



GATX



• **SINCE 1898** •

GATX Corporation provides lease financing and related services to customers operating rail, air, marine and other targeted assets. GATX is a leader in leasing transportation assets and controls one of the largest railcar fleets in the world. Applying over a century of operating experience and strong market and asset expertise, GATX provides quality assets and services to customers worldwide. GATX has been headquartered in Chicago, Illinois since its founding in 1898 and has traded on the New York Stock Exchange since 1916.



*A piece of GATX history
— Gold medal from
the Panama-Pacific Exposition
in San Francisco, CA in 1915
depicting the tank car from our cover,
the first built in East Chicago, IN in 1907*

GATX strives to:

- Provide an attractive, risk-adjusted return to shareholders
- Be an excellent operator focused on providing quality services to customers
- Provide clear direction and challenging opportunities to employees

NYSE:GMT

FINANCIAL HIGHLIGHTS



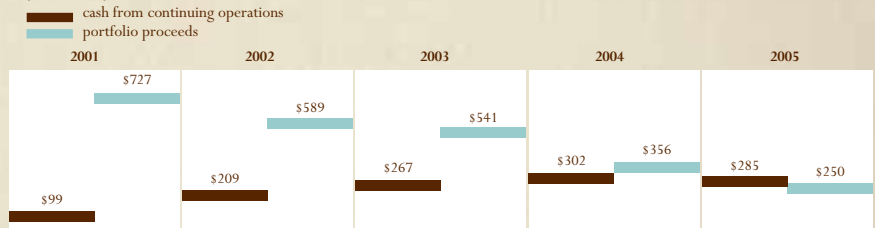
in millions, except per share data

	2005	2004	2003
Gross income	\$1,134.6	\$1,232.1	\$1,087.6
(Loss) income from continuing operations	(15.1)	158.5	61.7
Income from discontinued operations	0.8	11.1	15.2
Net (loss) income	(14.3)	169.6	76.9
Per diluted share net (loss) income from continuing operations	\$ (0.30)	\$ 2.86	\$ 1.24
Per diluted share net (loss) income	(0.29)	3.04	1.53

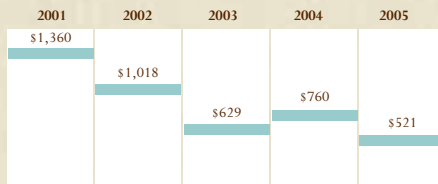
Income per share (\$ per diluted share)



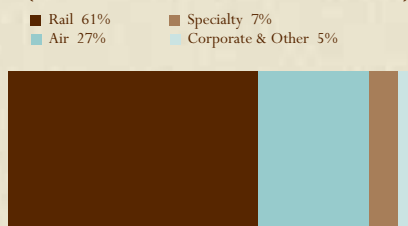
Cash from continuing operations and portfolio proceeds* (\$ millions)



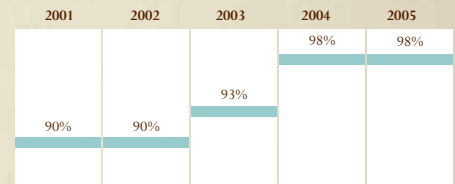
Portfolio investments and capital expenditures* (\$ millions)



GATX asset mix (balance sheet and off balance sheet assets as of 12/31/05)



GATX North American railcar utilization (as of 12/31)



*excludes discontinued operations

🚂 **RAIL** 🚂 With one of the largest lease fleets in the world, GATX Rail owns or manages approximately 159,000 railcars and 500 locomotives on lease to shippers and railroads. GATX Rail provides maintenance, regulatory, engineering and financial expertise to meet diverse customer needs. GATX Rail also has a growing presence in Europe with operations or affiliates in Austria, Germany, Poland and Switzerland.

✈️ **AIR** ✈️ GATX Air owns or manages more than 200 aircraft on lease to airlines worldwide and owns 50% of one of the world's largest aircraft engine lessors. GATX Air leverages 37 years of aircraft management experience for third-party asset owners, providing lease management, remarketing and portfolio administration services.

🚢 **SPECIALTY** 🚢 With more than 30 years of equipment expertise and remarketing skills, GATX Specialty owns a portfolio of shipping/marine vessels and industrial equipment assets. GATX Specialty also manages a portfolio of diversified assets for third-party owners, providing asset management, advisory and remarketing services to investors.

DEAR SHAREHOLDERS



In my first shareholder letter as the CEO of GATX, I will briefly outline the strategy for our businesses, recap 2005's performance and explain what you can expect from GATX in the future.

The foundation of GATX's business is and always has been the leasing of long-lived, widely-used assets. These assets, such as railcars, locomotives, aircraft, marine vessels and industrial equipment, are critical to our customers' operations. In refining GATX's strategy, we looked ahead to evolving trends in our businesses as well as looking back on the keys to our 107 years of success. During our history, GATX has participated in a variety of other markets and businesses—from manufacturing to banking, petroleum pipelines to venture lending—with mixed success. These were businesses in which we had no clear advantage. We have exited these areas and refocused on GATX's strengths: providing long-lived, widely-used assets which we uniquely understand and where we provide valuable services in connection with these assets. These two keys are also the overriding factors in deciding how we invest going forward.

These keys are most evident in our Rail business, where we have been a market leader in leasing railcars for over 107 years. Our scale, excellent service and extensive market knowledge have resulted in extremely long-term customer relationships and a premium financial return—a 16% return on equity in 2005. Our global Rail strategy is to maximize the value of our fleet, our customer relationships and our infrastructure. We will do this through a variety of steps, from optimizing car acquisition costs to acquiring our customers' owned railcar fleets to making investments in systems and people which will increase the efficiency of our maintenance network. These steps should improve our risk profile, enable us to effectively manage through the inevitable industry cycles and ensure we maximize the risk-adjusted return on our most valuable franchise.

We are working to make these keys more evident in our Air business. We are currently not earning an acceptable return on capital employed in this business, nor do we have the scale to compete with the market leaders in ordering large numbers of new aircraft. Our strategy focuses on turning GATX Air into a more service-oriented business by increasing the number of aircraft that we manage for others while optimizing our existing fleet to take advantage of the ongoing market recovery. This strategy prompted our recent decision to sell \$450 million in older air assets. Removing these aircraft from our portfolio enables us to lower the volatility in our Air business and focus more of our existing resources on managing aircraft for others, and should enable us to earn a more attractive return in the Air business.

Our Specialty business is currently producing an extremely attractive return. This business is characterized by marine and industrial equipment assets—both owned and managed—that fit GATX's two keys for success. We also believe there is an opportunity to use our long-standing Rail customer relationships to generate investment opportunities for Specialty, and we will pursue this linkage in 2006.

We began implementing our new strategy in 2005, a year in which we recorded a loss of \$15.1 million. This loss was due entirely to the previously mentioned strategic decision to sell \$450 million of older aircraft in our Air business. Notwithstanding, it was an excellent year for our other businesses.

Rail's net income was up 35% in 2005, reflecting an 11% revenue increase as we took advantage of an improving market, and helped by nearly \$1 billion of new investment in the last two years. I said a key for GATX is to possess a unique understanding

Photos below from left: **JEROME K. WELSCH, JR.** President, American Steamship Company **WILLIAM M. MUCKIAN** Vice President, Controller and Chief Accounting Officer **JAMES F. EARL** Executive Vice President, GATX Rail **DEBORAH A. GOLDEN** Vice President, General Counsel and Secretary **JIM MORRIS** Senior Vice President - Commercial, GATX Air **SUSAN A. NOACK** Senior Vice President - Operations, GATX Air **GAIL L. DUDDY** Senior Vice President, Human Resources **WILLIAM J. HASEK** Vice President and Treasurer **S. YVONNE SCOTT** Vice President and Chief Information Officer **BRIAN A. KENNEY** Chairman, President and Chief Executive Officer **ROBERT C. LYONS** Vice President and Chief Financial Officer **CURT F. GLENN** Executive Vice President, GATX Specialty



of what drives rail asset value, and the single most important decision we can make when investing in 30- to 50-year assets is to buy that asset at an advantaged, attractive price. That's exactly what Rail did with its Committed Railcar Purchase Program in the last few years. Maintaining the investment discipline to purchase the right railcars at the right prices will continue to be key in achieving an attractive, risk-adjusted return in the long run.

Specialty continued its excellent performance in 2005, with especially strong results provided by our marine investments due to our attractively-priced investment in the vessels and the strong global market for shipping rates. Our investments in marine and other long-lived equipment resulted in lease income growth in that segment for the first time in several years.

Aside from the loss related to our decision to sell older aircraft, the Air group responded well to the change in strategy in 2005. Air experienced a 35% increase in fee income versus 2004. They earned these fees from managing our traditional partnerships, selling third-party owned aircraft out of troubled carriers and managing aircraft that are resident in troubled carriers—all good progress for the first year of a new strategy.

American Steamship Company, our Great Lakes shipping company, had another strong year with a nearly 25% improvement in gross income stemming from increased freight rates. ASC also continued to strengthen its operational efficiency while taking advantage of an improved market.

What is the vision for GATX in the years to come? With continued disciplined investment and execution of the strategy described above, we believe we can offer a more attractive, risk-adjusted return on equity. This return should be less volatile through the years as we position our businesses to better manage through economic cycles. A less volatile return should allow our credit ratings and cost of capital to improve

further—in turn enhancing our growth prospects. GATX will also be a better operator, more efficient in providing quality services to our customers. We began laying the groundwork for this vision in 2005. While we made good progress in the first year, this progress needs to be measured over a number of years, not just one, and through a complete business cycle, not just during an improving economy. This long-term view is the way a company in our business should be measured.

In 2005, GATX saw the end of an era with the retirement of Ron Zech, the sixth Chairman in our 107-year history. Ron was our CEO for 10 years and was instrumental in refocusing the Company on its core businesses. I thank him for his leadership, encouragement and friendship. All of us at GATX wish him well in his retirement.

I would also like to thank our Board of Directors for their guidance and support. I look forward to continuing to work closely with them as we execute our strategy. Many thanks also to our shareholders for your continued support of GATX. We will strive to earn the confidence you have placed in us.

Lastly, I want to mention the one enduring strength that has enabled GATX to survive and thrive for more than 100 years: our employees. Our employees have been forced to be more intense and creative in order to compete effectively. This creativity manifests itself in everything from new railcar engineering innovations to partnering solutions with other investors. My challenge as the new CEO is to harness that creativity to grow GATX in a way our shareholders value. Execution will be the key. And I believe our employees will execute.



Brian A. Kenney
Chairman and Chief Executive Officer







**LONG-LIVED ASSETS ARE THE
CENTERPIECE OF OUR BUSINESS**



Long-lived, widely-used assets—tank cars, freight cars, locomotives, commercial aircraft, shipping vessels, industrial equipment—assets that support the backbone of the North American and global economies. These are the assets that built GATX.

GATX was born as a tank car leasing company in Chicago in 1898. Max Epstein, the founder of GATX, began with 28 second-hand refrigerator cars and five tank cars.

From that small lease fleet, GATX Rail has grown to own, manage or have an interest in more than 159,000 railcars and 500 locomotives leased to more than 1,000 customers worldwide.

Throughout our history, we have achieved our greatest success with long-lived, widely-used assets in which we have unique knowledge. Those assets are the centerpiece of GATX—and have been for more than 100 years.



For more detail see inset
on Chart No. 14881



**EXPERIENCE IS KEY
IN EACH OF OUR MARKETS**



When we invest in an asset, we know that we may be working with that asset for decades to come. We know the needs of the customers that will use the asset. We know the expected maintenance schedule and the current regulatory environment surrounding the asset. We know how the asset will perform for us during the up-and-down cycles of the market. And most importantly, we understand the value of that asset from initial investment to end of life.

Railcars can operate for 30–50 years, aircraft 25 years and ships more than 50 years. At GATX, we have decades of experience in each of our asset classes and have the expertise our customers rely upon. When we invest in 30- to 50-year assets, knowing when to invest and at what price is key to our success.

This unique asset knowledge has allowed us to successfully compete for more than 100 years.



**LONG-TERM CUSTOMER RELATIONSHIPS
ARE OUR FOUNDATION**



We have over 1,000 customers. We understand our customers' specific needs and provide the right assets for their particular industry, commodity, facility and location.

While the average lease term on our assets is around four to five years, many of our customer relationships span decades. In Rail, our top ten customers have been with GATX an average of 50 years.

Our customers require their full-service railcar provider be committed for the long term, possess breadth and depth of knowledge, and be responsive and flexible. GATX understands these expectations and provides customers with the skill, quality and reliability that is critical to the success of their operations.

EX



Ohio Lease
in Ohio corp ✓

Form 309-12

Made in U

	Date	Expires	
19	2/21/30	2/28/32	✓
93	9/25/30	12/31/30	✓
100	9/23/31	2/28/33	
156	1/25/33	1/31/34	



**WE LEVERAGE OUR EXPERIENCE
TO SERVE OTHER ASSET OWNERS**



With our decades of experience in each of our markets, our customers rely on us not only to provide the right asset at the right time at the right price, but also to manage assets that they own. For example, GATX has more than 37 years of experience in the aircraft leasing business, managing more than 100 of our own aircraft and more than 60 aircraft for third-party owners. We treat each managed

aircraft with the same care and commitment that we give our owned fleet.

In each of our businesses—Rail, Air and Specialty—we leverage our experience, expertise, services and systems to provide third-party owners with asset management they can trust.









SERVICE IS CRITICAL



Proper maintenance and technical services are crucial to providing our customers with a safe and reliable asset.

In Rail, our nine major maintenance centers in North America and our fleet of mobile repair units provide our customers with the critical care needed to maintain and extend the life of the railcars. Our North American maintenance network repairs nearly 20,000 cars per year; the mobile repair units another 40,000; and in Europe, we service an additional 10,000 cars. GATX manages this maintenance volume while providing experienced, reliable and efficient maintenance services.

Our services extend beyond physical railcar repair. Our team of GATX engineers works with our customers to design cars to meet their specific requirements. We also provide customers with regulatory testing services and training, and our financial experts provide innovative leasing options.

Our commitment to excellent service has been a key to our success, reputation and long-term customer relationships.



*GATX Service & Experience
— GATX corporate employees
and maintenance crew in our
repair yard in early 1920s
and our Colton, LA maintenance staff today.*



Dave



Jaye



Wencie



Brian



Vicki



Scott



Sabrina



Don



Rich



Byette



Andy



Susan



**GATX IS BUILT ON MORE THAN A CENTURY OF
HARD-WORKING, KNOWLEDGEABLE EMPLOYEES**



Our assets are not just made of steel. We also have highly-skilled individuals working together to meet the complex needs of our customers.

Our experienced sales and marketing staff are key to maintaining strong, long-term customer relationships. We employ engineers and other technical experts to identify the right asset and customize it to meet our customers' needs. We have mechanics and steelworkers to efficiently inspect, maintain and repair our assets. Our financial and valuation professionals develop innovative leasing

solutions. And our tax, legal, leasing and accounting specialists provide support for both our owned portfolio and managed assets. Each group works in concert to provide our customers with the total solutions they require and have come to expect from GATX.

What began with Max Epstein in Chicago in 1898 has now expanded with more than 1,800 hard-working, knowledgeable employees across North America, Europe and Asia.



Laura



Rob



Renee



Ray



Bill



Diana



John



Sonya



Marlene



Esperanza

Ron Ciancio, General Counsel of GATX Corporation, announced his decision to retire this year. Ron has been with GATX since 1981 and has been an invaluable advisor, counselor, mentor and friend. We relied not only on Ron's legal knowledge, business judgment and tireless dedication, but also his dry wit and keen sense of humor. We tried to prevent this day from coming, but know how much Ron has looked forward to his retirement and we wish him all the best.



Ron

Best wishes for a happy and healthy retirement to Ron Ciancio from all of us at GATX

DIRECTORS AND OFFICERS



BOARD OF DIRECTORS

Rod F. Dammeyer ^(1,2)	President CAC, L.L.C.
James M. Denny ^(2,3)	Retired: Former Vice Chairman Sears, Roebuck and Co.
Richard Fairbanks ⁽³⁾	Counselor Center for Strategic & International Studies
Deborah M. Fretz ^(A)	President and Chief Executive Officer Sunoco Logistics Partners, L.P.
Miles L. Marsh ^(2,3)	Former Chairman and Chief Executive Officer Fort James Corporation
Mark G. McGrath ⁽³⁾	Retired: Former Director McKinsey & Company
Michael E. Murphy ^(1,2)	Retired: Former Vice Chairman and Chief Administrative Officer Sara Lee Corporation
Casey J. Sylla ⁽¹⁾	Chairman and President Allstate Financial
Brian A. Kenney	Chairman, President and Chief Executive Officer GATX Corporation

OFFICERS

Brian A. Kenney	Chairman, President and Chief Executive Officer
Robert C. Lyons	Vice President and Chief Financial Officer
Gail L. Duddy	Senior Vice President—Human Resources
Deborah A. Golden	Vice President, General Counsel and Secretary
William J. Hasek	Vice President and Treasurer
William M. Muckian	Vice President, Controller and Chief Accounting Officer
S. Yvonne Scott	Vice President and Chief Information Officer

BUSINESS EXECUTIVES

James F. Earl	GATX Rail
Jim Morris	GATX Air
Susan A. Noack	GATX Air
Curt F. Glenn	GATX Specialty
Jerome K. Welsch, Jr.	American Steamship Company

(A) Lead Director

(1) Member, Audit Committee

(2) Member, Compensation Committee

(3) Member, Governance Committee

For more information about GATX's Corporate Governance, see www.gatx.com—Investor Relations—Corporate Governance.

As required by Section 303A.12(a) of the New York Stock Exchange (the "Exchange") Listed Company Manual, the Company's Chief Executive Officer has certified to the Exchange that, as of the date of the certification, he was not aware of any violation by the Company of the Exchange's Corporate Governance listing standards. In addition, the Company's Chief Executive Officer and Chief Financial Officer have each filed with the Securities and Exchange Commission all required certifications pursuant to §§ 302 and 906 of the Sarbanes-Oxley Act of 2002.

CORPORATE INFORMATION



Annual Meeting

Friday, April 28, 2006, 9:00 a.m. Central Time
Northern Trust Company
Assembly Room, Sixth Floor
50 South LaSalle Street, Chicago, Illinois 60675

Shareholder Inquiries

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

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
Telephone: (866) 767-6259
TDD for Hearing Impaired: (800) 231-5469
Foreign Shareholders: (201) 680-6578
TDD Foreign Shareholders: (201) 680-6610
Internet: www.melloninvestor.com

Information Relating to Shareholder Ownership, Dividend Payments, or Share Transfers

Lisa M. Ibarra, Assistant Secretary
Telephone: (312) 621-6603
Fax: (312) 621-6647
E-mail: lisa.ibarra@gatx.com

Financial Information and Press Releases

A copy of the Company's Annual Report on Form 10-K for 2005 and selected other information are available without charge.

Corporate information and press releases may be found at GATX's website, www.gatx.com. Requests for information or brochures may be made through the site, and many GATX publications may be directly viewed or downloaded. A variety of current and historical financial information, press releases, and photographs are also available at this site.

Forward-Looking Statements

Certain statements 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," "expect," "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. Risks and uncertainties include, but are not limited to, general economic conditions; lease rates, utilization levels and operating costs in GATX's primary asset segments; conditions in the capital markets; changes in GATX's or GATX Financial Corporation's credit ratings; dynamics affecting companies within the markets served by GATX; regulatory rulings that may impact the economic value and operating costs of assets; competitive factors in GATX's primary markets including lease pricing and asset availability; changes in loss provision levels within GATX's portfolio; impaired asset charges that may result from changing market conditions or implementation of portfolio management initiatives by GATX; the outcome of pending or threatened litigation and general market conditions in the rail, air, marine and other large-ticket industries. Other factors and unanticipated events could adversely affect our business operations and financial performance. We discuss certain of these matters more fully, as well as certain risk factors that may affect our business operations, financial condition and results of operations, in other of our filings with the SEC, including our Annual Report on Form 10-K. These risks, uncertainties and other factors should be carefully considered in evaluating the forward-looking statements. The forward-looking statements included in this annual report are made only as of the date of this report, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

GATX Corporation welcomes and encourages questions and comments from its shareholders, potential investors, financial professionals, and the public at large. To better serve interested parties, the following GATX personnel may be contacted by letter, telephone, e-mail, and/or fax.

To Request Published Financial Information and Financial Reports

GATX Corporation
Investor Relations Department
500 West Monroe Street, Chicago, Illinois 60661-3676
Telephone: (800) 428-8161
Fax: (312) 621-6648
E-mail: ir@gatx.com

Request Line for Materials

(312) 621-6300

Analysts, Institutional Shareholders, and Financial Community Professionals' Inquiries

Rhonda S. Johnson, Director, Investor Relations
Telephone: (312) 621-6262
Fax: (312) 621-6648
E-mail: rhonda.johnson@gatx.com

Individual Investors' Inquiries

Irma Dominguez, Investor Relations Coordinator
Telephone: (312) 621-8799
Fax: (312) 621-6648
E-mail: irma.dominguez@gatx.com

Questions Regarding Sales, Service, Lease Information, or Customer Solutions

GATX Rail: (312) 621-6200
GATX Air: (415) 955-3200
GATX Specialty: (415) 955-3200
American Steamship Company: (716) 635-0222

Independent registered public accounting firm

Ernst & Young LLP

GATX

LD LMT 15990

LT WT 10310

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