

**CTS Corporation**  
**Reconciliation of Gross Margin to Adjusted Gross Margin**  
**(\$ in millions)**

	2011	2011				2010	2010				2009			
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gross Margin	\$ 109.8	\$ 25.8	\$ 27.5	\$ 27.4	\$ 29.2	\$ 119.9	\$ 29.1	\$ 30.0	\$ 30.3	\$ 30.5	\$ 30.9	\$ 26.2	\$ 21.9	\$ 19.8
Charges (credits) to reported Gross Margin :														
Restructuring-related costs included in cost of goods sold	0.3	0.3	-	-	-	0.3	0.3	-	-	-	-	-	-	-
Insurance recovery for business interruption	4.1	2.2	0.8	1.1	-	-	-	-	-	-	-	-	-	-
Total adjustments to reported Gross Margin	4.3	2.5	0.8	1.1	-	0.3	0.3	-	-	-	-	-	-	-
Adjusted Gross Margin	\$ 114.2	\$ 28.3	\$ 28.3	\$ 28.5	\$ 29.2	\$ 120.2	\$ 29.4	\$ 30.0	\$ 30.3	\$ 30.5	\$ 30.9	\$ 26.2	\$ 21.9	\$ 19.8
Total Sales	\$ 588.5	\$ 144.0	\$ 146.1	\$ 146.9	\$ 151.5	\$ 552.6	\$ 145.0	\$ 139.4	\$ 138.9	\$ 129.4	\$ 133.9	\$ 126.6	\$ 120.4	\$ 118.1
Adjusted Gross Margin as a percentage of total sales	19.4%	19.6%	19.4%	19.4%	19.2%	21.7%	20.3%	21.5%	21.9%	23.6%	23.1%	20.7%	18.2%	16.8%

*Note: Q2 2011 reclass to conform with current period reclassification.*