

CTS Corporation

Reconciliation of Year-to-Date Effective Tax Rate to Year-to-Date Tax Rate Before Benefit of Reversal of Reserves (\$ in thousands)

	<u>Q3 2008 - YTD</u>
Calculation of effective tax rate	
Pre-tax earnings	<u>\$ 23,346</u>
Income tax expense	<u>\$ 266</u>
Effective tax rate	<u>1.1%</u>
Calculation of tax rate before benefit of reversal of reserves	
Pre-tax earnings	<u>\$ 23,346</u>
Income tax expense	\$ 266
Tax benefit related to reversal of reserves	<u>3,964</u>
Adjusted tax expense	<u>\$ 4,230</u>
Tax rate before Benefit of Reversal of Reserves	<u>18.1%</u>