172.9	$ 66.6	$ 151.3
PER SHARE DATA			
Basic:			
Income from continuing operations	$ .15	$ .64	$ 2.56
Income from discontinued operations	3.41	.75	.51
Total	$ 3.56	$ 1.39	$ 3.07
Average number of common shares (in thousands)	48,512	47,880	49,296
Diluted:			
Income from continuing operations	$ .15	$ .63	$ 2.51
Income from discontinued operations	3.36	.74	.50
Total	$ 3.51	$ 1.37	$ 3.01
Average number of common shares and common share equivalents (in thousands)	49,202	48,753	50,301
Dividends declared per common share	$ 1.24	$ 1.20	$ 1.10

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	2001	2000
	IN MILLIONS	
ASSETS		
CASH AND CASH EQUIVALENTS	$ 222.9	$ 158.0
RESTRICTED CASH	124.4	15.6
RECEIVABLES		
Rent and other receivables	144.2	124.9
Finance leases	868.3	878.3
Secured loans	557.4	538.0
Less: allowance for possible losses	(94.2)	(95.2)
	1,475.7	1,446.0
OPERATING LEASE ASSETS, FACILITIES AND OTHER		
Railcars and service facilities	2,958.2	2,949.9
Operating lease investments and other	1,794.0	1,488.7
Less: allowance for depreciation	(2,028.3)	(1,779.4)
	2,723.9	2,659.2
Progress payments for aircraft and other equipment	260.0	11.5
	2,983.9	2,670.7
INVESTMENTS IN AFFILIATED COMPANIES	953.0	967.9
OTHER ASSETS	349.8	374.6
NET ASSETS OF DISCONTINUED OPERATIONS	--	630.9
	$ 6,109.7	$ 6,263.7
LIABILITIES, DEFERRED ITEMS AND SHAREHOLDERS' EQUITY		
ACCOUNTS PAYABLE	$ 293.6	$ 317.3
ACCRUED EXPENSES	36.8	127.4

DEBT		
Short-term	328.5	557.2
Long-term:		
Recourse	2,897.3	3,093.9
Nonrecourse	728.2	494.2
Capital lease obligations	163.0	164.2
	4,117.0	4,309.5
DEFERRED INCOME TAXES	464.5	410.8
OTHER DEFERRED ITEMS	316.0	309.2
TOTAL LIABILITIES AND DEFERRED ITEMS	5,227.9	5,474.2
SHAREHOLDERS' EQUITY		
Preferred stock	--	--
Common stock	35.4	35.0
Additional capital	384.7	366.1
Reinvested earnings	664.9	552.2
Accumulated other comprehensive loss	(74.1)	(34.4)
	1,010.9	918.9
Less: cost of common shares in treasury	(129.1)	(129.4)
TOTAL SHAREHOLDERS' EQUITY	881.8	789.5
	$ 6,109.7	$ 6,263.7

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS		
OPERATING ACTIVITIES			
Income from continuing operations	$ 7.5	$ 30.8	$ 126.3
Adjustments to reconcile income from continuing operations to net cash provided by continuing operations:			
Realized gains on remarketing of leased equipment	(79.9)	(53.4)	(60.1)
Gain on sales of securities	(38.7)	(52.3)	(14.7)
Depreciation and amortization	415.9	333.9	254.6
Provision for possible losses	98.4	17.7	11.0
Asset impairment charges	85.2	5.0	--
Deferred income taxes	126.9	26.8	53.0
Provision (reversal) for litigation charges	(13.1)	160.5	--
Payments related to litigation settlement	(141.0)	(6.0)	--
Other, including working capital	(105.5)	(65.2)	(97.0)
Net cash provided by continuing operations	355.7	397.8	273.1
INVESTING ACTIVITIES			
Additions to equipment on lease, net of nonrecourse financing for leveraged leases	(672.2)	(700.8)	(697.0)
Additions to operating lease assets and facilities	(168.8)	(394.5)	(366.4)
Secured loans extended	(305.5)	(436.1)	(268.8)
Investments in affiliated companies	(249.4)	(244.4)	(168.0)
Progress payments	(300.1)	(123.4)	(105.1)
Other investments	(98.2)	(29.2)	(.7)
Portfolio investments and capital additions	(1,794.2)	(1,928.4)	(1,606.0)
Portfolio proceeds	1,031.4	627.8	517.7
Proceeds from other asset sales	207.1	304.3	208.7
Net cash used in investing activities of continuing operations	(555.7)	(996.3)	(879.6)

FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	790.3	1,587.4	981.5
Repayment of long-term debt	(1,018.2)	(1,072.2)	(351.6)
Net (decrease) increase in short-term debt	(228.7)	180.2	95.6
Repayment of capital lease obligations	(1.2)	(15.7)	(16.3)
Issuance (repurchase) of common stock and other	19.3	(20.1)	(27.3)
Cash dividends	(60.2)	(57.4)	(54.3)
Net cash (used in) provided by financing activities of continuing operations	(498.7)	602.2	627.6
NET TRANSFERS (TO) FROM DISCONTINUED OPERATIONS	(30.7)	10.7	(19.6)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	(729.4)	14.4	1.5
PROCEEDS FROM SALE OF PORTION OF SEGMENT	1,185.0	74.7	--
TAXES PAID ON GAIN FROM SALE OF SEGMENT	(281.9)	--	--
	173.7	89.1	1.5
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	(12.3)	(5.5)	6.5
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 161.4	$ 83.6	$ 8.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	DECEMBER 31					
	2001 DOLLARS	2000 DOLLARS	1999 DOLLARS	2001 SHARES	2000 SHARES	1999 SHARES
	IN MILLIONS, EXCEPT NUMBER OF SHARES					
PREFERRED STOCK						
Balance at beginning of period	$ --	$ --	$ --	23,614	25,311	26,065
Conversion of preferred stock into common stock	--	--	--	(203)	(1,697)	(754)
Balance at end of period	--	--	--	23,411	23,614	25,311
COMMON STOCK						
Balance at beginning of period	35.0	34.5	34.3	56,020,736	55,198,346	54,822,163
Issuance of common stock	.4	.5	.2	713,634	813,905	372,413
Conversion of preferred stock into common stock	--	--	--	1,015	8,485	3,770
Balance at end of period	35.4	35.0	34.5	56,735,385	56,020,736	55,198,346
TREASURY STOCK						
Balance at beginning of period	(129.4)	(81.4)	(46.8)	(8,002,595)	(6,599,047)	(5,538,230)
Purchase of common stock	--	(48.0)	(34.6)	--	(1,407,900)	(1,065,010)
Issuance of stock	.3	--	--	23,433	4,352	4,193
Balance at end of period	(129.1)	(129.4)	(81.4)	(7,979,162)	(8,002,595)	(6,599,047)
ADDITIONAL CAPITAL						
Balance at beginning of period	366.1	338.7	331.6			
Issuance of common stock	18.6	27.4	7.1			
Balance at end of period	384.7	366.1	338.7			
REINVESTED EARNINGS						
Balance at beginning of period	552.2	543.0	446.0			
Net income	172.9	66.6	151.3			
Dividends declared	(60.2)	(57.4)	(54.3)			
Balance at end of period	664.9	552.2	543.0			
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME						

Balance at beginning of period.........	(34.4)	1.2	(32.2)
Foreign currency translation (loss) gain................................	(3.3)	(28.6)	5.1
Unrealized (loss) gain on securities, net.................................	(24.5)	(7.0)	28.3
Unrealized loss on derivative instruments..........................	(6.9)	--	--
Minimum pension liability.............	(5.0)	--	--
Balance at end of period..............	(74.1)	(34.4)	1.2
Total Shareholders' Equity............	$ 881.8	$ 789.5	$836.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS		
Net income..	$172.9	$ 66.6	$151.3
Other comprehensive (loss) income, net of tax:			
Foreign currency translation (loss) gain..................	(3.3)	(28.6)	5.1
Unrealized (loss) gain on securities, net of reclassification adjustments(a)........................	(24.5)	(7.0)	28.3
Unrealized loss on derivative instruments................	(6.9)	--	--
Minimum pension liability................................	(5.0)	--	--
Other comprehensive (loss) income..........................	(39.7)	(35.6)	33.4
COMPREHENSIVE INCOME.......................................	$133.2	$ 31.0	$184.7
(a) Reclassification adjustments:			
Unrealized (loss) gain on securities...................	$ (1.0)	$ 24.6	$ 37.3
Less: reclassification adjustments for gains realized included in net income............................	(23.5)	(31.6)	(9.0)
Net unrealized (loss) gain on securities...............	$(24.5)	$ (7.0)	$ 28.3

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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, with pre-tax operating results shown as share of affiliates' earnings. Certain investments in joint ventures that exceed 50% ownership are not consolidated and are also accounted for using the equity method as GATX does not have effective or voting control of these legal entities. The consolidated financial statements reflect the ISG segment as discontinued operations for all periods presented.

Cash Equivalents -- GATX considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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 capital leases. Operating lease assets and facilities are depreciated using the straight-line method to an estimated residual value. Assets listed below are depreciated over their estimated useful lives. Technology equipment, machinery and related equipment are depreciated over the term of the lease contract. The estimated useful lives of depreciable assets are as follows:

Railcars	20 - 38 years
Locomotives	28 years
Aircraft	25 years
Buildings and leasehold improvements	5 - 40 years
Marine vessels	15 - 50 years

Operating lease assets and facilities by segment and business unit are as follows (in millions):

	DECEMBER 31	
	2001	2000
GATX RAIL	$ 2,958.2	$ 2,949.9
FINANCIAL SERVICES		
Air	553.1	539.1
Specialty Finance	415.2	306.8
Technology	755.9	597.1
Venture Finance	10.9	--
Other	40.9	26.4
TOTAL FINANCIAL SERVICES	1,776.0	1,469.4
CORPORATE AND OTHER	18.0	19.3
	4,752.2	4,438.6
LESS: ALLOWANCE FOR DEPRECIATION	(2,028.3)	(1,779.4)
	$ 2,723.9	$ 2,659.2

Progress Payments for Aircraft and Other Equipment -- GATX classifies amounts paid toward the construction of wholly owned aircraft and other equipment, including capitalized interest, as progress payments.

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 $24.3 million and $17.1 million, was $63.3 million and $39.9 million as of December 31, 2001 and 2000, respectively. Amortization expense was $4.6 million, $6.3 million and $2.5 million in 2001, 2000, and 1999, respectively.

Long-Lived Assets -- A review for impairment of long-lived assets, such as operating lease assets and facilities, is performed whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Allowance for Possible Losses -- The purpose of the allowance is to provide for credit and collateral losses inherent in the investment portfolio. GATX sets the allowance by assessing overall risk and total probable losses in the portfolio and by reviewing GATX's historical loss experience. GATX charges off amounts that management considers unrecoverable from obligors or the disposition of collateral. GATX assesses the recoverability of investments by considering factors such as a customer's payment history and financial position, and the value of collateral based on internal and external appraisal sources. The allowance for possible losses is periodically reviewed for adequacy considering changes in economic conditions, collateral values and credit quality indicators. GATX believes that the allowance is adequate to cover losses inherent in the portfolio as of December 31, 2001. Because the allowance is based on judgments and estimates, it is possible that those judgments and estimates could change in the future, causing a corresponding change in the recorded allowance.

Income Taxes -- United States income taxes have not been provided on the undistributed earnings of foreign subsidiaries and affiliates that GATX intends to permanently reinvest in these foreign operations. The cumulative amount of such earnings was $172.8 million at December 31, 2001.

Other Deferred Items -- Other deferred items include the accrual for post-retirement benefits other than pensions; environmental, general liability, litigation and workers' compensation reserves; and other deferred credits.

Derivatives -- Effective January 1, 2001, GATX adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133, and SFAS No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities -- an amendment of FASB Statement No. 133. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts. The statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. GATX records the fair value of all derivatives as either other assets or long term recourse debt on the balance sheet. At December 31, 2001, GATX had not discontinued any hedges because it was probable that the original forecasted transaction would not occur.

Instruments that meet established accounting criteria are formally designated as qualifying hedges at the inception of the contract. These criteria demonstrate that the derivative is expected to be highly effective at offsetting changes in fair value of underlying exposure both at inception of the hedging relationship and on an ongoing basis. The change in fair value of the ineffective portion of all hedges is immediately recognized in earnings. For the year ended December 31, 2001, a loss of $0.9 million was recognized in earnings for hedge ineffectiveness. Derivatives that are not designated as qualifying hedges are adjusted to fair value through earnings immediately. For the year ended December 31, 2001, a net gain of $0.4 million was recognized in earnings for derivatives not qualifying as hedges.

GATX uses interest rate and currency swap agreements, Treasury derivatives, and forward sale agreements as hedges to manage its exposure to interest rate and currency exchange rate risk on existing and anticipated transactions. GATX also enters into foreign exchange forward contracts to hedge foreign currency exposure of a net investment in a foreign operation.

Fair Value Hedges

For derivatives designated as fair value hedges, changes in both the derivative and the hedged item attributable to the risk being hedged are recognized in earnings.

Cash Flow Hedges

For derivatives designated as cash flow hedges, the effective portion of the derivative's gain or loss is recorded as part of other comprehensive (loss) income in shareholders' equity and subsequently recognized in the income statement when the hedged forecasted transaction affects earnings. Gains or losses resulting from the early termination of derivatives designated as cash flow hedges are included in other comprehensive (loss) income and recognized in income when the original hedged transaction affects earnings.

Hedge of Net Investment in Foreign Operations

Changes in fair value of derivatives designated as a hedge of the net investment in foreign operations are included in other comprehensive (loss) income as part of the cumulative translation adjustment.

The adoption of SFAS No. 133, as amended, resulted in $1.1 million being recognized as expense in the consolidated statement of income and $4.7 million of unrealized gain in other comprehensive (loss) income in the first quarter 2001.

Prior to January 1, 2001 and the adoption of SFAS No. 133, as amended, GATX used financial instruments such as interest rate and currency swaps, forwards and similar contracts to set interest and exchange rates on existing or anticipated transactions, which were not recorded on the balance sheet. The fair values of GATX's off balance sheet financial instruments (futures, swaps, forwards, options, guarantees, and lending and purchase commitments) were based on current market prices, settlement values or fees currently charged to enter into similar agreements. Fair values of hedge contracts were not recognized in the financial statements. Net amounts paid or received on such contracts were 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 cleanup is both probable and a reasonable 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, technology equipment, and marine vessels. In addition, income is derived from finance leases, asset remarketing, sales of equity securities, secured loans, technology equipment sales, and other services.

Lease and Loan Origination Costs -- Initial direct costs of leases are deferred and amortized over the lease term, either as an adjustment to the yield for direct finance and leveraged leases (collectively, finance leases), or on a straight-line basis for operating leases. Loan origination fees and related direct loan origination costs for a given loan are offset, and the net amount is deferred and amortized over the term of the loan as an adjustment to interest income.

Residual Values -- GATX has investments in the residual values of its leasing portfolio. The residual values represent the estimate of the values of the assets at the end of the lease contracts. GATX initially records these based on appraisals and estimates. Realization of the residual values is dependent on GATX's future ability to market the assets under existing market conditions. GATX reviews residual values periodically to determine that recorded amounts are appropriate. For finance leases, GATX reviews the estimated residual values of leased equipment at least annually, and any other-than-temporary declines in value are immediately charged to income. For operating leases, GATX reviews the estimated salvage values of leased equipment at least annually, and changes in values are recorded as adjustments to depreciation expense over the remaining useful life of the asset. In addition to a periodic review, if events or changes in circumstances trigger a review of operating lease assets for impairment, any such impairment is immediately charged to income as an impairment loss.

Investments in Equity Securities -- GATX's venture portfolio includes stock warrants received from investee companies and common stock resulting from exercising the warrants. Under the provisions of SFAS No. 133, as amended, the warrants are accounted for as derivatives, with changes in fair value recorded in current earnings. All other investments are classified as available-for-sale in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities. The securities are carried at fair value. Unrealized gains and losses arising from marking the portfolio to fair value are included on a net-of-tax basis as a separate component of accumulated other comprehensive (loss) income. The unrealized gains on these securities were $3.4 million and

$27.9 million at the end of 2001 and 2000, respectively.

Foreign Currency Translation -- The assets and liabilities of GATX's 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. Adjustments resulting from the translation of foreign currency financial statements are deferred and recorded as a separate component of accumulated other comprehensive (loss) income in the shareholders' equity section of the balance sheet. The cumulative foreign currency translation adjustment was $(65.6) million and $(62.3) million at the end of 2001 and 2000, respectively.

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.

Reclassification -- Certain amounts in the 2000 and 1999 financial statements have been reclassified to conform to the 2001 presentation.

New Accounting Pronouncements -- In June 2001, the Financial Accounting Standards Board issued SFAS No. 141, Business Combinations and SFAS No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. SFAS No. 141 requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment testing in accordance with the statements. Other intangible assets will continue to be amortized over their useful lives.

GATX will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. Application of the nonamortization provisions of the statement is expected to result in an increase in pre-tax income from continuing operations of approximately $7.7 million in 2002. During 2002, GATX will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002, and has not yet determined what impact, if any, such review will have on the earnings and financial position of the Company.

In October 2001, the Financial Accounting Standards Board issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, effective for fiscal years beginning after December 15, 2001.

This statement supercedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. Although retaining many of the fundamental recognition and measurement provisions of SFAS No. 121, the new rules modify the criteria required to classify an asset as held-for-sale. SFAS No. 144 will also supersede certain provisions of APB Opinion 30 with regard to reporting the effects of a disposal of a segment of a business and will require expected future operating losses from discontinued operations to be separately reported in discontinued operations during the period in which the losses are incurred (rather than as of the measurement date as presently required by APB 30). GATX is currently assessing the impact, if any, of this statement on the Company.

NOTE 2. ACCOUNTING FOR LEASES

The following information pertains to GATX as a lessor:

Finance Leases -- GATX's finance leases are comprised of direct financing leases and leveraged leases. Investment in direct finance leases consists of lease receivables, plus the estimated residual value of the equipment at the lease termination dates, less unearned income. Lease receivables represent the total rent to be received over the term of the lease reduced by rent already collected. Initial unearned income is the amount by which the original sum of the lease receivable and the estimated residual value exceeds the original cost of the leased equipment. Unearned income is amortized to lease income over the lease term in a manner that produces a constant rate of return on the net investment in the lease.

Finance leases that are financed principally with nonrecourse borrowings at lease inception and that meet certain criteria are accounted for as leveraged leases. Leveraged lease receivables are stated net of the related nonrecourse debt. Initial unearned income represents the excess of anticipated cash flows (including estimated residual values, net of the related debt service) over the original investment in the lease.

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

	DECEMBER 31	
	2001	2000
Net minimum future lease receivables	$ 894.9	$ 800.7
Estimated residual values	248.8	368.4
	1,143.7	1,169.1
Less: unearned income	(275.4)	(290.8)
Investment in finance leases	$ 868.3	$ 878.3

Operating Leases -- The majority of railcar assets and certain other equipment leases included in operating lease assets are accounted for as operating leases. Rental income from operating leases is usually reported on a straight-line basis over the term of the lease.

Minimum Future Receipts -- Minimum future lease receipts from finance leases and minimum future rental receipts from noncancelable operating leases by year at December 31, 2001 were (in millions):

	FINANCE LEASES	OPERATING LEASES	TOTAL
2002	$328.9	$ 829.8	$1,158.7
2003	195.7	525.0	720.7
2004	95.1	357.2	452.3
2005	54.6	245.8	300.4
2006	28.8	160.8	189.6
Years thereafter	191.8	417.6	609.4
	$894.9	$2,536.2	$3,431.1

The following information pertains to GATX as a lessee:

Capital Leases -- Assets classified as operating lease assets and finance leases that have been financed under capital leases were (in millions):

	DECEMBER 31	
	2001	2000
Railcars	$ 159.1	$ 149.5
Marine vessels	147.7	147.7
Aircraft	15.2	--

	322.0	297.2
Less: allowance for depreciation	(202.4)	(192.2)
	119.6	105.0
Finance leases	12.3	19.4
	$ 131.9	$ 124.4

Operating Leases -- GATX has financed railcars, aircraft, and other assets through sale-leasebacks that are accounted for as operating leases. In addition, GATX leases certain other assets and office facilities. For one of the operating leases, a subsidiary of GATX has provided a guarantee to the lessor that the residual value will be the projected fair market value of the assets. Total operating lease expense for the years ended December 31, 2001, 2000, and 1999 was $194.8 million, $178.7 million, and $153.0 million, respectively.

Future Minimum Rental Payments -- Future minimum rental payments due under noncancelable leases at December 31, 2001 were (in millions):

	CAPITAL LEASES	OPERATING LEASES	NONRECOURSE OPERATING LEASES
2002	$ 35.1	$ 136.5	$ 37.4
2003	32.7	129.8	40.0
2004	31.0	136.1	39.9
2005	19.2	147.7	41.5
2006	16.5	144.0	40.1
Years thereafter	102.6	1,299.7	519.5
	237.1	$1,993.8	$718.4
Less: amounts representing interest	(74.1)		
Present value of future minimum capital lease payments	$163.0		

The above capital lease amounts and certain operating leases do not include the costs of licenses, taxes, insurance, and maintenance that GATX is required to pay. Interest expense on the above capital leases was $15.0 million in 2001, $14.4 million in 2000, and $14.6 million in 1999.

The amounts shown as nonrecourse operating leases reflect rental payments of three bankruptcy remote, special-purpose corporations that are wholly owned by GATX. These rentals are consolidated for accounting purposes, but do not represent legal obligations of GATX.

NOTE 3. SECURED LOANS

Secured loans are recorded at the principal amount outstanding plus accrued interest. The loan portfolio is reviewed regularly, and a loan is classified as impaired and written down when it is probable that GATX will be unable to collect all amounts due under the loan agreement. Since most loans are collateralized, impairment is generally measured as the amount by which the recorded investment in the loan exceeds the fair value of the collateral, and any adjustment is considered in determining the provision for possible losses. Generally, interest income is not recognized on impaired loans until the outstanding principal is recovered.

The types of loans in GATX's portfolio are as follows (in millions):

DECEMBER 31

	2001	2000
Equipment	$223.5	$333.1
Venture	323.1	193.7
Golf Courses	10.8	11.2
Total Investments	$557.4	$538.0
Impaired loans (included in total)	$ 43.0	$ 62.9

Impaired loans with identified allowance for possible loss requirements were $17.5 million and $42.1 million at December 31, 2001 and 2000, respectively. The average balance of impaired loans was $53.0 million and $42.6 million in 2001 and 2000, respectively.

At December 31, 2001, secured loan principal due by year was as follows (in millions):

	LOAN PRINCIPAL
2002	$170.5
2003	146.2
2004	94.4
2005	18.5
2006	40.3
Years thereafter	87.5
	$557.4

NOTE 4. ALLOWANCE FOR POSSIBLE LOSSES

The purpose of the allowance is to provide for credit losses inherent in the investment portfolio. GATX sets the allowance by assessing overall risk and probable losses in the portfolio and by reviewing the Company's historical loss experience. GATX charges off amounts that management considers unrecoverable from obligors or through the disposition of collateral. GATX assesses the recoverability of investments by considering factors such as a customer's payment history and financial position, and the value of collateral based on internal and external appraisal sources.

The following summarizes changes in the allowance for possible losses (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Balance at beginning of the year	$ 95.2	$113.5	$133.6
Provision for possible losses	98.4	17.7	11.0
Charges to allowance	(105.2)	(37.0)	(34.8)
Recoveries and other	5.8	1.0	3.7
Balance at end of the year	$ 94.2	$ 95.2	$113.5

The charges to allowance in 2001 were primarily due to write-offs related to venture and steel related investments.

There were no material changes in estimation methods or assumptions for the allowances during 2001. GATX believes that the allowance is adequate to cover losses inherent in the portfolio as of December 31, 2001. Because the allowance is based on judgments and estimates, it is possible that those judgments and estimates could change in the future, causing a corresponding change in the recorded allowance.

NOTE 5. INVESTMENTS IN AFFILIATED COMPANIES

Investments in affiliated companies represent investments in domestic and foreign companies and joint ventures that are in businesses similar to those of GATX, such as commercial aircraft leasing, rail equipment leasing, technology equipment leasing and other business activities, including ventures that provide asset residual value guarantees in both domestic and foreign markets.

The investments in affiliated companies are initially recorded at cost, including goodwill at acquisition date, and are subsequently adjusted for GATX's share of affiliates' undistributed earnings. Share of affiliates' earnings is also adjusted for the amortization of goodwill. Distributions, which reflect both dividends and the return of principal, reduce the carrying amount of the investment. Distributions received from such affiliates were $225.6 million, $119.7 million, and $68.3 million in 2001, 2000 and 1999, respectively.

GATX has two investments that are in excess of 10% of the total investment in affiliated companies; a 12.1% investment in an Air affiliate and a 10.2% investment in a Specialty Finance affiliate. The following table shows GATX's investments in affiliated companies by segment and business unit (in millions):

	DECEMBER 31	
	2001	2000
GATX RAIL	$200.6	$205.9
FINANCIAL SERVICES		
Air	523.5	512.4
Specialty Finance	205.9	184.0
Technology	14.1	13.0
Venture Finance	8.9	52.1
TOTAL FINANCIAL SERVICES	752.4	761.5
CORPORATE AND OTHER	--	.5
	$953.0	$967.9

Affiliated companies conduct their businesses throughout the world and there is no geographical concentration of risk.

The following table shows GATX's pre-tax share of affiliates' earnings by segment and business unit (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
GATX RAIL	$ 7.4	$20.6	$22.5
FINANCIAL SERVICES			
Air	33.1	34.6	25.3
Specialty Finance	21.9	15.8	14.1
Technology	2.4	3.1	(.2)
Venture Finance	(32.0)	3.9	1.9
TOTAL FINANCIAL SERVICES	25.4	57.4	41.1

CORPORATE AND OTHER	--	.1	--
	$ 32.8	$78.1	$63.6

For purposes of preparing the following information, GATX makes certain adjustments to the information provided by the joint ventures. Pre-tax income is adjusted to reverse interest expense recognized by the joint ventures on loans from the Company. In addition, the Company records its loans to the joint ventures as equity contributions, therefore, loan balances are reclassified from liabilities to equity.

For all affiliated companies held at the end of the year, operating results, as if GATX held 100 percent interest, were (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	(UNAUDITED)		
Gross income	$865.1	$717.2	$603.5
Pre-tax income	32.6	203.4	145.4

For the year ended 2001, pre-tax income as if GATX held 100 percent interest, was less than GATX's pre-tax share of affiliates' earnings due to losses in the Venture Finance business unit of $131.9 million. GATX's share of these losses was $35.6 million.

For all affiliated companies held at the end of a year, summarized balance sheet data, as if GATX held 100 percent interest, were (in millions):

	DECEMBER 31	
	2001	2000
	(UNAUDITED)	
Total assets	$6,461.0	$5,209.2
Long-term liabilities	3,932.1	2,164.6
Other liabilities	396.5	623.5
Shareholders' equity	$2,132.4	$2,421.1

GATX's wholly owned subsidiary, GATX Financial Corporation, has provided a total of $131.1 million in debt guarantees and $229.3 million in residual value guarantees for affiliated companies.

NOTE 6. FOREIGN OPERATIONS

GATX has a number of investments in subsidiaries and affiliated companies that are located in or derive revenues from foreign countries. Foreign entities contribute significantly to share of affiliates' earnings. The foreign identifiable assets represent investments in affiliated companies as well as fully consolidated railcar operations in Canada, Mexico and Poland, and foreign lease, loan and other investments.

	YEAR ENDED OR AT DECEMBER 31		
	2001	2000	1999

		IN MILLIONS	
REVENUES			
Foreign	$ 267.3	$ 209.3	$ 164.1
United States	1,221.3	1,102.5	1,030.9
	$1,488.6	$1,311.8	$1,195.0
SHARE OF AFFILIATES' EARNINGS			
Foreign	$ 47.6	$ 43.8	$ 28.4
United States	(14.8)	34.3	35.2
	$ 32.8	$ 78.1	$ 63.6
IDENTIFIABLE ASSETS FOR CONTINUING OPERATIONS			
Foreign	$1,690.3	$1,200.3	$ 943.9
United States	4,419.4	4,432.5	3,783.0
	$6,109.7	$5,632.8	$4,726.9

Foreign cash flows generated are used to meet local operating needs and for reinvestment. For foreign functional currency entities, the translation of the financial statements into U.S. dollars results in an unrealized foreign currency translation adjustment, a component of accumulated other comprehensive (loss) income.

NOTE 7. SHORT-TERM DEBT AND LINES OF CREDIT

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

	DECEMBER 31			
	2001 AMOUNT	2001 RATE	2000 AMOUNT	2000 RATE
Commercial paper	$168.5	3.05%	$345.6	7.62%
Other short-term borrowings	160.0	3.71%	211.6	7.86%
	$328.5		$557.2	

GFC has commitments under credit agreements with a group of financial institutions for revolving credit loans totaling $775.0 million. While at year end no borrowings were outstanding, availability under the credit line was reduced by $168.5 million of commercial paper outstanding. GFC's other short-term borrowings included $120.0 million under unsecured money market lines at December 31, 2001.

GFC's revolving credit agreements include a 364-day agreement for $141.7 million expiring in 2002, which GFC intends to renew, and two other agreements for $350.0 million and $283.3 million expiring in 2003 and 2004, respectively. The annual commitment fees are based on a percentage of the commitment and totaled approximately $0.7 million in 2001 and $0.8 million in 2000 and 1999.

GFC's revolving credit agreements contain various restrictive covenants and requirements to maintain a defined minimum net worth and certain financial ratios. GFC met all credit agreement requirements at December 31, 2001.

Interest expense on short-term debt was $7.4 million in 2001, $31.7 million in 2000, and $25.1 million in 1999. The portion of interest expense allocated to discontinued operations was $0.7 million, $5.8 million and $2.2 million for 2001, 2000 and 1999 respectively.

NOTE 8. LONG-TERM DEBT

Long-term debt and the range of interest rates as of year end were (in millions):

	INTEREST RATES	FINAL MATURITY	DECEMBER 31 2001	DECEMBER 31 2000
VARIABLE RATE				
Term notes and other obligations....	2.16% - 12.76%	2002 - 2013	$ 836.1	$ 829.2
Nonrecourse obligations............	2.53% - 3.48%	2002 - 2015	72.5	91.2
			908.6	920.4
FIXED RATE				
Term notes and other obligations....	4.12% - 10.13%	2002 - 2011	2,061.2	2,264.7
Nonrecourse obligations............	6.53% - 8.35%	2003 - 2021	655.7	403.0
			2,716.9	2,667.7
			$3,625.5	$3,588.1

Maturities of GATX's long-term debt as of December 31, 2001, for the next five years were (in millions):

	TERM NOTES AND OTHER	NONRECOURSE	TOTAL
2002...	$562.4	$292.1	$854.5
2003...	705.4	161.1	866.5
2004...	324.2	200.3	524.5
2005...	278.6	28.6	307.2
2006...	755.4	14.5	769.9

At December 31, 2001, certain technology assets, aircraft, railcars, and other equipment with a net carrying value of $1,012.7 million were pledged as collateral for $882.8 million of notes and obligations.

Interest expense on long-term debt, net of capitalized interest, was $252.2 million in 2001, $253.5 million in 2000 and $191.9 million in 1999. Interest expense capitalized as part of the cost of construction of major assets was $14.4 million in 2001, $10.6 million in 2000 and $4.6 million in 1999. Interest allocated to discontinued operations in 2001, 2000 and 1999 was $5.0 million, $51.2 million and $49.5 million, respectively.

NOTE 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

GATX Corporation and its subsidiaries may enter into authorized derivative transactions for the purpose of reducing earnings volatility, hedging specific economic exposures, including adverse movements in foreign currency exchange rates, and changing interest rate characteristics of debt securities. These instruments are entered into for hedging purposes only. GATX does not hold or issue derivative financial instruments for purposes other than hedging, except for warrants, which are not designated as accounting hedges under SFAS No. 133, as amended.

FAIR VALUE HEDGES

GATX uses interest rate swaps to convert fixed rate debt to floating rate debt and to manage the fixed to floating rate mix of the debt portfolio. The fair value of interest rate swap agreements is determined based on the differences between the contractual rate of interest and the rates currently quoted for agreements of similar terms and maturities. As of December 31, 2001, maturities for interest rate swaps designated as fair value hedges range from 2002-2011.

CASH FLOW HEDGES

GATX's interest expense is affected by changes in interest rates as a result of its use of variable rate debt instruments, including commercial paper and other floating rate debt. GATX uses interest rate swaps and forward starting interest rate swaps to convert floating rate debt to fixed rate debt and to manage the floating to fixed rate ratio of the debt portfolio. The fair value of interest rate swap agreements is determined based on the differences between the contractual rate of interest and the rates currently quoted for agreements of similar terms and maturities. As of December 31, 2001, maturities for interest rate swaps qualifying as cash flow hedges range from 2002-2011.

GATX enters into currency swaps, currency and interest rate forwards, and Treasury derivatives as hedges to manage its exposure to interest rate and currency exchange rate risk on existing and anticipated transactions. The fair values of currency swaps, currency and interest rate forwards, and Treasury derivatives are based on interest rate swap rates, LIBOR futures, currency rates, and current forward foreign exchange rates. As of December 31, 2001, maturities for the previously mentioned hedges range from 2002-2011.

As of December 31, 2001, GATX expects to reclassify $0.5 million of net losses on derivative instruments from accumulated other comprehensive income to earnings within the next twelve months due to hedging a secured rail car financing.

HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS

GATX has also entered into a foreign exchange forward contract to hedge foreign currency exposure of an investment with operations located in Germany. The fair value of the foreign exchange forward is determined by the current forward foreign exchange rate. As of December 31, 2001, the net gain, included in unrealized loss on derivatives, that related to the foreign exchange forward contract was $8.9 million. The foreign exchange forward contract matures in 2002.

OTHER DERIVATIVES

GATX frequently obtains warrants from non-public, venture backed companies in connection with its financing activities. Upon adoption of SFAS No. 133, as amended, these warrants are accounted for as derivatives. Upon receipt, fair value is generally not ascertainable due to the early-stage nature of the investee companies. Accordingly, assigned values are nominal. Prior to an initial public offering (IPO) of these companies, the fair value of pre-IPO warrants is deemed to be zero. Accordingly, no amounts were recognized in earnings for changes in fair value of pre-IPO warrants. The fair value of warrants subsequent to the IPO is based on currently quoted prices of the underlying stock.

OTHER FINANCIAL INSTRUMENTS

The fair value of other financial instruments represents the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value of other financial instruments:

The carrying amount of cash and cash equivalents, rent receivables, accounts payable, and short-term debt approximates fair value because of the short maturity of those instruments. Also, the carrying amount of variable rate secured loans approximates fair value.

The fair value of fixed rate secured loans was estimated using discounted cash flow analyses, at interest rates currently offered for loans with similar terms to borrowers of similar credit quality.

The fair value of variable and fixed rate long-term debt was estimated by performing a discounted cash flow calculation using the term and market interest rate for each note based on GATX's current incremental borrowing rates for similar borrowing arrangements. Portions of variable rate long-term debt have effectively been converted to fixed rate debt by utilizing interest rate swaps (GATX pays fixed rate interest, receives floating rate interest). Portions of fixed rate long-term debt have effectively been converted to floating rate debt by utilizing interest rate swaps (GATX pays floating rate interest, receives fixed rate interest). In such instances, the increase (decrease) in the fair value of the variable or fixed rate long-term debt would be offset in part by the increase (decrease) in the fair value of the interest rate swap.

The following table sets forth the carrying amounts and fair values of GATX's financial instruments (in millions):

	DECEMBER 31			
	2001 CARRYING AMOUNT	2001 FAIR VALUE	2000 CARRYING AMOUNT	2000 FAIR VALUE
ASSETS				
Secured loans -- fixed	$ 526.1	$ 514.8	$ 527.4	$ 571.9
Derivative instruments	50.0	50.0	--	35.1
	$ 576.1	$ 564.8	$ 527.4	$ 607.0
LIABILITIES				
Long-term debt -- fixed	$2,716.9	$2,539.4	$2,667.7	$2,610.4
Long-term debt -- variable	908.6	859.7	920.4	920.4
Derivative instruments	18.6	18.6	--	7.2
	$3,644.1	$3,417.7	$3,588.1	$3,538.0

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 non-performance to be remote.

NOTE 10. FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

Prior to January 1, 2001 and the adoption of SFAS No. 133, as amended, GATX utilized off balance sheet financial instruments in the normal course of business to manage financial market risk, including interest rate and foreign exchange risk.

At December 31, 2000, GATX had the following off balance sheet financial instruments (in millions):

	NOTIONAL AMOUNT	PAY RATE/INDEX	RECEIVE RATE/INDEX	MATURITY
INTEREST RATE SWAPS				
GATX pays fixed, receives floating	$384.3	4.93% - 7.54%	LIBOR - LIBOR+1.57%	2001 - 2011
GATX pays floating, receives fixed	285.0	LIBOR - LIBOR+.75%	5.90% - 7.20%	2001 - 2006

	RECEIVE	DELIVER	MATURITY
CURRENCY SWAPS AND FORWARDS			
Canadian dollar swaps	$137.8	C$188.9	2001 - 2013
Euro forward	$ 28.7	E24.5	2011

Deutsche mark forwards	$ 46.8	84.3DM	2002

Following is a summary of GATX's interest rate hedge activity as of December 31, 2000 (in millions):

	PAY FIXED	PAY FLOATING
INTEREST RATE SWAPS		
Balance at January 1, 1999	$ 772.8	$702.0
Additions	85.3	--
Maturities	(262.9)	(10.0)
Balance at December 31, 1999	595.2	692.0
Additions	206.7	150.0
Maturities	(417.6)	(557.0)
Balance at December 31, 2000	$ 384.3	$285.0

GATX uses interest rate swaps and forward starting interest rate swaps to convert floating rate debt to fixed rate debt and to manage the floating/fixed rate mix of the debt portfolio. GATX also uses forward starting interest rate swaps and treasury derivatives to manage interest rate risk associated with the anticipated issuance of debt.

Historically, GATX had a program that utilized interest rate swaps to match the cash flow characteristics of its debt portfolio and its railcar leases. The interest rate swaps effectively converted GATX's long-term fixed rate debt to debt with maturities of three months to five years, matching the terms of the railcar leases. During 2000, GATX terminated this program and implemented a new program that utilizes interest rate swaps to achieve a target level of floating interest rate exposure in its debt portfolio to reduce income volatility over the long term. GATX 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.

The net amount payable or receivable from the interest rate swap agreements is accrued as an adjustment to interest expense. The fair value of interest rate swap agreements is determined based on the differences between the contractual rate of interest and the rates currently quoted for agreements of similar terms and maturities. The fair value of the interest rate swaps was $1.0 million at December 31, 2000.

As of December 31, 2000, GATX had entered into currency swaps and forwards to hedge $137.8 million of debt obligations of its Canadian subsidiaries, $46.8 million in debt obligations associated with a German joint venture and $28.7 million in future euro receipts for a leveraged lease transaction. The fair value of the aggregate of currency swap and forward agreements was $26.9 million at December 31, 2000.

NOTE 11. PENSION AND OTHER POST-RETIREMENT BENEFITS

GATX maintains noncontributory defined benefit pension plans covering its employees and the employees of certain of its subsidiaries. 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.

In addition to the pension plans, GATX's other post-retirement plans provide 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 benefits under the GATX pension plan. The plans are either contributory or noncontributory, depending on various factors.

The following tables set forth pension obligations and plan assets as of December 31 and other post-retirement obligations as of December 31 (in millions):

	2001 PENSION BENEFITS	2000 PENSION BENEFITS	2001 RETIREE HEALTH AND LIFE	2000 RETIREE HEALTH AND LIFE
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of period	$312.3	$312.2	$ 63.4	$ 68.7
Service cost	5.7	8.3	.4	.7
Interest cost	22.1	21.8	4.6	4.5
Plan amendments	.5	.7	--	--
Actuarial loss (gain)	1.5	(8.7)	12.0	(4.5)
Benefits paid	(38.0)	(22.0)	(6.8)	(6.0)
Ongoing benefit obligation	304.1	312.3	73.6	63.4
Curtailments	(14.7)	--	(1.2)	--
Special termination benefits	12.4	--	.2	--
Benefit obligation at end of period	$301.8	$312.3	$ 72.6	$ 63.4
CHANGE IN FAIR VALUE OF PLAN ASSETS				
Plan assets at beginning of period	$324.5	$353.5	$ --	$ --
Actual return on plan assets	(15.1)	(7.5)	--	--
Company contributions	1.2	.5	6.8	6.0
Benefits paid	(38.0)	(22.0)	(6.8)	(6.0)
Plan assets at end of period	$272.6	$324.5	$ --	$ --
FUNDED STATUS				
Funded status of the plan	$(29.2)	$ 12.2	$(72.6)	$(63.4)
Unrecognized net loss (gain)	20.3	(22.3)	3.7	(11.7)
Unrecognized prior service cost	2.0	2.0	--	--
Unrecognized net transition (asset) obligation	(.1)	(.1)	.3	.4
Accrued cost	$ (7.0)	$ (8.2)	$(68.6)	$(74.7)
AMOUNT RECOGNIZED				
Prepaid benefit cost	$ 1.4	$ 1.4	$ --	$ --
Accrued benefit liability	(8.7)	(10.3)	(68.9)	(75.1)
Intangible asset	.3	.7	.3	.4
Total recognized	$ (7.0)	$ (8.2)	$(68.6)	$(74.7)

The components of pension and other post-retirement benefit costs are as follows (in millions):

	2001 PENSION BENEFITS	2000 PENSION BENEFITS	1999 PENSION BENEFITS	2001 RETIREE HEALTH AND LIFE	2000 RETIREE HEALTH AND LIFE	1999 RETIREE HEALTH AND LIFE
Service cost	$ 5.7	$ 8.3	$ 7.4	$ .4	$ .7	$ .7
Interest cost	22.1	21.8	20.6	4.6	4.5	4.6
Expected return on plan assets	(26.7)	(26.1)	(23.9)	--	--	--
Amortization of:						
Unrecognized prior service cost	.3	.4	.4	--	--	--
Unrecognized net loss (gain)	.2	.3	.2	(.6)	(.5)	(.4)
Unrecognized net asset (obligation)	--	--	(.1)	.1	--	.1
Ongoing net costs	1.6	4.7	4.6	4.5	4.7	5.0

Recognized gain due to curtailment	(14.0)	--	--	(1.1)	--	--
Recognized special termination benefits expense	12.4	--	--	.2	--	--
Net costs	$ --	$ 4.7	$ 4.6	$ 3.6	$4.7	$5.0

A special termination benefit expense of $12.6 million was incurred in 2001 for certain extra benefits paid to terminated or retired employees. Offsetting this expense was a $15.1 million curtailment credit resulting from the elimination of future service cost for covered employee groups.

Of the total special termination benefits incurred in 2001, $8.9 million related to discontinued operations. The portion of the curtailment credit related to discontinued operations was $14.5 million in 2001. Pension costs include a credit of $0.1 million and expense of $1.2 million and $1.4 million related to discontinued operations for the years ended December 31, 2001, 2000 and 1999, respectively.

GATX amortizes the prior service cost using a straight-line method over the average remaining service period of employees expected to receive benefits under the plan.

Assumptions as of December 31:

	2001 PENSION BENEFITS	2000 PENSION BENEFITS	2001 RETIREE HEALTH AND LIFE	2000 RETIREE HEALTH AND LIFE
Discount rate	7.50%	7.50%	7.50%	7.50%
Expected return on plan assets	8.75%	8.75%	N/A	N/A
Rate of compensation increases	5.00%	5.00%	5.00%	5.00%

The health care cost trend rate has a significant effect on the other post-retirement benefit cost and obligation. For 2001, the assumed health care cost trend rate was 5.0% for participants over the age of 65 and 6.0% for participants under the age of 65. Due to increasing health care and drug costs, the assumed health care cost trend rate anticipated for 2002 will be 12.0% for participants over the age of 65 and 10.0% for participants under the age of 65. The assumed health care cost trend rates are projected to decline gradually over a seven-year period to 6.0% and remain at that level thereafter. A 1% increase in the trend rate would increase the cost by $0.3 million and the obligation by $3.9 million. A 1% decrease in the trend rate would decrease the cost by $0.3 million and the obligation by $3.7 million.

In addition to its defined benefit plans, GATX maintains two 401(k) retirement plans that are available to substantially all salaried and certain other employee groups. GATX may contribute to the plans as specified by their respective terms, and as determined by the Board of Directors. Contributions to such plans for

continuing operations were $2.0 million, $1.8 million, and $1.6 million for 2001, 2000, and 1999, respectively. Contributions related to discontinued operations were $0.2 million, $0.9 million, and $2.7 million for 2001, 2000, and 1999, respectively.

NOTE 12. 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 for continuing operations were (in millions):

	DECEMBER 31	
	2001	2000
DEFERRED TAX LIABILITIES		
Book/tax basis difference due to depreciation..............	$230.1	$197.5
Leveraged leases...	95.1	80.6
Investment in affiliated companies.........................	96.3	67.9
Lease accounting (other than leveraged)....................	114.0	192.3
Other..	82.1	67.2
Total deferred tax liabilities.............................	$617.6	$605.5
DEFERRED TAX ASSETS		
Alternative minimum tax credit.............................	--	18.9
Accruals not currently deductible for tax purposes.........	53.0	82.9
Allowance for possible losses..............................	36.5	37.0
Post-retirement benefits other than pensions...............	23.7	21.6
Other..	39.9	34.3
Total deferred tax assets..................................	153.1	194.7
Net deferred tax liabilities...............................	$464.5	$410.8

At December 31, 2001, GATX had utilized all of its alternative minimum tax credit.

GATX and its United States subsidiaries file a consolidated federal income tax return. Income taxes for continuing operations consisted of (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
CURRENT			
Domestic:			
Federal..	$(149.7)	$(18.5)	$14.4
State and local..	4.5	3.1	4.0
	(145.2)	(15.4)	18.4
Foreign..	16.4	11.3	11.4
	(128.8)	(4.1)	29.8
DEFERRED			
Domestic:			
Federal..	145.2	24.5	44.6
State and local..	(7.2)	(2.4)	5.7
	138.0	22.1	50.3
Foreign..	(11.1)	4.7	2.7
	126.9	26.8	53.0
Income tax expense.......................................	$ (1.9)	$ 22.7	$82.8
Income taxes (refunded) paid.............................	$(132.2)	$(18.3)	$28.7

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

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Income taxes at federal statutory rate	$ 2.0	$18.7	$73.2
Adjust for effect of:			
Tax rate decrease on deferred taxes	(6.1)	--	--
State income taxes	(1.7)	.7	6.3
Corporate owned life insurance	(1.6)	(.9)	(1.6)
Tax audit reserve	4.3	1.1	1.0
Foreign income	.3	2.4	3.2
Other	.9	.7	.7
Income tax expense	$ (1.9)	$22.7	$82.8
Effective income tax rate	(34.1)%	42.4%	39.6%

NOTE 13. SHAREHOLDERS' EQUITY

In accordance with GATX's amended certificate of incorporation, 120 million shares of common stock are authorized, at a par value of $.625 per share. As of December 31, 2001, 56,735,385 shares were issued and 48,756,223 shares were outstanding.

GATX's certificate of incorporation also authorizes 5 million shares of preferred stock at a par value of $1.00 per share. At December 31, 2001, 23,411 shares of preferred stock were outstanding. Shares of preferred

stock issued and outstanding consist of Series A and B $2.50 cumulative convertible preferred stock, which entitle holders to 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 five shares of common stock.

Holders of both series of $2.50 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.

A total of 8,547,874 shares of common stock were reserved at December 31, 2001, for the following:

	SHARES
Conversion of outstanding preferred stock	114,598
Incentive compensation programs	4,868,800
Employee service awards	36,250
Employee stock purchase plan	3,528,226
	8,547,874

In February 2002, GATX completed a private offering of $175.0 million of five-year, 7.50% senior unsecured convertible notes. The notes are convertible into GATX Corporation common stock at a price of $34.09 per share. Subsequent to December 31, 2001, 5,133,471 shares were reserved for conversion of the convertible notes.

To ensure the fair value to all shareholders in the event of an unsolicited takeover offer for the Company, GATX adopted a Shareholders' Rights Plan in August 1998. Shareholders received a distribution of one right for each share of the Company's common stock held. Initially the rights are represented by GATX's common stock certificates and are not exercisable. The rights will be exercisable only if a person acquires or announces a tender offer that would result in beneficial ownership of 20 percent or more of the Company's common stock. If a person acquires beneficial ownership of 20 percent or more of the

Company's common stock, all holders of rights other than the acquiring person will be entitled to purchase the Company's common stock at half price. The rights are scheduled to expire on August 14, 2008.

NOTE 14. INCENTIVE COMPENSATION PLANS

The GATX Corporation 1995 Long Term Incentive Compensation Plan (the 1995 Plan) contains provisions for the granting of nonqualified stock options, incentive stock options, stock appreciation rights (SARs), cash and common stock individual performance units (IPUs), restricted stock rights, restricted common stock, performance awards and exchange stock options. An aggregate of 5,000,000 shares of common stock may be issued under the 1995 Plan. As of December 31, 2001, 1,304,994 shares were available for issuance under the 1995 Plan.

Nonqualified 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 not be less than the higher of market value at date of grant or par value of the common stock. Except for options issued under the Exchange Stock Option Program (see below), all options become exercisable commencing on a date no earlier than one year from the date of grant.

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 28,744 IPUs were granted during 2001 and 94,831 IPUs in total were outstanding at the end of the year. In 2001, 17,040 shares of common stock and $1.5 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 2001, one grant totaling 515 shares of restricted stock was made.

The Exchange Stock Option Program became part of the 1995 Plan in 1999 and allows key employees to make an irrevocable election to exchange up to 25% of their pensionable incentive payments for stock options, with a minimum contribution of $5,000 in any calendar year. The purchase price of the options is based on a percentage of the Black-Scholes value of stock options of GATX common stock as specified by the Compensation Committee. Exchange Stock Options are granted in January and are exercisable immediately following grant thereof. All Exchange Stock Options will terminate on the tenth anniversary of the date of grant. The exercise price of the options is the fair market value of the common stock on the grant date. In January 2001, 70,275 options were granted for the 2000 plan year. No options were granted for the 2001 plan year.

Under the GATX Employee Stock Purchase Plan, which became effective July 1, 1999, GATX is authorized to issue up to 247,167 shares of common stock to eligible employees during the calendar year. Such employees may have up to $10,000 of earnings withheld to purchase GATX common stock. The purchase price of the stock on the date of exercise is 85% of the lesser of its market price at the beginning or end of the plan year. In accordance with the plan, GATX sold 53,553 shares to employees in 2001.

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. Data with respect to both the 1985 Plan and the 1995 Plan, including the range of exercise prices per share for 2001 and 2000, are set forth below:

NUMBER OF SHARES UNDER STOCK OPTION PLANS

	2001	2000	PRICE PER SHARE
Outstanding at January 1	3,458,042	3,651,100	$12.75 - 39.75
Granted	659,956	881,871	31.25 - 45.06
Exercised	(559,225)	(811,903)	12.75 - 39.72
Canceled	(222,990)	(263,026)	23.78 - 39.72
Outstanding at December 31	3,335,783	3,458,042	$12.75 - 45.06
Outstanding at December 31, by year granted:			
1991	--	49,000	$ -- - 14.00
1992	56,700	98,200	-- - 12.75
1993	91,000	141,500	-- - 18.84
1994	194,150	224,900	-- - 20.91
1995	226,876	270,576	23.78 - 25.28
1996	352,150	480,763	23.16 - 24.91
1997	349,920	427,970	27.44 - 33.47
1998	369,338	434,262	33.38 - 39.72
1999	401,572	500,100	30.78 - 39.75
2000	662,871	830,771	28.69 - 36.22
2001	631,206	--	31.25 - 45.06
Total	3,335,783	3,458,042	$12.75 - 45.06
Options exercisable at December 31	2,442,309	2,365,356	
Options available for future grant at December 31	1,304,994	1,758,015	

Accounting for Stock Options -- GATX has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, 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 measurement date.

Pro forma information regarding net income and earnings per share is required by SFAS No. 123, Accounting for Stock-Based Compensation, 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 2001, 2000 and 1999: dividend yield of 2.9%, 2.8%, and 3.1%, respectively; volatility factor of the expected market price of GATX's common stock of .24, .23, and .20, respectively; expected life of the option of five years, five years, and six years, respectively; and weighted average risk-free interest rate of 4.3%, 5.0%, and 6.5%, respectively.

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

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999
Pro forma net income	$169.4	$62.3	$148.5
Pro forma earnings per share:			
Basic	$ 3.49	$1.30	$ 3.01
Diluted	$ 3.44	$1.28	$ 2.95

NOTE 15. COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS OF CREDIT RISK

GATX's revenues are derived from a wide range of industries and companies. Approximately 15% of total revenues are generated from the transportation of products for the chemical industry; for similar services, 10% of revenues are derived from the petroleum industry. In addition, approximately 18% of GATX's assets (on and off balance sheet) 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 most 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 that could arise should customers become unable to discharge their obligations to GATX.

At December 31, 2001, GATX's unconditional purchase obligations consisted primarily of scheduled aircraft acquisitions. GATX had commitments of $885.1 million for firm orders and options for 27 new aircraft to be delivered between 2002 and 2004. Additional unconditional purchase obligations include $239.3 million of specialty finance and venture finance commitments and $8.3 million of railcar commitments. Additionally, under the terms of the DEC acquisition agreement GATX is obligated to invest $71.9 million in DEC over the next five years.

GATX has various commercial commitments, such as guarantees and standby letters of credit, that could potentially require performance in the event of demands by third parties. Similar to GATX's on balance sheet investments, these guarantees expose GATX to credit and market risk; accordingly, GATX evaluates commitment and other contingent obligations using the same techniques used to evaluate funded transactions. GATX's subsidiaries had $581.8 million of residual value, rental or loan guarantees outstanding at December 31, 2001.

Guarantees are commitments issued to guarantee performance of an affiliate to a third party, generally in the form of lease and loan payment guarantees, or to guarantee the value of an asset at the end of a lease. Lease and loan payment guarantees generally involve guaranteeing repayment of the financing utilized to acquire assets being leased by an affiliate to third parties, and are in lieu of making direct equity investments in the affiliate. GATX is not aware of any event of default which would require it to satisfy these guarantees, and expects the affiliates to generate sufficient cash flow to satisfy their lease and loan obligations.

Asset residual value guarantees represent GATX's commitment to third parties that an asset or group of assets will be worth a specified amount at the end of a lease term. Over 50% of the asset residual value guarantees are related to rail equipment. Revenue is earned for providing these asset value guarantees in the form of an initial fee (which is amortized into income over the guaranteed period) and by sharing in any

proceeds received upon disposition of the assets in excess of the amount guaranteed (which is recorded when realized). Based on known and expected market conditions, management does not believe that the asset residual value guarantees will result in any adverse financial impact to GATX.

GATX and its subsidiaries are also parties to letters of credit and bonds totaling $30.0 million and $30.5 million at December 31, 2001 and 2000, respectively. In GATX's past experience, virtually no claims have been made against these financial instruments. Management does not expect any material losses to result from these off balance sheet instruments because performance is not expected to be required, and, therefore, is of the opinion that the fair value of these instruments is zero.

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 amounts, if any, required to be paid by GATX and its subsidiaries in the discharge of such liabilities, are not likely to be material to GATX's consolidated financial position or results of operations.

NOTE 16. DISCONTINUED OPERATIONS

As of December 31, 2001, GATX has substantially completed the divestiture of its ISG segment. The ISG segment was comprised of Terminals, Logistics, and minor business development efforts.

GATX sold 81% of Logistics in May 2000 and the remaining 19% in December 2000. In the first quarter of 2001, GATX sold the majority of Terminals' domestic operations. The sale included substantially all of Terminals' domestic terminaling operations, the Central Florida Pipeline Company and Calnev Pipe Line Company. Also in the first quarter of 2001, GATX sold substantially all of Terminals' European operations. In the second and third quarters of 2001, Terminals sold its Asian operations and its interest in a distillate and blending distribution affiliate. Additionally, in the first quarter GATX sold various smaller supply chain businesses.

A net after-tax gain of $163.9 million was recognized on the sales of ISG assets in 2001. The 2001 gain on sale of portion of segment primarily reflects the sale of substantially all of the GATX's interest in GATX Terminals Corporation and its subsidiary companies and is net of taxes of $179.1 million. The 2000 gain on sale of portion of segment reflects the sale of GATX Logistics, Inc. and was $8.4 million, including a tax benefit of $5.2 million.

GATX's financial statements have been restated to reflect the ISG segment as a discontinued operation for all periods presented. Corporate allocations to discontinued operations were for services provided. Operating results include interest expense on debt that was assumed by the buyer and an allocation of the interest expense on GATX's general credit facilities based on actual historical financing requirements. In connection with the disposition of the ISG segment, GATX retained $46.9 million of on-going liabilities, consisting primarily of pension and other post-retirement obligations.

Operating results of the discontinued ISG operation are presented below (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Gross income	$35.0	$469.9	$599.4
Income, net of taxes of $3.8, $16.8, and $19.8	1.5	27.4	25.0

Assets and liabilities of the discontinued operations are summarized below (in millions):

	DECEMBER 31	
	2001	2000

Accounts receivable, net	$ 1.3	$ 41.5
Tank storage terminals, pipelines and other, net	2.0	856.6
Investment in affiliated companies	--	73.9
Other assets	.5	67.5
Accounts payable and accrued expenses	2.2	64.9
Long-term debt	--	147.8
Deferred items	1.6	195.9
Net Assets of Discontinued Operations	$ --	$630.9

NOTE 17. FINANCIAL DATA OF BUSINESS SEGMENTS

The financial data presented below conforms to SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, and depict the profitability, financial position and cash flow of each of GATX's continuing business segments. Segment profitability is presented to reflect operating results inclusive of allocated support expenses from the parent company and interest costs based upon the debt levels shown below.

GATX provides its services and products through two operating segments: Financial Services and GATX Rail. Through these businesses, GATX combines asset knowledge and services, structuring expertise, partnering and risk capital to serve customers and partners worldwide. GATX specializes in railcar and locomotive leasing, aircraft operating leasing, information technology leasing and venture finance.

The Financial Services segment consists of the following four business units:

- Air, which is a leading aircraft lessor, focused on leasing newer, narrow-body aircraft used by commercial airlines throughout the world.

- Technology, which provides lease financing and asset management services related to information technology equipment, primarily to Fortune 1000 companies.

- Venture Finance, which provides secured loan and lease financing to early-stage companies.

- Specialty Finance, which acts as an investor, arranger and manager of financing services involving a variety of asset types and industries, with an established presence in the marine business.

In prior years, the Financial Services segment included a rail business unit, which leased freight cars and locomotives under operating and finance leases. In 2001, GATX combined the rail business unit of Financial Services with GATX Rail, a full service lessor of specialized railcars, primarily tank cars into one rail segment. The financial data for GATX Rail and Financial Services has been restated for all periods presented to reflect the change in the composition of each operating segment.

	FINANCIAL SERVICES	GATX RAIL	CORPORATE AND OTHER	INTER-SEGMENT	TOTAL
			IN MILLIONS		
2001					
PROFITABILITY					
Revenues	$ 817.1	$ 668.7	$ 3.0	$ (.2)	$1,488.6
Share of affiliates' earnings	25.4	7.4	--	--	32.8
Gross income	842.5	676.1	3.0	(.2)	1,521.4
Depreciation and amortization	(295.8)	(117.8)	(1.5)	(.8)	(415.9)
Interest expense	(182.8)	(66.3)	(.8)	--	(249.9)
(Loss) income from continuing operations					

before taxes	(32.8)	62.0	(23.6)	--	5.6
(Loss) income from continuing operations	(18.9)	44.1	(17.7)	--	7.5
FINANCIAL POSITION					
Debt	2,856.7	1,185.7	131.5	(56.9)	4,117.0
Equity	409.8	504.2	(32.4)	.2	881.8
Investments in affiliated companies	752.4	200.6	--	--	953.0
Identifiable assets	3,701.6	2,280.9	183.9	(56.7)	6,109.7
ITEMS AFFECTING CASH FLOW					
Net cash provided by continuing operations	149.6	126.4	60.8	18.9	355.7
Portfolio proceeds	997.1	34.3	--	--	1,031.4
Total cash provided	1,146.7	160.7	60.8	18.9	1,387.1
Portfolio investments and capital additions	1,423.8	370.1	.3	--	1,794.2
2000					
PROFITABILITY					
Revenues	$ 650.8	$ 655.4	$ 7.3	$ (1.7)	$1,311.8
Share of affiliates' earnings	57.4	20.6	.1	--	78.1
Gross income	708.2	676.0	7.4	(1.7)	1,389.9
Depreciation and amortization	(215.5)	(115.6)	(1.6)	(1.2)	(333.9)
Interest expense	(160.8)	(74.6)	(7.9)	.7	(242.6)
(Loss) income from continuing operations before taxes	(50.7)	133.2	(29.3)	.3	53.5
(Loss) income from continuing operations	(30.4)	82.2	(21.2)	.2	30.8
FINANCIAL POSITION					
Debt	2,638.4	1,045.5	663.7	(38.1)	4,309.5
Equity	272.6	454.1	62.1	.7	789.5
Investments in affiliated companies	761.5	205.9	.5	--	967.9
Identifiable assets	3,543.6	2,091.2	35.1	(37.1)	5,632.8
ITEMS AFFECTING CASH FLOW					
Net cash provided by (used in) continuing operations	227.3	169.3	(32.1)	33.3	397.8
Portfolio proceeds	553.3	74.5	--	--	627.8
Total cash provided	780.6	243.8	(32.1)	33.3	1,025.6
Portfolio investments and capital additions	1,444.9	482.7	.8	--	1,928.4

	FINANCIAL SERVICES	GATX RAIL	CORPORATE AND OTHER	INTER-SEGMENT	TOTAL
			IN MILLIONS		
1999					
PROFITABILITY					
Revenues	$ 550.9	$ 645.6	$ 1.9	$ (3.4)	$1,195.0
Share of affiliates' earnings	41.1	22.5	--	--	63.6
Gross income	592.0	668.1	1.9	(3.4)	1,258.6
Depreciation and amortization	(138.8)	(113.3)	(1.3)	(1.2)	(254.6)
Interest expense	(105.6)	(69.4)	(7.3)	2.4	(179.9)
Income (loss) from continuing operations before taxes	86.2	147.4	(24.9)	.4	209.1
Income (loss) from continuing operations	52.2	90.5	(16.6)	.2	126.3
FINANCIAL POSITION					
Debt	1,998.7	1,087.6	579.7	(8.8)	3,657.2
Equity	277.9	406.9	150.7	.5	836.0
Investments in affiliated companies	566.9	208.0	.7	--	775.6
Identifiable assets	2,711.5	2,062.6	(39.2)	(8.0)	4,726.9
ITEMS AFFECTING CASH FLOW					
Net cash provided by (used in) continuing					

operations	135.9	152.3	(20.1)	5.0	273.1
Portfolio proceeds	459.6	58.1	--	--	517.7
Total cash provided (used)	595.5	210.4	(20.1)	5.0	790.8
Portfolio investments and capital additions	1,115.1	489.2	1.7	--	1,606.0

NOTE 18. OTHER ASSETS

The following table summarizes the components of other assets (in millions):

	DECEMBER 31	
	2001	2000
Assets held for sale	$ 48.6	$ 2.2
Fair value of derivatives	31.4	--
Goodwill, net of accumulated amortization	63.3	39.9
Deferred financing costs	26.1	24.8
Inventory	13.3	18.1
Available for sale securities	7.3	46.1
Held to maturity securities	6.6	96.1
Investments carried at cost and other investments	44.5	31.3
Prepaid items	24.6	28.4
Other	84.1	87.7
	$349.8	$374.6

NOTE 19. REVENUE COMPONENTS

The following table summarizes the components of revenue (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Lease income	$1,140.1	$ 987.0	$ 855.8
Marine operating income	77.7	88.2	81.8
Interest income	71.6	60.1	40.8
Asset remarketing gains, including residual sharing fees	99.0	57.2	75.5
Gain on sale of equity securities	38.7	52.3	14.7
Fees	19.5	20.1	16.4
Other income	42.0	46.9	110.0
	$1,488.6	$1,311.8	$1,195.0

Other income includes railcar maintenance revenue. Additionally, other income in 1999 includes revenue of $67.0 million from the value added technology equipment sales and service business, which was sold in June 1999.

NOTE 20. PORTFOLIO PROCEEDS

The following table summarizes the components of portfolio proceeds (in millions):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Lease rents received, net of earned income and leveraged lease nonrecourse debt service	$ 252.3	$151.7	$147.3
Loan principal received	216.0	160.6	88.7
Proceeds from asset remarketing	318.3	178.4	220.4
Proceeds from sale of equity securities	35.2	52.3	14.7
Investment recovery from investments in affiliated companies	209.6	84.8	46.6
	$1,031.4	$627.8	$517.7

NOTE 21. REDUCTION IN WORKFORCE

During 2001, GATX recorded a pre-tax charge of $13.4 million related to its 2001 reduction in workforce. This action was part of GATX's previously announced initiative to reduce selling, general and administrative costs in response to current economic conditions and the divestiture of ISG operations.

The reduction in workforce charge included involuntary employee separation and benefit costs for 147 employees company wide, as well as legal fees, occupancy and other costs. The employee groups terminated included professional and administrative staff, including corporate personnel.

As of December 31, 2001, 143 of the employee terminations were completed. The amount of termination benefits paid in 2001 totaled $2.4 million. Remaining cash payments will be funded from ongoing operations and are not expected to have a material impact on GATX's liquidity.

NOTE 22. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during each year. Shares issued during the year and shares reacquired during the year are weighted for the portion of the year that they were outstanding. Diluted earnings per share is computed in a manner consistent with that of basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed conversion of preferred stock and the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

The following table sets forth the computation of basic and diluted net income per common share (in millions, except per share amounts):

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
NUMERATOR:			
Income from continuing operations	$ 7.5	$30.8	$126.3
Income from discontinued operations	165.4	35.8	25.0
Less: dividends paid and accrued on preferred stock	.1	.1	.1
NUMERATOR FOR BASIC EARNINGS PER SHARE -- INCOME AVAILABLE TO COMMON SHAREHOLDERS	$172.8	$66.5	$151.2
Effect of dilutive securities:			
Add: dividends paid and accrued on preferred stock	.1	.1	.1
NUMERATOR FOR DILUTED EARNINGS PER SHARE -- INCOME AVAILABLE TO COMMON SHAREHOLDERS	$172.9	$66.6	$151.3
DENOMINATOR:			
DENOMINATOR FOR BASIC EARNINGS PER SHARE -- WEIGHTED AVERAGE SHARES	48.5	47.9	49.3

Effect of dilutive securities:			
Stock options	.6	.8	.9
Convertible preferred stock	.1	.1	.1
DENOMINATOR FOR DILUTED EARNINGS PER SHARE -- ADJUSTED WEIGHTED AVERAGE AND ASSUMED CONVERSION	49.2	48.8	50.3
BASIC EARNINGS PER SHARE:			
Income from continuing operations	$ .15	$ .64	$ 2.56
Income from discontinued operations	3.41	.75	.51
TOTAL BASIC EARNINGS PER SHARE	$ 3.56	$1.39	$ 3.07
DILUTED EARNINGS PER SHARE:			
Income from continuing operations	$ .15	$ .63	$ 2.51
Income from discontinued operations	3.36	$ .74	.50
TOTAL DILUTED EARNINGS PER SHARE	$ 3.51	$1.37	$ 3.01

The Company had approximately 1.3 million, 3.5 million and 3.7 million stock options outstanding at December 31, 2001, 2000, and 1999, respectively, which have been excluded from the computation of diluted earnings per share since they were antidilutive.

CONSOLIDATED QUARTERLY FINANCIAL DATA
(UNAUDITED)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
	IN MILLIONS, EXCEPT PER SHARE DATA				
2001(c)(b)					
Gross income	$370.5	$437.2	$368.8	$344.9	$1,521.4
Ownership costs and operating expenses from continuing operations	275.1	286.8	272.7	267.1	1,101.7
Income (loss) from continuing operations	4.4	22.5	(7.3)	(12.1)	7.5
Income (loss) from discontinued operations	166.3	(.9)	--	--	165.4
Net income (loss)	$170.7	$ 21.6	$ (7.3)	$(12.1)	$ 172.9
PER SHARE DATA:(c)					
Basic:					
Income (loss) from continuing operations	$ .9	$ .46	$ (.15)	$ (.25)	$ .15
Income (loss) from discontinued operations	3.44	(.1)	--	--	3.41
Total	$ 3.53	$ .45	$ (.15)	$ (.25)	$ 3.56
Diluted:					
Income (loss) from continuing operations	$ .9	$ .46	$ (.15)	$ (.25)	$ .15
Income (loss) from discontinued operations	3.36	(.2)	--	--	3.36
Total	$ 3.45	$ .44	$ (.15)	$ (.25)	$ 3.51
2000(d)					
Gross income	$308.8	$342.3	$364.1	$374.7	$1,389.9
Ownership costs and operating expenses from continuing operations	204.2	233.5	244.2	262.1	944.0
Income (loss) from continuing operations	37.6	32.4	37.6	(76.8)	30.8
Income from discontinued operations	3.0	9.1	7.5	16.2	35.8
Net income (loss)	$ 40.6	$ 41.5	$ 45.1	$(60.6)	$ 66.6
PER SHARE DATA:(c)					
Basic:					
Income (loss) from continuing operations	$ .78	$ .68	$ .79	$(1.61)	$ .64
Income from discontinued operations	.06	.19	.16	.34	.75
Total	$ .84	$ .87	$ .95	$(1.27)	$ 1.39
Diluted:					
Income (loss) from continuing operations	$ .76	$ .67	$ .78	$(1.60)	$ .63

Income from discontinued operations............	.06	.19	.15	.33	.74
Total......................................	$ .82	$ .86	$ .93	$(1.27)	$ 1.37

(a) In the first quarter of 2001, gain on sale of portion of segment was $343.0 million on a pre-tax basis, $163.9 million on an after-tax basis.

(b) The quarterly 2001 and 2000 share of affiliates' earnings and depreciation amounts have been restated to reflect the reclassification of goodwill amortization related to investments in affiliated companies.

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

(d) In the fourth quarter of 2000, the provision for litigation was $160.5 million on a pre-tax basis, $97.6 million on an after-tax basis.

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 22, 2002, 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 22, 2002, 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 22, 2002, which sections are incorporated herein by reference.

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

	PAGE
Documents Filed as Part of this Report:	

Report of Independent Public Accountants -- Ernst & Young 31
Consolidated Statements of Income -- Years Ended December 31, 2001, 2000, and 1999. 32
Consolidated Balance Sheets -- December 31, 2001 and 2000. 33
Consolidated Statements of Cash Flows -- Years Ended December 31, 2001, 2000, and 1999. 34
Consolidated Statements of Changes in Shareholders' Equity -- December 31, 2001, 2000 and 1999. 35
Consolidated Statements of Comprehensive Income -- Years Ended December 31, 2001, 2000, and 1999. 36
Notes to Consolidated Financial Statements 37

2. Financial Statement Schedules:

Schedule I Condensed Financial Information of Registrant 72
Schedule II Valuation and Qualifying Accounts 76

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) Report on Form 8-K.

Form 8-K filed on January 23, 2002 reporting GATX Corporation's 2001 year end and fourth quarter results.

Form 8-K filed on January 28, 2002 reporting GATX Corporation's intention to offer $150 million of convertible senior unsecured notes. The notes are expected to have a 5-year maturity, and may be converted into shares of common stock of GATX Corporation.

Form 8-K filed on February 1, 2002 reporting that GATX Corporation completed a private offering of $175 million of senior unsecured convertible notes issued under Rule 144A. The offering was increased from $150 million to $175 million as a result of the underwriters exercising the over-allotment option due to strong investor demand. The 5-year notes carry a 7.50% coupon and may be convertible into GATX Corporation common stock at a price of $34.09 per share, a 16% premium over the common stock closing price on January 28, 2002. The net proceeds of the offering will be used by GATX Financial Corporation, a wholly owned subsidiary of GATX Corporation, for repayment of indebtedness and general corporate purposes.

(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 January 26, 2001, submitted to the SEC with the electronic submission of this report on Form 10-K.	
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, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, file number 1-2328; Seventh Amendment to said Plan effective June 9, 2000, and Eighth Amendment of said Plan effective January 26, 2001, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, file number 1-2328.

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 on Form 10-K for the fiscal year ended December 31, 1996, file number 1 2328; Second Amendment of said Plan effective as of December 5, 1997 incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, file number 1-2328; Third Amendment of said Plan effective as of April 24, 1998, submitted to the SEC with the electronic submission of this report on Form 10-K; Fourth Amendment of said Plan effective June 9, 2000, and Fifth Amendment of said Plan effective January 26, 2001, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, file number 1-2328.	
10C.	GATX Corporation Deferred Fee Plan for Directors, as amended and restated as of July 1, 1998, incorporated by reference to GATX's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, file number 1-2328.	
10D.	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.	
10E.	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.	
10F.	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.	
10G.	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.	

EXHIBIT NUMBER	EXHIBIT DESCRIPTION	PAGE
10H.	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.	
10I.	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.

10J.	Summary Directors' Deferred Stock Plan effective as of April 26, 1996, incorporated by reference to GATX's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996, file number 1-2328.	
10K.	Agreements for Continued Employment Following Change of Control or Disposition of a Subsidiary between GATX Corporation and certain executive officers dated as of January 1, 2001, submitted to the SEC with the electronic submission of this report on Form 10-K.	
12.	Statement regarding computation of ratios of earnings to combined fixed charges and preferred stock dividends.	77
21.	Subsidiaries of the Registrant.	78
23.	Consent of Independent Auditors.	79
24.	Powers of Attorney with respect to the Annual Report on Form 10-K for the fiscal year ended December 31, 2001, file Number 1-2328, submitted to the SEC along with the electronic submission of this Report on Form 10-K.	
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.	

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

Ronald H. Zech
Chairman, President and
Chief Executive Officer
March 22, 2002

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 Ronald H. Zech March 22, 2002	Chairman, President and Chief Executive Officer
/s/ BRIAN A. KENNEY Brian A. Kenney March 22, 2002	Vice President and Chief Financial Officer
/s/ WILLIAM M. MUCKIAN William M. Muckian March 22, 2002	Vice President, Controller and Chief Accounting Officer
Rod F. Dammeyer	Director
James M. Denny	Director
Richard Fairbanks	Director

William C. Foote	Director
Deborah M. Fretz	Director
Miles L. Marsh	Director
Michael E. Murphy	Director
John W. Rogers, Jr.	Director

By /s/ RONALD J. CIANCIO

Ronald J. Ciancio
(Attorney in Fact)
March 22, 2002

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF REGISTRANT

GATX CORPORATION
(PARENT COMPANY)

STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS		
GROSS INCOME	$ 2.9	$ 6.2	$ 1.9
COST AND EXPENSES			
Depreciation and amortization	1.5	1.6	1.4
Interest	29.5	29.1	28.2
Selling, general and administrative	23.5	23.3	17.6
TOTAL COSTS AND EXPENSES	54.5	54.0	47.2
LOSS BEFORE INCOME TAXES AND SHARE OF NET INCOME OF CONTINUING OPERATIONS	(51.6)	(47.8)	(45.3)
INCOME TAX BENEFIT	(15.8)	(14.8)	(15.4)
LOSS BEFORE SHARE OF NET INCOME FROM CONTINUING SUBSIDIARIES	(35.8)	(33.0)	(29.9)
SHARE OF NET INCOME FROM CONTINUING SUBSIDIARIES	43.3	63.8	156.2
INCOME FROM CONTINUING OPERATIONS	7.5	30.8	126.3
SHARE OF NET INCOME FROM DISCONTINUED OPERATIONS			
Operating results, net of taxes	1.5	27.4	25.0
Gain on sale of portion of segment, net of taxes	163.9	8.4	--
TOTAL DISCONTINUED OPERATIONS	165.4	35.8	25.0
NET INCOME	$172.9	$ 66.6	$151.3

NOTE: Certain amounts in the 2000 and 1999 financial statements have been reclassified to conform to the 2001 presentation.

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF REGISTRANT

GATX CORPORATION
(PARENT COMPANY)

BALANCE SHEETS

	DECEMBER 31	
	2001	2000
	IN MILLIONS	
ASSETS		
CASH AND CASH EQUIVALENTS	$ .1	$ (.8)
RECEIVABLES	--	17.0
PROPERTY AND EQUIPMENT	13.6	13.7
Less: allowance for depreciation	(10.5)	(7.9)
	3.1	5.8
OTHER ASSETS	15.9	31.6
INVESTMENT IN CONTINUING OPERATIONS	1,445.8	676.7
NET ASSETS OF DISCONTINUED OPERATIONS	--	630.9
	$1,464.9	$1,361.2
LIABILITIES, DEFERRED ITEMS AND SHAREHOLDERS' EQUITY		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$ 2.5	$ 34.8
DUE TO SUBSIDIARIES	439.6	535.1
OTHER DEFERRED ITEMS	141.0	1.8
TOTAL LIABILITIES AND DEFERRED ITEMS	583.1	571.7
SHAREHOLDERS' EQUITY		
Preferred stock	--	--
Common stock	35.4	35.0
Additional capital	384.7	366.1
Reinvested earnings	664.9	552.2
Accumulated other comprehensive loss	(74.1)	(34.4)
	1,010.9	918.9
Less: cost of common shares in treasury	(129.1)	(129.4)
TOTAL SHAREHOLDERS' EQUITY	881.8	789.5
	$1,464.9	$1,361.2

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF REGISTRANT

GATX CORPORATION
(PARENT COMPANY)

STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS		
OPERATING ACTIVITIES			
Income from continuing operations	$ 7.5	$ 30.8	$126.3
Adjustments to reconcile income from continuing operations to net cash provided by continuing operations:			
Depreciation and amortization	1.3	1.6	1.4
Deferred income taxes (benefit)	147.1	(9.7)	(7.4)
Share of net income of continuing subsidiaries less dividends received	27.8	(19.1)	(64.6)
Other, including working capital	(1.0)	(8.2)	4.3
Net cash provided by (used in) continuing operations	182.7	(4.6)	60.0
INVESTING ACTIVITIES			
Additions to property and equipment	(.3)	(.8)	(1.1)
Proceeds from other asset sales	.3	--	--

Net cash used in investing activities of continuing operations	--	(.8)	(1.1)
FINANCING ACTIVITIES			
Investment in subsidiaries	(50.0)	(35.0)	--
Advances (to) from continuing subsidiaries	(95.5)	43.4	19.5
Issuance (repurchase) of common stock and other	19.3	(20.1)	(27.3)
Cash dividends	(60.2)	(57.4)	(54.3)
Net cash used in financing activities of continuing operations	(186.4)	(69.1)	(62.1)
NET TRANSFERS TO DISCONTINUED OPERATIONS	(1.5)	(17.5)	(13.0)
NET DECREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS	(5.2)	(92.0)	(16.2)
PROCEEDS FROM SALE OF PORTION OF SEGMENT	7.1	74.7	--
TAXES PAID ON GAIN FROM SALE OF SEGMENT	(2.5)	--	--
	(.6)	(17.3)	(16.2)
NET INCREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	1.5	17.6	14.9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ .9	$ .3	$ (1.3)

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF REGISTRANT

GATX CORPORATION
(PARENT COMPANY)

STATEMENTS OF COMPREHENSIVE INCOME

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS		
Net income	$172.9	$ 66.6	$151.3
Other comprehensive (loss) income, net of tax:			
Foreign currency translation (loss) gain	(3.3)	(28.6)	5.1
Unrealized (loss) gain on securities, net of reclassification adjustments(a)	(24.5)	(7.0)	28.3
Unrealized loss on derivative instruments	(6.9)	--	--
Minimum pension liability	(5.0)	--	--
Other comprehensive (loss) income	(39.7)	(35.6)	33.4
COMPREHENSIVE INCOME	$133.2	$ 31.0	$184.7
(a) Reclassification adjustments:			
Unrealized (loss) gain on securities	$ (1.0)	$ 24.6	$ 37.3
Less: reclassification adjustments for gains realized included in net income	(23.5)	(31.6)	(9.0)
Net unrealized (loss) gain on securities	$(24.5)	$ (7.0)	$ 28.3

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

GATX CORPORATION AND SUBSIDIARIES

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
		ADDITIONS			
	BALANCE AT	CHARGED TO	CHARGED TO		BALANCE

DESCRIPTION	BEGINNING OF PERIOD	COSTS AND EXPENSES	OTHER ACCOUNTS DESCRIBE	DEDUCTIONS DESCRIBE	AT END OF PERIOD
			IN MILLIONS		
Year ended December 31, 2001:					
Allowance for possible losses(a)	$ 95.2	$98.4	$5.8(b)	$(105.2)(c)	$ 94.2
Year ended December 31, 2000:					
Allowance for possible losses(a)	$113.5	$17.7	$1.0(b)	$ (37.0)(c)	$ 95.2
Year ended December 31, 1999:					
Allowance for possible losses(a)	$133.6	$11.0	$3.7(b)	$ (34.8)(c)	$113.5

(a) Deducted from asset accounts.

(b) Represents principally the recovery of amounts previously written off and the transfer from other accounts.

(c) Represents principally uncollectible amounts written off.

EXHIBIT 3B

1/26/01

BY-LAWS OF GATX CORPORATION

ARTICLE I

MEETING OF SHAREHOLDERS

SECTION 1. PLACE OF MEETING. Every meeting of the shareholders of GATX Corporation (hereinafter called the Corporation) shall be held at the principal office of the Corporation in the State of New York, or at such other place in or out of said State as shall be specified in the notice of such meeting or waiver of such notice.

SECTION 2. ANNUAL MEETINGS. The annual meeting of the shareholders shall be held at the hour specified in the notice of such meeting, or waiver of such notice, on the fourth Friday of April in each year (or if that day shall be a legal holiday, then on the next succeeding business day) or on such other date as the Board may determine for the election of directors and for the transaction of such other business as may properly come before the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the shareholders may, unless otherwise provided by law, be called by the Chairman of the Board or the President of the Corporation, or by a majority of the Board of Directors of the Corporation (hereinafter called the Board).

SECTION 4. NOTICE OF MEETINGS. Notice of the time and place of holding of each meeting of the shareholders and of the purpose or purposes for which the meeting is called shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary of the Corporation. A copy of such notice shall be served, either personally or by mail, upon each shareholder entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the meeting. If mailed, such copy shall be directed to the shareholder at his address as it appears on the stock book, unless he shall have filed with the Secretary of the Corporation a written request that notices intended for him be mailed to some other place, in which case it shall be mailed to the address designated in such request. No notice need be given of any adjourned meeting, except when expressly required by law.

SECTION 5. QUORUM. Unless otherwise provided by law or in the Certificate of Incorporation of the Corporation as amended (hereinafter called the Certificate of Incorporation), the presence of the holders of record, in person or represented by proxy, of a majority of the shares of stock entitled to be voted thereat shall be necessary to constitute a quorum for the transaction of business at any meeting of shareholders. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of those present in person or represented by proxy, or in the absence therefrom of all the shareholders, any officer entitled to preside at, or to act as secretary of, such meeting, may adjourn such meeting from time to time until a quorum is present thereat. At any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. ORGANIZATION. At each meeting of the shareholders, the Chairman of the Board, the President or a Vice-President designated for the purpose by the Chairman (with priority in the order named), or in the absence of said officers, a chairman chosen by a majority vote of the shareholders present in person or represented by proxy and entitled to vote thereat shall act as chairman. The Secretary shall act as secretary at each meeting of the shareholders, or in his absence the chairman may appoint any person present to act as secretary of the meeting.

SECTION 7. ORDER OF BUSINESS. The order of business at all meetings of the shareholders shall be determined by the chairman of the meeting.

SECTION 8. VOTING. Unless otherwise provided by law or in the Certificate of Incorporation, the Common Stock only shall have voting power. Each holder of record of shares of stock of the Corporation entitled to vote at any meeting of shareholders shall, in all matters, be entitled to one vote for each share of stock owned by him. Shareholders may vote either in person or by proxy. Except as otherwise provided by law or these By-laws, or by the Certificate of Incorporation, the majority of the votes cast shall prevail on all matters submitted to vote at any meeting of the shareholders. Unless so directed by the chairman of the meeting, the vote at such meeting need not be by ballot, except that all elections of directors by shareholders shall be by ballot. At the direction of such chairman that a vote by ballot be taken on any question, such vote shall be taken. On a

vote by ballot each ballot shall be signed by the shareholder voting, or by his proxy as such if there be such proxy. Except as otherwise provided by law or by these By-laws all voting may be via voce.

SECTION 9. INSPECTORS OF ELECTION. At each meeting of the shareholders the chairman of such meeting shall appoint one or more inspectors of election to act thereat. No director or candidate for the office of director shall be appointed such inspector. Each inspector of election so appointed, before entering upon the discharge of his duties, shall be sworn faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability, and the oath so taken shall be subscribed by such inspectors. Such inspectors of election, after the voting on any question, shall make a certificate of the result of the vote taken. Inspectors need not be shareholders.

SECTION 10. RECORD DATE. The Board may fix a day and hour not more than sixty (60) days prior to the day and hour then fixed for the holding of any meeting of shareholders as the time as of which shareholders entitled to notice of and to vote at such meeting shall be determined, and all persons who were holders of record of voting stock at such time and no others shall be entitled to notice of and to vote at such meeting.

SECTION 11. ADVANCE NOTIFICATION OF SHAREHOLDER NOMINATIONS FOR DIRECTORS AND OTHER PROPOSALS. No shareholder may propose to nominate persons for election to the Board at an annual meeting of the shareholders of the Corporation or to bring other business before an annual meeting of the shareholders of the Corporation, unless such shareholder gives timely notice thereof to the Secretary of the Corporation. To be timely, a shareholder's notice must be addressed to the Secretary of the Corporation and received at the principal executive offices of the Corporation not more than one hundred twenty (120) days and not less than ninety (90) days prior to the first anniversary date of the immediately preceding annual meeting; provided, however, that in the event the annual meeting is called for a date which is not within sixty (60) days before or after such anniversary date, notice by the shareholder, to be timely, must be received no later than the close of business on the fifteenth (15th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first.

Such shareholder's notice shall set forth: (a) as to each person whom the shareholder proposes to nominate at the annual meeting for election to the Board, (i) the name, age, business address and residential address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of the Corporation which are beneficially owned by such person, (iv) a description of all arrangements or understandings between such shareholder and such person, (v) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, and any other rules of the Securities and Exchange Commission, (vi) such other information as may be reasonably required by the Corporation to determine the eligibility of such person to serve as a director of the Corporation, and (vii) any such person's written consent to serve as a director if so elected; (b) as to any other business that such shareholder proposes to bring before the annual meeting, (i) a description of the business desired to be brought before the meeting in sufficient detail for such business to be summarized in the agenda for the meeting, (ii) the reasons for conducting such business at the meeting, and (iii) any material interest in such business of such shareholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such shareholder, as it appears on the Corporation's books, and of any such beneficial owner, and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such shareholder and any such beneficial owner. Notwithstanding compliance with the foregoing requirements, no person proposed to be nominated to the Board by a shareholder pursuant to this procedure shall become a nominee for election to the Board and no other business shall be considered at the annual meeting unless the shareholder who has provided the notice or his proxy, nominates such person or introduces such business at the meeting, as the case may be. The presiding officer of the annual meeting shall, if the facts warrant, refuse to acknowledge a nomination or the

consideration of business which was not made in compliance with the foregoing requirements.

ARTICLE II

DIRECTORS

SECTION 1. NUMBER, ELECTION, TERM, POWERS. The Corporation shall have such number of directors, not less than three (3) nor more than twenty-one (21), as shall from time to time be determined by the vote of a majority of the entire board. Except as otherwise provided herein, the directors shall be chosen at the annual meeting of shareholders in each year, by a plurality of the votes cast in the election therefor. The term of office of each director shall (unless vacated as provided herein) be from the time of his election and qualification until the annual meeting of shareholders next succeeding his election and until his successor shall have been duly elected and qualified, or until his earlier death or resignation. The directors shall act only as a board and the individual directors shall have no power as such. The Board shall have, in the management of the Corporation's affairs, all powers which are not inconsistent with the laws of the State of New York or these By-laws, or the Certificate of Incorporation.

SECTION 2. QUALIFICATIONS. All directors shall be at least twenty-one (21) years of age.

SECTION 3. FIRST MEETING. After each election of directors by the shareholders, on the same day and at the conclusion of the meeting of shareholders at which such election shall be held, and at the place where such election is held, the newly elected Board shall meet for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. If a quorum shall not be present at such time and place, but at least one director is present, then such meeting shall be adjourned as provided in Section 6 of this Article II. If no director shall be present at such time and place, then such meeting may be held at any other time and place which shall be specified in a notice given as hereinafter provided for special meetings of the Board or in a waiver of notice thereof.

SECTION 4. REGULAR MEETINGS. Regular meetings of the Board shall be held at such times and places as the Board by resolution may determine. If any day fixed for a

regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day at said place. Except as provided by law or these By-laws, notice of regular meetings need not be given.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board shall be held whenever called by the Chairman of the Board or the President or by the Secretary at the request of a majority of the members of the Board. Except as otherwise provided by law, notice of each such special meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless, or be delivered personally or by telephone, not later than the day before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director, if waived by him as in these By-laws provided. Except as otherwise specifically provided by law or these By-laws, the notice or waiver of notice of any meeting of the Board need not contain any statement of the purposes of the meeting or any specification of the business to be transacted thereat.

SECTION 6. QUORUM. Unless otherwise provided by law or in the Certificate of Incorporation or in these By-laws, the presence of not less than one-third of the number of directors as fixed in accordance with these By-laws shall be necessary to constitute a quorum for the transaction of business by the Board. In the absence of a quorum, a majority of the directors present may adjourn any meeting of the Board from time to time until a quorum shall be present thereat. Notice of any adjourned meeting need not be given. At any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7. VOTING. At all meetings of directors, a quorum being present, all matters, except those the manner of deciding upon which is otherwise provided by law or these By-laws, or in the Certificate of Incorporation, shall be decided by the vote of a majority of the directors present.

SECTION 8. ORGANIZATION. At each meeting of the Board the Chairman of the Board or, in the Chairman's absence, a director chosen by a majority of the directors present,

shall act as chairman. The Secretary, or in the Secretary's absence any person appointed by the chairman, shall act as secretary of the meeting. Any meeting of the Board may be adjourned by the vote of a majority of the directors present at such meeting.

SECTION 9. VACANCIES. Any vacancy in the Board whether arising from death, resignation, an increase in the number of directors or any other cause, may be filled by the vote of a majority of the remaining directors, provided that, in the case of a vacancy occurring through the resignation of a director, the resigning director shall be entitled to vote with the other directors for his successor.

SECTION 10. PLACE OF MEETING. The Board may hold its meetings at such place or places within or without the State of New York as it may from time to time by resolution determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 11. INDEMNIFICATION. (a) The Corporation shall indemnify to the fullest extent permitted by law, any person made, or threatened to be made, a party to an action or proceeding, civil or criminal (including an action by or in the right of the Corporation or by or in the right of any other corporation or business entity of any type or kind, domestic or foreign, which any director or officer of the Corporation served in any capacity at the request of the Corporation), by reason of the fact that he or she, his or her testator or intestate, was a director or officer of the Corporation (or such director or officer, his or her testator or intestate served the Corporation or such other corporation or business entity in any capacity), against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, and the Corporation may pay, in advance of final disposition of any such action or proceeding, expenses (including attorneys' fees) incurred by such person in defending such action or proceeding.

The Corporation may indemnify, and make advancements to, any person made, or threatened to be made, a party to any such action or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an agent or employee (other than a director or officer) of the Corporation (or served another corporation or business entity at the request of the Corporation in any capacity), on such terms, to such extent, and subject

to such conditions, as the Board shall determine, including payment, in advance of final disposition of any such action or proceeding, expenses (including attorneys' fees) incurred by such person in defending such action or proceeding.

In addition to the foregoing, the Corporation shall indemnify to the fullest extent permitted by law, any person made, or threatened to be made, a party to an action or proceeding, civil or criminal, by reason of the fact that such person, his or her testator or intestate, is or was a director or officer of any other corporation or business entity, of any type or kind, domestic or foreign, which any such person served at the request of the Corporation, against judgments, fines, amounts paid in settlement (with the prior consent of the Corporation) and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, and the Corporation may pay, in advance of final disposition of any such action or proceeding, expenses (including attorneys' fees) incurred by such person in defending such action or proceeding.

(b) A person shall be presumed to be entitled to indemnification for any act or omission covered by this By-law. The burden of proof of establishing that a person is not entitled to indemnification because of the failure to fulfill some requirement of New York law, the Corporation's charter, or the By-laws shall be on the Corporation.

(c) If a claim under this By-law is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim, including attorneys' fees.

SECTION 12. ACTION BY WRITTEN CONSENT. Unless otherwise provided by law or in the Certificate of Incorporation of the Corporation, any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

SECTION 13. ACTION BY MEANS OF CONFERENCE TELEPHONE. Any one or more members of the Board may participate in a regular or special meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE III

COMMITTEES

SECTION 1. COMMITTEES. On the terms, to the extent and subject to the conditions, prescribed by law or by resolution of the Board, the Board, by resolution adopted by a majority of the entire Board, may designate from among its members an Executive Committee and other committees, each of which shall consist of three or more directors and shall have the authority of the Board. The Board may designate one or more directors as alternate members of any committee, who may act in the place of any absent member or members of such committee. The presence of not less than one-third of the number of members of any committee or two members of such committee, whichever shall be greater, shall be necessary to constitute a quorum of such committee and, except as otherwise provided by law, the Certificate of Incorporation or these By-laws, a majority vote of the committee members present shall be the act of the committee.

SECTION 2. ACTION BY MEANS OF CONFERENCE TELEPHONE. Any one or more members of any committee of the Board may participate in a meeting of such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the Corporation shall be a Chairman of the Board, a President, one or more Vice-Presidents, a Secretary, a Treasurer and a Controller. The officers of the Corporation may also include, at the option of the Board, one or more Vice-Chairmen of the Board, each of whom shall be a member of the Board. Two or more offices may be conferred upon one person, except the offices of President and Secretary. The Board may require any officer, agent or employee to give security for faithful performance of such person's duties.

SECTION 2. ELECTION, TERM OF OFFICE, QUALIFICATION. The officers of the Corporation shall be chosen by the Board as soon as practicable after each annual election of directors, each such officer to hold office until his successor shall have been chosen and qualified, or until his earlier death or resignation, or removal in the manner hereinafter provided.

SECTION 3. SUBORDINATE OFFICERS. The Board may appoint as subordinate officers, assistants to any officer including assistant secretaries and assistant treasurers, agents or employees as the Board may deem necessary or advisable, each of whom shall serve for such period, have such authority and perform such duties as the Board may from time to time determine or as may be set forth in these By-laws. The Board may delegate to any officer the power to appoint and remove subordinate officers, assistant secretaries, assistant treasurers, agents or employees.

SECTION 4. MANAGEMENT DIRECTION. The Board shall designate an officer of the Corporation to be the chief executive officer of the Corporation and such chief executive officer shall have, subject to the control of the Board, general and active supervision and direction over the property, business and affairs of the Corporation and the personnel thereof.

SECTION 5. THE CHAIRMAN OF THE BOARD. The Chairman of the Board shall perform all duties customarily incident to the office of Chairman of the Board and such other duties as may from time to time be assigned to him by the Board. He shall, if present, preside at all meetings of the shareholders and of the Board.

SECTION 6. THE VICE-CHAIRMAN OF THE BOARD. Each Vice-Chairman of the Board shall have such authority and perform such duties as may from time to time be assigned by these By-laws, the Board or the Chairman of the Board.

SECTION 7. THE PRESIDENT. The President shall perform all duties customarily incident to the office of President and such other duties as may from time to time be assigned to him by the Board. In case of the absence or inability to act of the Chairman of the Board, the President shall perform the duties of the Chairman of the Board, and

when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board.

SECTION 8. VICE-PRESIDENTS. Each Vice-President shall have such powers and perform such duties as the Board, the Chairman of the Board or the President may from time to time prescribe, and shall perform such other duties as may be prescribed by these By-laws. In case of the absence or inability to act of the President, then one of the Vice-Presidents who shall be designated for the purpose by the Board shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 9. THE SECRETARY. The Secretary shall act as secretary of, and keep the minutes of, all meetings of the Board and of the shareholders; he shall cause to be given such notice of all meetings of the shareholders and directors as required; he shall be custodian of the seal of the Corporation and shall affix the seal or cause it to be affixed to all certificates and documents, the execution of which on behalf of the Corporation under its seal shall have been specifically or generally authorized; he shall have charge of the books, records and papers of the Corporation relating to its organization as a corporation; and he shall in general perform all the duties incident to the office of Secretary. He shall also have such other powers and perform such other duties, not inconsistent with these By-laws, as the Chairman of the Board, the President or the Board shall from time to time prescribe.

SECTION 10. THE TREASURER. The Treasurer shall have charge and custody of, and be responsible for, all the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name of and to the credit of the Corporation in such banks or other depositaries as may be designated by the Board; he shall disburse the funds of the Corporation, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board, the President or the Board, whenever any one or more of them may require him so to do, a statement of all his transactions as Treasurer; and, in general, he shall perform all the duties incident to the

office of Treasurer and such other duties as may from time to time be assigned to him by the Chairman of the Board, the President or the Board.

SECTION 11. THE CONTROLLER. The Controller shall keep accurate accounts, in such form as may be approved by the Board of Directors, of all financial transactions of the Corporation; he shall supervise and direct the keeping of all of the financial records and accounting records of the Corporation, and shall have general charge, supervision and direction of the accounting departments of the Corporation; he shall discharge such other duties and have such other powers as may be required of or granted to him by the Board.

SECTION 12. ASSISTANTS TO THE PRESIDENT. Each assistant to the President shall, at the request of the President, aid and assist him in the performance of his duties and the exercise of his powers, and have such other powers and perform such other duties as may from time to time be assigned to him by the Chairman of the Board, the President or the Board.

SECTION 13. ASSISTANT SECRETARIES. In case of the absence or inability to act of the Secretary, the Assistant Secretary, or, if there shall be more than one, any of the Assistant Secretaries, shall perform the duties of the Secretary, and, when so acting shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each of the Assistant Secretaries shall perform such other duties as from time to time may be assigned to him by the Chairman of the Board, the President, the Secretary or the Board.

SECTION 14. ASSISTANT TREASURERS. In case of the absence or inability to act of the Treasurer, the Assistant Treasurer, or, if there be more than one, any of the Assistant Treasurers, shall perform the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each of the Assistant Treasurers shall perform such other duties as from time to time may be assigned to him by the Chairman of the Board, the President, the Treasurer or the Board.

SECTION 15. GENERAL PROVISIONS. All officers shall serve under the direction of and at the pleasure of the Board and be subject to removal thereby at any time with or without cause. Any vacancy occurring in any office may be filled by the Board.

ARTICLE V

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. EXECUTION OF CONTRACTS. Except as otherwise provided by law or in these By-laws, the Chairman of the Board, any Vice-Chairman of the Board, the President or any Vice-President shall have authority to execute and deliver any and all instruments for and in the name of the Corporation. The Board may authorize any other officer or officers, agent or agents to execute and deliver any instrument for and in the name of the Corporation and such authority may be general or confined to specific instances. Unless authorized by the Board or by these By-laws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it pecuniarily liable for any purpose or to any amount.

SECTION 2. INDEBTEDNESS. No loans shall be contracted on behalf of the Corporation and no negotiable paper shall be issued in its name unless authorized by the resolutions of the Board. When authorized by the Board so to do, any officer or agent of the Corporation thereunto authorized may effect loans and advances for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds, or other certificates or evidences of indebtedness of the Corporation and, when authorized so to do, may pledge, hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, and other orders for the payment of moneys out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board.

SECTION 4. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board may select or as may be selected by any officer or officers, agent or agents of the Corporation to whom such power may from time to time be delegated by the Board; and, for the purpose of such deposit, the Chairman of the Board, the President, any Vice-President, the Treasurer or the Secretary, or any other officer, agent or employee of the Corporation to whom such power may be delegated by

the Board, may endorse, assign and deliver checks, drafts and other orders for the payment of moneys which are payable to the order of the Corporation.

ARTICLE VI

SHARES AND DIVIDENDS

SECTION 1. CONSIDERATION FOR ISSUE OF STOCK. No stock shall be issued except as permitted under the Business Corporation Law of the State of New York.

SECTION 2. CERTIFICATES. The shares of the Corporation shall either be represented by certificates or shall be uncertificated and represented by book entry registered in the name of the holder on the books and records of the Corporation or its transfer agent. At the direction of the Corporation to its stock transfer agent and absent a specific request for a certificate by the registered holder or transferee thereof, all shares of the Corporation shall be uncertificated upon the original issuance thereof by the Corporation or upon the surrender of the certificate representing such shares to the Corporation (Direct Registration of shares). If shares are represented by certificates, each holder of record of shares of stock of the Corporation shall be provided with a certificate or certificates of stock representing the number of shares owned by such holder, in such form as shall be approved by the Board, signed by the Chairman of the Board, or President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and sealed with the seal of the Corporation, which seal may be an engraved or printed facsimile, certifying the number of shares owned by him in the Corporation. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee. In case any such person who shall have signed, or whose facsimile signature has been placed upon, such certificate shall have ceased to hold such position before such certificate is issued, it may be issued by the Corporation with the same effect as if such person had not ceased to hold such position at the date of its issue. Upon the election of the Corporation to provide for Direct Registration of shares, such certificates shall be provided only upon request to the Corporation by the registered holder or transferee thereof.

SECTION 3. TRANSFER OF SHARES. Transfers of shares of the capital stock of the Corporation shall be made only on the books of the Corporation by the holder thereof, or by his attorney thereunto authorized by a power of attorney duly executed and filed with the agent or officer in charge of such books, subject to such proof or guaranty signature as the Corporation or its transfer agent may require, if any, and on surrender of the certificate or certificates for such shares, properly endorsed, or upon receipt of proper transfer instructions from the owner of uncertificated shares, or upon the escheat of said shares under the laws of any state of the United States. A person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof as regards the Corporation, provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the officer in charge or to said transfer agent, shall be so expressed in the entry of transfer.

SECTION 4. RECORD DATE. The Board may fix a day and hour not exceeding sixty (60) days preceding the date fixed for the payment of any dividend or the making of any distribution, or for the delivery of evidences of rights or evidences of interests arising out of any changes, conversion or exchange of capital stock, as a record time for the determination of the shareholders entitled to receive such dividend, distribution, rights or interests, and in such case only shareholders of record at the time so fixed shall be entitled to receive such dividend, distribution, rights or interests.

SECTION 5. LOST, STOLEN, DESTROYED OR MUTILATED CERTIFICATES. A certificate for shares of the stock of the Corporation may be issued in place of any certificate lost, stolen, destroyed or mutilated, but only on delivery to the Corporation, unless the Board of Directors otherwise determines, of a bond of indemnity, in form and amount and with one or more sureties satisfactory to the Board, or such officer or officers of the Corporation or such transfer agent as the Board may from time to time designate, and of such evidence of such loss, theft, destruction or mutilation as the Board, or such officer or officers or transfer agent, may require.

ARTICLE VII

OFFICES AND BOOKS

SECTION 1. OFFICES. The Board may from time to time and at any time establish offices of the Corporation or branches of its business at whatever place or places seem to it expedient. Offices or agencies for the transfer and registration of stock shall at all times be maintained in the City of New York. Additional such offices or agencies may be maintained elsewhere, in the discretion of the Board.

SECTION 2. BOOKS. There shall be kept at the office of the Corporation in Chicago, Illinois, correct books of all the business and transactions of the Corporation, and, at the office of the Corporation in the State of New York, or at the office of a transfer agent of the Corporation in such State, the stock book of the Corporation, which shall contain the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing their respective places of residence, the number of shares held by them respectively, and the time when they respectively became the owners thereof. The stock book shall at all times during business hours be open to the inspection of all persons permitted by law to inspect the same.

ARTICLE VIII

SEAL

SECTION 1. The common seal of the Corporation shall consist of a round seal with the words "GATX CORPORATION" in the margin and the words "NEW YORK, 1916" in the center thereof.

ARTICLE IX

WAIVER OF NOTICE

SECTION 1. Whenever any notice whatever is required to be given by these By-laws or the Certificate of Incorporation or by law, the person entitled thereto may, in person, or in the case of a shareholder, by his duly authorized attorney, waive such notice in writing (which shall include the use of telegraph, cable, radio or wireless), whether before or after the meeting or other matter or event in respect of which such notice is to be given, and in such event such waiver shall be equivalent to such notice and such notice need not be given to such person, and any action to be taken after such notice or after the lapse of a prescribed period of time may be taken without such notice and without the lapse of any

period of time. The presence of a director at any meeting of the Board shall constitute waiver of notice thereof by him.

ARTICLE X

FISCAL YEAR

SECTION 1. The fiscal year of the Corporation shall end on the thirty-first day of December in each year.

ARTICLE XI

AMENDMENTS

SECTION 1. These By-laws may be altered, changed, amended or repealed and new By-laws adopted at any regular or special meeting of the Board of Directors, by a majority vote of all the Directors, provided notice of the proposed alteration, change, amendment or repeal shall have been given with notice of the meeting.

EXHIBIT 10 K

AMENDED AGREEMENT FOR EMPLOYMENT FOLLOWING A CHANGE OF CONTROL

AGREEMENT by and between GATX Corporation, a New York corporation (the "Company") and ____________ (the "Executive") dated as of the ______________ day of 2002.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below). The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on January 1, 2001, and ending on the third anniversary of the date thereof; provided, however, that commencing on January 1, 2002, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3

promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 65% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company; or

(e) Consummation of a Business Combination involving any subsidiary of the Company (a "Company Unit") that is the primary employer of the Executive immediately prior to such Business Combination unless immediately after such Business Combination the Company owns at least 50% of the voting stock of such Company Unit.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned by or to the Executive at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies during the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months

after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the highest bonus earned by the Executive for the last two full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Long-Term Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all long-term incentive, stock option, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with long-term incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), stock option opportunities, savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, or payment of an automobile allowance in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), the Company may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment no sooner than 30 days following such notice. In such event, the Executive's employment with the Company shall terminate effective on the date specified in such notice (the "Disability Effective Date"), provided that the Executive shall not have returned to full-time performance of the Executive's duties prior thereto. For purposes of this Agreement, "Disability" shall mean any disability that (a) entitles the Executive to disability income benefits under the GATX Long Term Disability Income Plan as in effect on the day prior to the Effective Date, and (b) prevents the executive, for the duration of the Employment Period, from engaging in

the same or comparable type of employment as that in which the Executive was engaged on the day prior to the Effective Date.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period only for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions or concurrence of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the

Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company

shall terminate the Executive's employment other than for Cause, death or Disability or the Executive shall terminate employment for Good Reason:

(i) The Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination (except in the event of an election made by the Executive pursuant to D below) the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Executive's Annual Bonus as defined in Section 4(b)(ii) of the Agreement (annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Executive's target bonus under the Company's Management Incentive Plan, or any comparable bonus plan in which the Executive participates and which has a target bonus generally similar to that in the Company's Management Incentive Plan (the "Target Bonus"), less amounts, if any, paid to the Executive in accordance with the Company's severance pay policies; and

C. an amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's qualified defined benefit retirement plan (the "Retirement Plan") and any excess or supplemental retirement plan in which the Executive participates (together, the "SERP") (utilizing in each case actuarial assumptions no less favorable to the Executive than those in effect under the Company's Retirement Plan immediately prior to the Effective Date), which the Executive would receive if the Executive's employment continued for three years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the three years is equal to the Annual Base Salary as required by Section 4(b)(i) and plus the Executive's Target Bonus as described in Section 6(i)(B) for the most recent fiscal year (or other bonus amount considered pensionable under the Retirement Plan), over (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of

Termination;

D. should the Executive so elect by written notice provided to the Benefits Administrator no later than the business day immediately preceding the Effective Date, an amount equal to the present value of the

benefits to which the Executive is entitled under the SERP as of the Date of Termination, utilizing (a) as a discount rate the rate of return on 10-year Treasury Securities in effect for the month prior to the month in which the change of control occurs, and (b) mortality assumptions based on the Applicable Mortality Table defined in Section 417(e)(3)(A)(1) of the Code (as hereinafter defined); such amount shall be paid on the first anniversary of the Effective Date if the Executive's employment has been terminated as above provided prior thereto, otherwise it shall be paid on the Executive's Date of Termination.

(ii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (collectively, "Welfare Benefits"), provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until three years after the Date of Termination and to have retired on the last day of such period. The Company shall continue to provide the Executive with Welfare Benefits at the Executive's own cost until the Executive is eligible for coverage under Medicare;

(iii) the Company shall, at a maximum cost of 10% of the Executive's Annual Base Salary, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion; and

(iv) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With

respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice (other than those providing severance benefits) provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or

agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). If however, following the conclusion of such contest, the court before whom such contest was held determines that under the

circumstances it was unjust for the Company to have paid all or any part of the legal fees and expenses of the Executive pursuant to the immediately preceding sentence, the Executive shall repay any such payments to the Company in accordance with the order of the court.

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company or its affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 9(a), if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to the Executive such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall have been identified and held by the Company as proprietary and confidential and which shall not be or become

public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. The Company agrees that it will not effect the sale or other disposition of all or substantially all of its assets unless either (1) the person or entity acquiring the assets or a substantial portion of the assets shall expressly assume by an instrument in writing all duties and obligations of the Company under this Agreement or (2) the Company shall provide through the establishment of a separate reserve for the payment in full of all amounts that are or may be reasonably expected to become payable to the Executive under this Agreement. As used in this Agreement, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

GATX CORPORATION
500 West Monroe
Chicago, IL 60661-3676

Attention: Vice-President, Human Resources

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) This Agreement supercedes and replaces the Agreement between the Executive and the Company dated January 1, 2001.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

Executive

GATX CORPORATION

By

Its Chairman of the Board

Execution Date

AGREEMENT FOR EMPLOYMENT FOLLOWING A CHANGE OF CONTROL

AGREEMENT by and between GATX Corporation, a New York corporation (the "Company") and _____________(the "Executive") dated as of the first day of January 2001.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below). The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or

(ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 65% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company; or

(e) Consummation of a Business Combination involving any subsidiary of the

Company (a "Company Unit") that is the primary employer of the Executive immediately prior to such Business Combination unless immediately after such Business Combination the Company owns at least 50% of the voting stock of such Company Unit.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned by or to the Executive at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies during the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the highest bonus earned by the Executive for the last two full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Long-Term Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all long-term incentive, stock option, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with long-term incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), stock option opportunities, savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, or payment of an automobile allowance in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), the Company may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment no sooner than 30 days following such notice. In such event, the Executive's employment with the Company shall terminate effective on the date specified in such notice (the "Disability Effective Date"), provided that the Executive shall not have returned to full-time performance of the Executive's duties prior thereto. For purposes of this Agreement, "Disability" shall mean any disability that (a) entitles the Executive to disability income benefits under the GATX Long Term Disability Income Plan as in effect on the day prior to the Effective Date, and (b) prevents the executive, for the duration of the Employment Period, from engaging in the same or comparable type of employment as that in which the Executive was engaged on the day prior to the Effective Date.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period only for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions or concurrence of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) The Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Executive's Annual Bonus as defined in Section 4(b)(ii) of the Agreement (annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two and (2) the sum of (x) the

Executive's Annual Base Salary and (y) the Executive's target bonus under the Company's Management Incentive Plan, or any comparable bonus plan in which the Executive participates and which has a target bonus generally similar to that in the Company's Management Incentive Plan (the "Target Bonus"), less amounts, if any, paid to the Executive in accordance with the Company's severance pay policies; and

C. an amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's qualified defined benefit retirement plan (the "Retirement Plan") (utilizing actuarial assumptions no less favorable to the Executive than those in effect under the Company's Retirement Plan immediately prior to the Effective Date), and any excess or supplemental retirement plan in which the Executive participates (together, the "SERP") which the Executive would receive if the Executive's employment continued for two years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the two years is equal to the Annual Base Salary as required by Section 4(b)(i) and plus the Executive's Target Bonus as described in Section 6(i)(B) for the most recent fiscal year (or other bonus amount considered pensionable under the Retirement Plan), over (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of Termination;

(ii) for two years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this

Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (collectively, "Welfare Benefits"), provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until two years after the Date of Termination and to have retired on the last day of such period. The Company shall continue to provide the Executive with Welfare Benefits at the Executive's own cost until the Executive is eligible for coverage under Medicare;

(iii) the Company shall, at a maximum cost of 10% of the Executive's Annual Base Salary, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion; and

(iv) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided

or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice (other than those providing severance benefits) provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). If however, following the conclusion of such contest, the court before whom such contest was held determines that under the circumstances it was unjust for the Company to have paid all or any part of the legal fees and expenses of the Executive pursuant to the immediately preceding sentence, the Executive shall repay any such payments to the Company in accordance with the order of the court.

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company or its affiliates to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 9(a), if it shall be determined that the Executive is

entitled to a Gross-Up Payment, but that the Payments do not exceed 110% of the greatest amount (the "Reduced Amount") that could be paid to the Executive such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall have been identified and held by the Company as proprietary and confidential and which shall not be or become public knowledge (other than

by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. The Company agrees that it will not effect the sale or other disposition of all or substantially all of its assets unless either (1) the person or entity acquiring the assets or a substantial portion of the assets shall expressly assume by an instrument in writing all duties and obligations of the Company under this Agreement or (2) the Company shall provide through the establishment of a separate reserve for the payment in full of all amounts that are or may be reasonably expected to become payable to the Executive under this Agreement. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

GATX CORPORATION
500 West Monroe
Chicago, IL 60661-3676

Attention: Vice-President, Human Resources

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

Executive

GATX CORPORATION

By

Its Chairman of the Board

Execution Date

EXHIBIT 12

GATX CORPORATION AND SUBSIDIARIES

COMPUTATION OF RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	IN MILLIONS, EXCEPT RATIOS		
Earnings available for fixed charges:			
Income from continuing operations	$ 7.5	$ 30.8	$126.3
Add (deduct):			
Income tax (benefit) provision	(1.9)	22.7	82.8
Share of affiliates' earnings, net of distributions received	(22.5)	(43.2)	(41.7)
Interest on indebtedness and amortization of debt discount and expense	249.9	242.6	179.9
Portion of operating lease expense representative of interest factor (deemed to be one-third)	64.9	59.6	51.0
Total earnings available for fixed charges	$297.9	$312.5	$398.3
Preferred stock dividends	$ .1	$ .1	$ .1
Ratio to convert preferred dividends to pre-tax basis	75%	174%	166%
Preferred dividends on pre-tax basis	.1	.2	.2
Fixed charges:			
Interest on indebtedness and amortization of debt discount and expense	249.9	242.6	179.9
Capitalized interest	14.4	10.4	4.3
Portion of operating lease expense representative of interest factor (deemed to be one-third)	64.9	59.6	51.0
Combined fixed charges and preferred stock dividends	$329.3	$312.8	$235.4
Ratio of earnings to combined fixed charges and preferred stock dividends(A)			

.90x(B) 1.00x 1.69x

(A) The ratio of earnings to fixed charges represents the number of times "fixed charges" are covered by "earnings." "Fixed charges" consist of interest on outstanding debt and amortization of debt discount and expense, adjusted for capitalized interest and one-third (the proportion deemed representative of the interest factor) of operating lease expense. "Earnings" consist of consolidated net income before income taxes and fixed charges, less share of affiliates' earnings, net of distributions received.

(B) For the year ended December 31, 2001, fixed charges and preferred stock dividends exceeded earnings by $31.4 million.

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 or country of incorporation for each:

GATX Financial Corporation (Delaware) -- includes 59 domestic subsidiaries, 38 foreign subsidiaries and interests in 35 domestic affiliates and 58 foreign affiliates.

American Steamship Company (New York) -- 14 domestic subsidiaries.

Integrated Solutions Group

GATX Terminals Holding Corporation (Delaware) -- 3 foreign subsidiaries and four foreign affiliates.

GATX Chemical Logistics, Inc. (Delaware)

GATX Rail Logistics, Inc. (Delaware)

Bonilog, S.A. (Brazil) -- 1 foreign affiliate.

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 on Form S-8 filed July 20, 1995; (vi) Registration Statement No. 333-78037 on Form S-8 filed May 7, 1999; (vii) Registration Statement No. 333-81173 on Form S-8 filed June 21, 1999, and (viii) Registration Statement No. 333-91865 on Form S-8 filed December 1, 1999, of GATX Corporation, of our report dated January 22, 2002 with respect to the consolidated financial statements and schedules of GATX Corporation included in the Annual Report on Form 10-K for the year ended December 31, 2001.

ERNST & YOUNG LLP

March 20, 2002
Chicago, Illinois

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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/ Rod F. Dammeyer

Rod F. Dammeyer
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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. Denney

James M. Denney
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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 Fairbanks

Richard Fairbanks
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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

Deborah M. Fretz
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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. March

Miles L. March
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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/ Michael E. Murphy

Michael E. Murphy
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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/ John W. Rogers, Jr.

John W. Rogers, Jr.
Director

Date: March 21, 2002

POWER OF ATTORNEY

The undersigned director of GATX Corporation, a New York corporation, does hereby constitute and appoint Brian A. Kenney, Ronald J. Ciancio and William M. Muckian 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 2001 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
Director

Date: March 21, 2002