

CTS CORPORATION AND SUBSIDIARIES
OTHER SUPPLEMENTAL INFORMATION

Adjusted Earnings Per Share

The following table reconciles diluted earnings per share to adjusted diluted earnings per share for the Company:

	Three Months Ended September 28, 2008	Projected Twelve Months Ended December 31, 2008
Diluted earnings per share	\$ 0.21	\$ 0.74 - 0.79
Tax affected charges to reported diluted earnings per share:		
Restructuring and related charges	0.06	0.08
NOL benefit realized	(0.11)	(0.11)
Adjusted diluted earnings per share	<u>\$ 0.16</u>	<u>\$ 0.71 - 0.76</u>

Actual and projected adjusted diluted earnings per share is a non-GAAP financial measure. The most directly comparable GAAP financial measure is actual and projected diluted earnings per share. CTS calculates adjusted diluted earnings per share to exclude the per share impact of restructuring and related charges. We exclude the impact of this item because it is a discrete event which has a significant impact on comparable GAAP financial measures and could distort an evaluation of our normal operating performance. CTS used adjusted diluted earnings per share measures to evaluate overall performance, establish plans and perform strategic analysis. Using adjusted diluted earnings per share measures avoids distortion in the evaluation of operating results by eliminating the impact of events which are not related to normal operating performance. Because adjusted diluted earnings per share measures are based on the exclusion of specific items, they may not be comparable to measures used by other companies which have similar titles. CTS' management compensates for this limitation when performing peer comparisons by evaluating both GAAP and non-GAAP financial measures reported by peer companies. CTS believes that adjusted diluted earnings per share measures are useful to its management, investors and stakeholders in that they:

- provide a truer measure of CTS' operating performance,
- reflect the results used by management in making decisions about the business, and
- help review and project CTS' performance over time.

We recommend that investors consider both actual and adjusted diluted earnings per share measures in evaluating the performance of CTS with peer companies.

Segment Operating Earnings

Segment operating earnings is a non-GAAP financial measure outside the context of the FAS 131 required reconciliation in the notes to the Company's financial statements. The most comparable GAAP term is operating earnings. Segment operating earnings always exclude the effects of charges for restructuring and related or similar expenses when they are incurred by the Company. Segment operating earnings exclude interest expense, and other non-operating income and income taxes according to how a particular segment is measured. CTS' management provides the segment operating earnings measure to provide consistency between segment information in its earnings release and the business segment discussion in the notes to its financial statements.