

REPORTING MARKS

GATX CORPORATION • ANNUAL REPORT 2006





The 'reporting marks' stenciled on the sides of our railcars, marine vessels and other equipment enable our customers to identify who stands behind the performance of the asset.

Similarly, this annual report functions as a set of reporting marks for our business, allowing our shareholders, employees and customers to track our performance.

Financial Highlights

in millions, except per share data

2004^(a) 2005 2006

Gross Income	\$1,100.7	\$1,103.1	\$1,229.1
Income from Continuing Operations	155.4	105.6	150.5
Income (Loss) from Discontinued Operations	14.2	(119.9)	(38.8)
Net Income (Loss)	169.6	(14.3)	111.7
Per Diluted Share Income from Continuing Operations	\$2.80	\$1.94	\$2.63
Per Diluted Share Net Income (Loss)	3.04	(0.02)	2.00

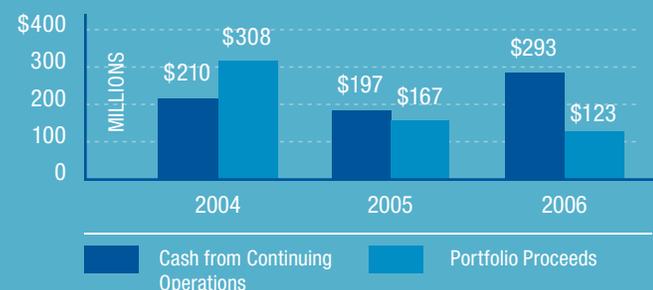
Income Per Diluted Share



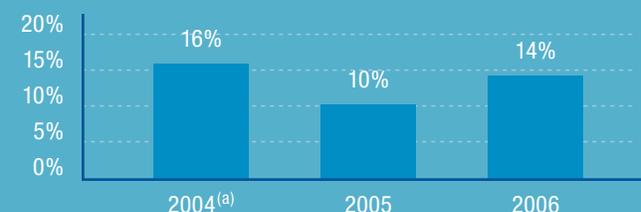
Investment Volume - Continuing Operations



Cash from Continuing Operations and Portfolio Proceeds



Return on Equity - Continuing Operations



(a) 2004 results include \$69.3 million after-tax, or \$1.15 per diluted share, of income from the sale of idle property and insurance recoveries.

2006 facts & figures

RAIL – GATX owns, manages or has an interest in approximately 161,000 railcars and 900 locomotives on lease to shippers and railroads worldwide. GATX provides maintenance, regulatory, engineering and financial services to meet diverse customer needs.

In 2006, GATX's North American fleet utilization was 99%. With lease renewal success at historical highs, GATX was able to capitalize on a favorable market by extending lease terms and achieving higher lease rates. GATX's European rail operations also benefited from strong market conditions, achieving 96% fleet utilization and lease rate increases. Even with high asset prices and intense competition in the railcar market, GATX invested \$534 million in attractive rail assets in North America and Europe.

SPECIALTY – GATX owns a growing portfolio of ocean-going marine vessels and industrial equipment, and also manages a diverse portfolio of assets for third-party owners. GATX also provides asset management, advisory and remarketing services for investors.

The portfolio of owned assets grew 7% in 2006, as GATX invested in new industrial equipment and marine assets. Vessel utilization in the marine portfolio remained high. Even with the expected decrease in charter rates in 2006 from 2005 highs, the income contribution from the marine assets was significant.

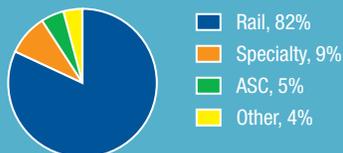
Remarketing income was robust in 2006, reflective of strong demand for GATX's owned and managed assets.

ASC – American Steamship Company ("ASC"), operating the largest U.S.-flag fleet of self-unloading vessels on the Great Lakes, provides waterborne transportation of dry bulk commodities in service to steel

manufacturers, electric utilities and construction industries. With 18 vessels, ASC's fleet represents approximately 37% of U.S.-flag dry bulk shipping capacity on the Great Lakes.

In June 2006, ASC acquired a fleet of six vessels, increasing the number of vessels in its fleet to 18. The Great Lakes shipping market remained strong in 2006, as shipments of iron ore and limestone aggregates increased over previous years and the fleet was fully utilized during the sailing season.

Asset Mix – Continuing Operations
(\$5.7 billion on and off balance sheet)

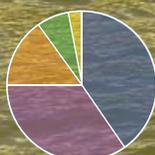


“At GATX, we manage for the long term—and this long-term horizon reflects the lives of our assets and the length of our customer relationships.”

– Brian A. Kenney, Chairman, President and Chief Executive Officer, GATX Corporation



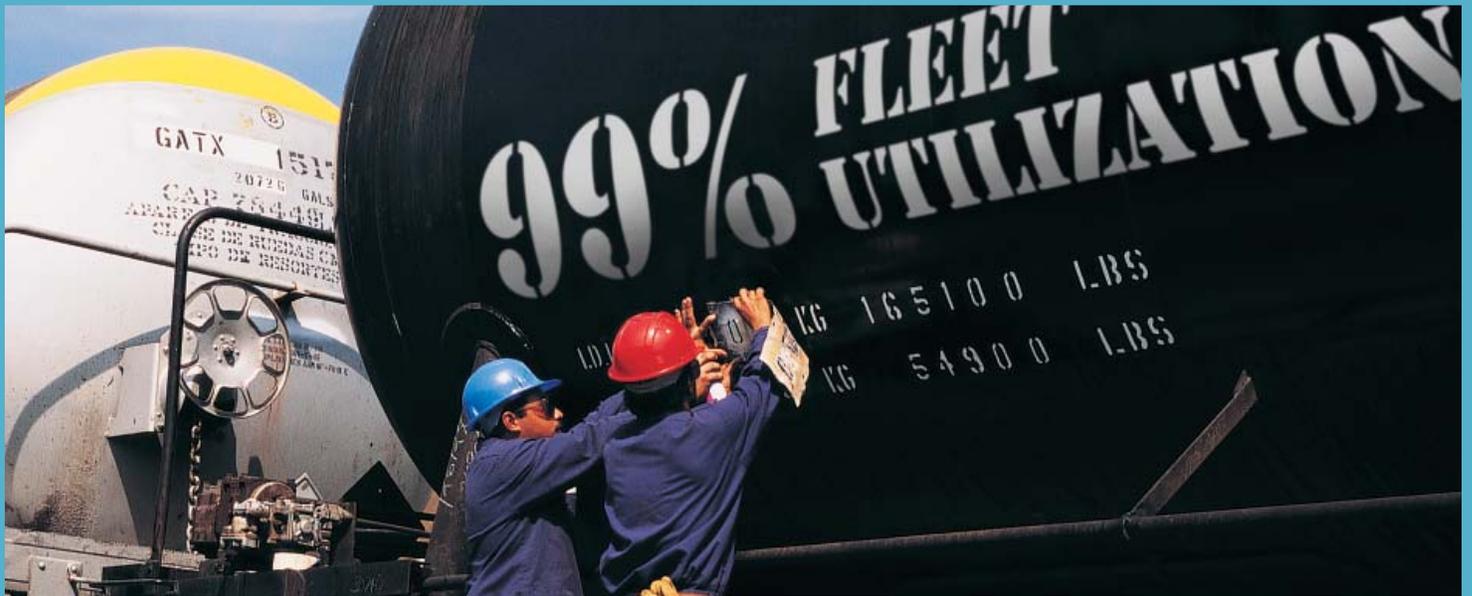
**ASC
Commodities
Carried**
(37 million
net tons)



- Iron Ore, 40%
- Coal, 35%
- Limestone Aggregates, 15%
- Shuttle Ore, 7%
- Other, 3%

ASC	2004	2005	2006
Number of Vessels	11	12	18*
Tons Carried, net	26,406	27,039	37,156

*6 vessels purchased 6/6/06



Rail Fleet Utilization
(North American Owned Fleet)



Rail Fleet Growth
(own, manage, interest in)



Specialty Owned Portfolio
(\$500 million net book value)



Worldwide Owned Railcar Fleet
(130,000 railcars)





LETTER FROM THE CHAIRMAN

In this year's Chairman's letter, I will briefly review GATX's 2006 performance, comment on our outlook, and answer the questions asked most frequently by our shareholders.

I am pleased with the progress GATX made in 2006, but not for the financially-oriented reasons you might expect. True, earnings per share from continuing operations increased by 36%, our return on equity from continuing operations moved to 14%, and our stock returned 22% to shareholders. But I expected strong financial performance given rising asset prices and the strength in our rail and marine markets. What really excited me in 2006 was the longer term, strategic milestones we achieved. These milestones ranged from the sale of our Air business to the purchase of a fleet of Great Lakes shipping vessels—to achieving \$763 million of disciplined investment volume in a very competitive market. I believe these actions will ensure our success in the long term—and long term is the way we think at GATX.

Looking ahead, we expect to be operating in strong rail and marine markets in 2007, although the rail market outlook is cloudier than it was a year ago. Specifically, segments of the North American railcar leasing market are showing signs of weakness. Within certain freight car types, some competitors are experiencing lower utilization and have taken delivery of new cars that have been placed into storage. In addition, near-term delivery opportunities have materialized for both freight cars and tank cars at some manufacturers. Our operating metrics remain strong, but we will watch these developments closely for trends that may impact our business.

Regardless of the market outlook, we worked hard to position GATX to take advantage of opportunities at each point of the economic cycle. For instance, in the strong rail market of the last two years, we extended lease term on renewals and pared the fleet of weaker railcar types, all while continuing to provide new cars to our customers at attractive terms. We also significantly improved our balance sheet and credit rating, which should enable us to invest aggressively and profitably when asset prices turn down and investment opportunities become more abundant. In 2006, we increased our investment in foreign rail and marine markets, and this should continue in the future as we seek to take advantage of changes in global manufacturing patterns and product movements. All of these steps support our strategy of becoming the premier global lessor of long-lived, widely-used, service intensive assets that are essential to our customers' business.

As I mentioned above, I thought this would be a good forum to answer the questions most frequently asked by our investors.

Why did GATX sell its Air business?

Simply stated, GATX did not have a competitive advantage in the “commodity” business of aircraft leasing. Scale and cost of capital are two of the most important success factors in this market. The two largest players in the industry are each AAA rated and have portfolios many times the size of the other aircraft lessors. Without similar characteristics, GATX simply could not compete effectively and earn an attractive return for its shareholders—we were essentially similar to all the other marginal investors speculating on aircraft increasing in value. GATX is most competitive in assets we uniquely understand and that require valuable services we provide. While rail, marine and industrial equipment possess these qualities, aircraft leasing offered neither. We should earn a more attractive return by investing in our more service intensive businesses.

Why are you not growing your assets as fast as some competitors?

There are two important points to consider. First, we were quite clear that we had no intention of growing our Air assets over the last few years, and now we have sold the business. Thus, the correct way to measure our growth is to look at our continuing asset base—and we grew these assets by 11% in 2006. I am quite pleased with that performance given rising asset prices and the intense competition for investments in the secondary market. This brings me to my second point—we will continue to be disciplined in our investment philosophy. In today's market, we cannot always justify speculative investments given the extremely high asset prices. One of the most important actions we take when investing in long-lived, widely used assets is to buy the asset at an attractive and advantaged price. If we are unable to do so, we prefer to (1) wait until the market rationalizes, (2) find other investment opportunities, or (3) return the capital to shareholders—or a combination of these options. We will maintain this discipline because we believe it is the best way to earn an attractive return.

Why don't you increase your leverage?

We received numerous credit rating upgrades during 2006 and into the early part of 2007 and our cost of debt has significantly improved. However, we failed to achieve the A- rating we sought from one rating agency. It is now clear to us that achieving this A- rating would be too expensive for our shareholders because we would have to maintain an inappropriately low leverage ratio. The good news is that with our current ratings, we believe we can carry significantly higher leverage—how much higher depends on economic conditions and business performance. However, since we are managing for the long term, it makes no sense to rush out and immediately lever up the Company—especially at this point in the economic cycle. We like the balanced approach of disciplined growth in an up market, aggressive growth when asset prices are more attractive, and a consistent return of capital to our shareholders.

I hope this letter helps describe our strategy, outlook, and investment philosophy. I'd like to thank our shareholders and our Board of Directors for their patience and support over the last few years. Hopefully you feel we are rewarding you now. And most of all, I would like to recognize the efforts of our more than 2,300 GATX employees. Your continued execution and focus on the long term will serve GATX and its shareholders well.



Brian A. Kenney
Chairman and Chief Executive Officer

BOARD OF DIRECTORS

Rod F. Dammeyer ^(1,3)	President, CAC, L.L.C.
James M. Denny ^(2,3)	Retired; Former Vice Chairman, Sears, Roebuck and Co.
Richard Fairbanks ^(2,3)	Counselor, Center for Strategic & International Studies
Deborah M. Fretz ^(A)	President and Chief Executive Officer, Sunoco Logistics Partners, L.P.
Marla C. Gottschalk ⁽¹⁾	Chief Executive Officer, The Pampered Chef
Mark G. McGrath ^(1,3)	Retired; Former Director, McKinsey & Company
Michael E. Murphy ⁽¹⁾	Retired; Former Vice Chairman and Chief Administrative Officer, Sara Lee Corporation
Casey J. Sylla ^(1,2)	Chairman and Chief Executive Officer, Allstate Life Insurance Company
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
James F. Earl	Executive Vice President and Chief Operating Officer
Deborah A. Golden	Vice President, General Counsel and Secretary
Gail L. Duddy	Senior Vice President, Human Resources
William M. Muckian	Vice President, Controller and Chief Accounting Officer
William J. Hasek	Vice President and Treasurer
S. Yvonne Scott	Vice President and Chief Information Officer
Curt F. Glenn	Vice President, Portfolio Management
Clifford J. Porzenheim	Vice President, Strategic Growth

(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 27, 2007, 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 2006 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, 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

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

Independent registered public accounting firm

Ernst & Young LLP