

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	
	March 29, 2009 GAAP	Adjustments	Note	March 29, 2009 Adjusted	
Net sales	\$ 118,131			\$ 118,131	
Costs and expenses:					
Cost of goods sold	98,302			98,302	
Selling, general and administrative expenses	16,620			16,620	
Research and development expenses	3,353			3,353	
Restructuring and impairment charges	2,243	(2,243)	A	-	
Goodwill Impairment	33,153	(33,153)	B	-	
Operating (loss)/earnings	(35,540)	35,396		(144)	
Other (expense)/income:					
Interest expense, net of interest income	(818)			(818)	
Other	(321)			(321)	
Total other expense	(1,139)			(1,139)	
(Loss)/earnings before income taxes	(36,679)	35,396		(1,283)	
Income tax (benefit)/expense	(1,030)	(878)		(152)	
Net (loss)/earnings	\$ (35,649)	\$ 34,518		\$ (1,131)	
Net (loss)/earnings per share:					
Basic	\$ (1.06)	\$ 1.03		\$ (0.03)	
Diluted	\$ (1.06)	\$ 1.03		\$ (0.03)	
Cash dividends declared per share	\$ 0.03			\$ 0.03	
Average common shares outstanding:					
Basic	33,744			33,744	
Diluted	33,744			33,744	

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.