

CTS CORPORATION AND SUBSIDIARIES

RECONCILIATION OF CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS - UNAUDITED TO CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS - AS ADJUSTED (UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended			Three Months Ended			Three Months Ended			Three Months Ended		
	March 29, 2009 (GAAP)	Adjustments	Note	March 29, 2009 Adjusted	March 30, 2008 (GAAP)	Adjustments	Note	March 30, 2008 Adjusted	March 30, 2008 (GAAP)	Adjustments	Note	March 30, 2008 Adjusted
Net sales	\$ 118,131			\$ 118,131	\$ 172,755			\$ 172,755	\$ 172,755			\$ 172,755
Costs and expenses:												
Cost of goods sold	98,302			98,302	138,931			138,931	138,931			138,931
Selling, general and administrative expenses	16,620			16,620	20,976			20,976	20,976			20,976
Research and development expenses	3,353			3,353	4,317			4,317	4,317			4,317
Restructuring and impairment charges	2,243	(2,243)	A	-	150			150	150			150
Goodwill Impairment	33,153	(33,153)	B	-	-			-	-			-
Operating (loss) / earnings	(35,540)	35,396		(144)	8,381			8,381	8,381			8,381
Other (expense) / income:												
Interest expense	(888)			(888)	(1,678)			(1,678)	(1,678)			(1,678)
Other	(251)			(251)	1,225			1,225	1,225			1,225
Total other expense	(1,139)			(1,139)	(453)			(453)	(453)			(453)
(Loss) / earnings before income taxes	(36,679)	35,396		(1,283)	7,928			7,928	7,928			7,928
Income tax (benefit) / expense	(1,030)	(878)		(152)	1,631			1,631	1,631			1,631
Net (loss) / earnings	\$ (35,649)	\$ 34,518		\$ (1,131)	\$ 6,297			\$ 6,297	\$ 6,297			\$ 6,297
Net (loss) / earnings per share:												
Basic	\$ (1.06)	\$ 1.03		\$ (0.03)	\$ 0.19			\$ 0.19	\$ 0.19			\$ 0.19
Diluted	\$ (1.06)	\$ 1.03		\$ (0.03)	\$ 0.18			\$ 0.18	\$ 0.18			\$ 0.18
Cash dividends declared per share	\$ 0.03			\$ 0.03	\$ 0.03			\$ 0.03	\$ 0.03			\$ 0.03
Average common shares outstanding:												
Basic	33,744			33,744	33,845			33,845	33,845			33,845
Diluted	33,744			33,744	38,335			38,335	38,335			38,335

Notes:

A. This adjustment pertains to restructuring charges that occurred in the first quarter of 2009 as a result of a company-wide restructuring plan.

B. This adjustment pertains to the impairment of the carrying value of goodwill.