

(410) 379-3600

Registrant's telephone number, including area code:

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12(b)-2 of the Exchange Act).
Yes No

The number of shares outstanding of the registrant's common stock as of April 30, 2013 was as follows:

Class	Outstanding
Common Stock, par value \$.01 per share	19,078,755 shares

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Part I. Financial Information**Item 1. Financial Statements****GP STRATEGIES CORPORATION AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)

	March 31, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,047	\$ 7,761
Accounts and other receivables, less allowance for doubtful accounts of \$1,375 in 2013 and \$1,756 in 2012	70,887	83,597
Costs and estimated earnings in excess of billings on uncompleted contracts	20,866	16,979
Prepaid expenses and other current assets	10,330	10,143
Total current assets	113,130	118,480
Property, plant and equipment	19,223	18,771
Accumulated depreciation	(13,583)	(13,260)
Property, plant and equipment, net	5,640	5,511
Goodwill	101,922	102,821
Intangible assets, net	14,254	15,872
Other assets	1,526	1,750
	\$ 236,472	\$ 244,434
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 40,329	\$ 47,457
Billings in excess of costs and estimated earnings on uncompleted contracts	18,107	21,877
Total current liabilities	58,436	69,334
Other noncurrent liabilities	7,173	7,763
Total liabilities	65,609	77,097
Stockholders' equity:		
Common stock, par value \$0.01 per share	192	192
Additional paid-in capital	167,669	167,495
Retained earnings	8,880	3,955
Treasury stock at cost	(2,159)	(2,494)
Accumulated other comprehensive loss	(3,719)	(1,811)
Total stockholders' equity	170,863	167,337
	\$ 236,472	\$ 244,434

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(Unaudited)

(In thousands, except per share data)

	Three months ended March 31,	
	2013	2012
Revenue	\$ 101,373	\$ 93,605
Cost of revenue	85,192	77,993
Gross profit	16,181	15,612
Selling, general and administrative expenses	9,089	8,288
Gain (loss) on change in fair value of contingent consideration, net	247	(40)
Operating income	7,339	7,284
Interest expense	100	40
Other income	229	90
Income before income tax expense	7,468	7,334
Income tax expense	2,543	2,950
Net income	\$ 4,925	\$ 4,384
Basic weighted average shares outstanding	19,060	18,830
Diluted weighted average shares outstanding	19,296	19,188
Per common share data:		
Basic earnings per share	\$ 0.26	\$ 0.23
Diluted earnings per share	\$ 0.26	\$ 0.23

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(In thousands)

	Three months ended March 31,	
	2013	2012
Net income	\$4,925	\$4,384
Foreign currency translation adjustments	(1,908)	1,111
Comprehensive income	\$3,017	\$5,495

See accompanying notes to condensed consolidated financial statements.

GP STRATEGIES CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

Three months ended March 31, 2013 and 2012

(Unaudited, in thousands)

	2013	2012
Cash flows from operating activities:		
Net income	\$4,925	\$4,384
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on change in fair value of contingent consideration, net	(247)	40
Depreciation and amortization	1,958	1,858
Deferred income taxes	(274)	47
Non-cash compensation expense	953	973
Changes in other operating items:		
Accounts and other receivables	12,508	5,149
Costs and estimated earnings in excess of billings on uncompleted contracts	(3,887)	(4,550)
Prepaid expenses and other current assets	(136)	(1,454)
Accounts payable and accrued expenses	(6,042)	1,094
Billings in excess of costs and estimated earnings on uncompleted contracts	(3,914)	340
Contingent consideration payments in excess of fair value on acquisition date	(373)	(602)
Other	(155)	(316)
Net cash provided by operating activities	5,316	6,963
Cash flows from investing activities:		
Additions to property, plant and equipment	(830)	(925)
Net cash used in investing activities	(830)	(925)
Cash flows from financing activities:		
Change in negative cash book balances	—	(1,004)
Contingent consideration payments	(602)	(835)
Repurchases of common stock in the open market	(451)	—
Other financing activities	(4)	(227)
Net cash used in financing activities	(1,057)	(2,066)
Effect of exchange rate changes on cash and cash equivalents	(143)	138
Net increase in cash and cash equivalents	3,286	4,110
Cash and cash equivalents at beginning of period	7,761	4,151
Cash and cash equivalents at end of period	\$11,047	\$8,261
Supplemental disclosures of cash flow information:		
Cash paid during the year for income taxes	\$1,730	\$1,924

See accompanying notes to condensed consolidated financial statements.

gp strategies corporation AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2013
(Unaudited)

(1) Basis of Presentation

GP Strategies Corporation is a global performance improvement solutions provider of training, e-Learning solutions, management consulting and engineering services. References in this report to “GP Strategies,” the “Company,” “we” and “our” are to GP Strategies Corporation and its subsidiaries, collectively.

The accompanying condensed consolidated balance sheet as of March 31, 2013 and the condensed consolidated statements of operations, comprehensive income and cash flows for the three months ended March 31, 2013 and 2012 have not been audited, but have been prepared in conformity with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012, as presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012. In the opinion of management, this interim information includes all material adjustments, which are of a normal and recurring nature, necessary for a fair presentation. The results for the 2013 interim period are not necessarily indicative of results to be expected for the entire year. Certain prior year amounts have been reclassified to conform to current year presentation.

The condensed consolidated financial statements include the operations of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

(2) Significant Customers & Concentration of Credit Risk

We have a market concentration of revenue in the automotive sector. Revenue from the automotive industry accounted for approximately 15% and 14% of our consolidated revenue for the three months ended March 31, 2013 and 2012, respectively. We also have a concentration of revenue from the United States government. For the three months ended March 31, 2013 and 2012, sales to the United States government and its agencies represented approximately 10% and 14%, respectively, of our consolidated revenue. Revenue was derived from many separate

contracts with a variety of government agencies that are regarded by us as separate customers. No single customer accounted for more than 10% of our consolidated revenue for the three months ended March 31, 2013 and 2012 or accounts receivable as of March 31, 2013.

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Notes to Condensed Consolidated Financial Statements

March 31, 2013
(Unaudited)

(3) Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution of common stock equivalent shares that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

Our dilutive common stock equivalent shares consist of stock options and restricted stock units computed under the treasury stock method, using the average market price during the period. The following table presents instruments which were not dilutive and were excluded from the computation of diluted EPS in each period, as well as the dilutive common stock equivalent shares which were included in the computation of diluted EPS:

Three months ended
March 31,
2013