

CTS Corporation

Reconciliation of Year-to-Date Effective Tax Rate to Year-to-Date Adjusted Tax Rate

(\$ in thousands)

	<u>Q3 2009 - YTD</u>	<u>Q2 2009 - YTD</u>	<u>Q1 2009 - YTD</u>
Pre-tax (loss)/earnings per GAAP	<u>\$ (28,321)</u>	<u>\$ (33,975)</u>	<u>\$ (36,679)</u>
Tax expense/(benefit) per GAAP	<u>\$ 9,872</u>	<u>\$ 8,699</u>	<u>\$ (1,030)</u>
Effective tax rate	<u>-34.9%</u>	<u>-25.6%</u>	<u>2.8%</u>
Pre-tax (loss) per GAAP	\$ (28,321)	\$ (33,975)	\$ (36,679)
Add:			
Goodwill impairment charges	33,153	33,153	33,153
Adjusted Pre-tax (loss)	<u>\$ 4,832</u>	<u>\$ (822)</u>	<u>\$ (3,526)</u>
Tax expense/(benefit) per GAAP	\$ 9,872	\$ 8,699	\$ (1,030)
Subtract:			
Tax expense related to goodwill impairment charges	205	205	205
Tax expense related to cash repatriation	(9,077)	(9,077)	-
Adjusted tax expense/(benefit)	<u>\$ 1,000</u>	<u>\$ (173)</u>	<u>\$ (825)</u>
Adjusted tax rate	<u>20.8%</u>	<u>21.0%</u>	<u>23.4%</u>