

Vishay Precision Group, Inc.
Form 10-Q
September 03, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 27, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-34679

VISHAY PRECISION GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

27-0986328

(I.R.S. Employer Identification Number)

3 Great Valley Parkway, Suite 150

Malvern, PA 19355

(Address of Principal Executive Offices) (Zip Code)

484-321-5300

(Registrant's Telephone Number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of September 3, 2015, the registrant had 12,144,485 shares of its common stock and 1,025,158 shares of its Class B convertible common stock outstanding.

VISHAY PRECISION GROUP, INC.
 FORM 10-Q
 June 27, 2015
 CONTENTS

	Page Number	
PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	Consolidated Condensed Balance Sheets – June 27, 2015 (Unaudited) and December 31, 2014	<u>3</u>
	Consolidated Condensed Statements of Operations (Unaudited) – Fiscal Quarters Ended June 27, 2015 and June 28, 2014	<u>5</u>
	Consolidated Condensed Statements of Operations (Unaudited) – Six Fiscal Months Ended June 27, 2015 and June 28, 2014	6
	Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) – Fiscal Quarters Ended June 27, 2015 and June 28, 2014	<u>7</u>
	Consolidated Condensed Statements of Comprehensive Income (Loss) (Unaudited) – Six Fiscal Months Ended June 27, 2015 and June 28, 2014	8
	Consolidated Condensed Statements of Cash Flows (Unaudited) – Six Fiscal Months Ended June 27, 2015 and June 28, 2014	<u>9</u>
	Consolidated Condensed Statement of Equity (Unaudited)	<u>10</u>
	Notes to Unaudited Consolidated Condensed Financial Statements	<u>11</u>
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>40</u>
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	<u>55</u>
Item 4.	Controls and Procedures	<u>55</u>
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	<u>57</u>
Item 1A.	Risk Factors	<u>57</u>
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	<u>57</u>
Item 3.	Defaults Upon Senior Securities	<u>57</u>
Item 4.	Mine Safety Disclosures	<u>57</u>

Item 5.	Other Information	<u>57</u>
Item 6.	Exhibits	<u>58</u>
	SIGNATURES	<u>59</u>

PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Balance Sheets

(In thousands)

	June 27, 2015 (Unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$65,456	\$79,642
Accounts receivable, net	38,250	37,427
Inventories:		
Raw materials	13,808	14,223
Work in process	21,245	19,813
Finished goods	20,716	18,806
Inventories, net	55,769	52,842
Deferred income taxes	5,552	5,636
Prepaid expenses and other current assets	9,394	10,361
Total current assets	174,421	185,908
Property and equipment, at cost:		
Land	1,891	1,893
Buildings and improvements	50,555	49,909
Machinery and equipment	79,948	78,500
Software	6,997	6,837
Construction in progress	2,678	2,928
Accumulated depreciation	(91,820)	(89,374)
Property and equipment, net	50,249	50,693
Goodwill	12,046	12,788
Intangible assets, net	15,416	17,381
Other assets	20,352	20,393
Total assets	\$272,484	\$287,163

Continues on the following page.

-3-

VISHAY PRECISION GROUP, INC.
Consolidated Condensed Balance Sheets (continued)
(In thousands)

	June 27, 2015 (Unaudited)	December 31, 2014
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$8,780	\$10,559
Payroll and related expenses	14,046	14,216
Other accrued expenses	14,776	16,902
Income taxes	127	2,133
Current portion of long-term debt	16,366	5,120
Total current liabilities	54,095	48,930
Long-term debt, less current portion	4,635	17,713
Deferred income taxes	610	638
Other liabilities	7,431	7,644
Accrued pension and other postretirement costs	12,014	12,353
Total liabilities	78,785	87,278
Commitments and contingencies		
Equity:		
Common stock	1,276	1,273
Class B convertible common stock	103	103
Treasury stock	(6,169)	(32)
Capital in excess of par value	189,769	189,532
Retained earnings	37,671	35,335
Accumulated other comprehensive loss	(29,111)	(26,560)
Total Vishay Precision Group, Inc. stockholders' equity	193,539	199,651
Noncontrolling interests	160	234
Total equity	193,699	199,885
Total liabilities and equity	\$272,484	\$287,163

See accompanying notes.

-4-

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended	
	June 27, 2015	June 28, 2014
Net revenues	\$59,508	\$65,162
Costs of products sold	38,473	40,253
Gross profit	21,035	24,909
Selling, general, and administrative expenses	18,396	19,897
Restructuring costs	304	7
Operating income	2,335	5,005
Other income (expense):		
Interest expense	(173	) (240
Other	(414	) (247
Other income (expense) - net	(587	) (487
Income before taxes	1,748	4,518
Income tax expense	288	948
Net earnings	1,460	3,570
Less: net loss attributable to noncontrolling interests	(16	) (8
Net earnings attributable to VPG stockholders	\$1,476	\$3,578
Basic earnings per share attributable to VPG stockholders	\$0.11	\$0.26
Diluted earnings per share attributable to VPG stockholders	\$0.11	\$0.26
Weighted average shares outstanding - basic	13,580	13,756
Weighted average shares outstanding - diluted	13,790	13,968

See accompanying notes.

-5-

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Six fiscal months ended	
	June 27, 2015	June 28, 2014
Net revenues	\$116,116	\$126,402
Costs of products sold	74,102	79,783
Gross profit	42,014	46,619
Selling, general, and administrative expenses	37,144	39,060
Restructuring costs	382	331
Operating income	4,488	7,228
Other income (expense):		
Interest expense	(360	) (456
Other	(1,343	) (683
Other income (expense) - net	(1,703	) (1,139
Income before taxes	2,785	6,089
Income tax expense	478	1,277
Net earnings	2,307	4,812
Less: net (loss) earnings attributable to noncontrolling interests	(29	) 59
Net earnings attributable to VPG stockholders	\$2,336	\$4,753
Basic earnings per share attributable to VPG stockholders	\$0.17	\$0.35
Diluted earnings per share attributable to VPG stockholders	\$0.17	\$0.34
Weighted average shares outstanding - basic	13,663	13,754
Weighted average shares outstanding - diluted	13,875	13,963

See accompanying notes.

-6-

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)
(Unaudited - In thousands)

	Fiscal quarter ended	
	June 27, 2015	June 28, 2014
Net earnings	\$1,460	\$3,570
Other comprehensive income (loss):		
Foreign currency translation adjustment	1,601	1,458
Pension and other postretirement actuarial items, net of tax	(100)	(11)
Other comprehensive income	1,501	1,447
Total comprehensive income	2,961	5,017
Less: comprehensive loss attributable to noncontrolling interests	(16)	(8)
Comprehensive income attributable to VPG stockholders	\$2,977	\$5,025

See accompanying notes.

-7-

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statements of Comprehensive Income (Loss)
(Unaudited - In thousands)

	Six fiscal months ended	
	June 27, 2015	June 28, 2014
Net earnings	\$2,307	\$4,812
Other comprehensive (loss) income:		
Foreign currency translation adjustment	(2,680	) 793
Pension and other postretirement actuarial items, net of tax	129	(6
Other comprehensive (loss) income	(2,551	) 787
Total comprehensive (loss) income	(244	) 5,599
Less: comprehensive (loss) income attributable to noncontrolling interests	(29	) 59
Comprehensive (loss) income attributable to VPG stockholders	\$(215	) \$5,540

See accompanying notes.

-8-

VISHAY PRECISION GROUP, INC.
Consolidated Condensed Statements of Cash Flows
(Unaudited - In thousands)

	Six fiscal months ended	
	June 27, 2015	June 28, 2014
Operating activities		
Net earnings	\$2,307	\$4,812
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,524	5,783
(Gain) loss on disposal of property and equipment	(1	) 9
Share-based compensation expense	416	485
Inventory write-offs for obsolescence	916	562
Other	1,121	(54
Net changes in operating assets and liabilities:		
Accounts receivable, net	(1,671	) (4,857
Inventories, net	(4,345	) 346
Prepaid expenses and other current assets	943	(586
Trade accounts payable	(1,670	) (281
Other current liabilities	(3,589	) (1,338
Net cash (used in) provided by operating activities	(49	) 4,881
Investing activities		
Capital expenditures	(5,037	) (3,435
Proceeds from sale of property and equipment	65	63
Net cash used in investing activities	(4,972	) (3,372
Financing activities		
Principal payments on long-term debt and capital leases	(1,810	) (2,070
Purchase of treasury stock	(6,137) —
Distributions to noncontrolling interests	(45	) (43
Net cash used in financing activities	(7,992	) (2,113
Effect of exchange rate changes on cash and cash equivalents	(1,173	) 250
Decrease in cash and cash equivalents	(14,186	) (354
Cash and cash equivalents at beginning of period	79,642	72,809
Cash and cash equivalents at end of period	\$65,456	\$72,455

See accompanying notes.

VISHAY PRECISION GROUP, INC.

Consolidated Condensed Statement of Equity

(Unaudited - In thousands, except share amounts)

	Common Stock	Class B Convertible Common Stock	Treasury Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total VPG, Inc. Stockholders Equity	Noncontrol- ling Interests	Total Equity
Balance at December 31, 2014	\$ 1,273	\$ 103	\$(32)	\$ 189,532	\$ 35,335	\$ (26,560)	\$ 199,651	\$ 234	\$ 199,885
Net earnings (loss)	—	—	—	—	2,336	—	2,336	(29)	2,307
Other comprehensive loss	—	—	—	—	—	(2,551)	(2,551)	—	(2,551)
Share-based compensation expense	—	—	—	416	—	—	416	—	416
Restricted stock issuances (32,297 shares)	3	—	—	(179)	—	—	(176)	—	(176)
Purchase of treasury stock (433,083 shares)	—	—	(6,137)	—	—	—	(6,137)	—	(6,137)
Conversion from Class B to common stock (18 shares)	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(45)	(45)
Balance at June 27, 2015	\$ 1,276	\$ 103	\$(6,169)	\$ 189,769	\$ 37,671	\$ (29,111)	\$ 193,539	\$ 160	\$ 193,699

See accompanying notes.

-10-

Vishay Precision Group, Inc.

Notes to Unaudited Consolidated Condensed Financial Statements

Note 1 – Basis of Presentation

Background

Vishay Precision Group, Inc. (“VPG” or the “Company”) is an internationally recognized designer, manufacturer and marketer of sensors, and sensor-based measurement systems, as well as specialty resistors and strain gages based upon the Company's proprietary technology. The Company provides precision products and solutions, many of which are “designed-in” by its customers, specializing in the growing markets of stress, force, weight, pressure, and current measurements.

Interim Financial Statements

These unaudited consolidated condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial statements and therefore do not include all information and footnotes necessary for the presentation of financial position, results of operations, and cash flows required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all normal recurring adjustments which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations, and cash flows for the interim periods presented. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, included in VPG’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 11, 2015. The results of operations for the fiscal quarter and six fiscal months ended June 27, 2015 are not necessarily indicative of the results to be expected for the full year.

VPG reports interim financial information for 13-week periods beginning on a Sunday and ending on a Saturday, except for the first quarter, which always begins on January 1, and the fourth quarter, which always ends on December 31. The four fiscal quarters in 2015 and 2014 end on the following dates:

	2015	2014
Quarter 1	March 28,	March 29,
Quarter 2	June 27,	June 28,
Quarter 3	September 26,	September 27,
Quarter 4	December 31,	December 31,

Restatement of Previously Reported Financial Information

In conjunction with the June 27, 2015 quarterly financial statement close process, the Company determined that transactions at one of its Indian subsidiaries had been recorded in their local currency, the Indian rupee, instead of their functional currency, the U.S. dollar, in prior periods. The principal line items impacted in the Indian subsidiary’s financial statements, and therefore the Company’s consolidated condensed financial statements, are inventory, property and equipment, net, depreciation expense, costs of products sold, foreign currency re-measurement gains and losses, and foreign currency translation gains and losses recorded as a component of accumulated other comprehensive income within stockholders’ equity. Consequently, the Company has restated certain prior period amounts to correct these errors. The Company has also corrected certain other identified immaterial errors related to prior periods.

The impact of these errors was not material to the Company in any of those prior periods. The Company has corrected all prior period errors for all periods presented, including each of the quarters and six months ended June 27, 2015 and June 28, 2014, by restating the consolidated condensed financial statements and other financial information included herein. See Note 12 for the impact of these immaterial corrections on previously reported amounts.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers,” which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most current revenue recognition guidance. The basis of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in

exchange for those goods and services. The ASU is effective for public entities for annual and interim periods beginning after December 15, 2017. Early adoption is not permitted

-11-

Note 1 – Basis of Presentation (continued)

under U.S. generally accepted accounting principles ("GAAP") and either full or modified retrospective application is required. The Company has not yet selected a transition method and the effects of this standard on the Company's financial position, results of operations and cash flows are not yet known.

In April 2015, the FASB issued ASU 2015-03, "Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." This standard update requires an entity to present debt issuance costs on the balance sheet as a direct deduction from the related debt liability as opposed to an asset. Amortization of the costs will continue to be reported as interest expense. The update is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued, and the new guidance would be applied retrospectively to all prior periods presented. The adoption of this standard update is not expected to have a material impact on our consolidated financial statements.

Note 2 – Restructuring Costs

Restructuring costs reflect the cost reduction programs implemented by the Company. Restructuring costs are expensed during the period in which the Company determines it will incur those costs and all requirements for accrual are met. Because these costs are recorded based upon estimates, actual expenditures for the restructuring activities may differ from the initially recorded costs. If the initial estimates are too low or too high, the Company could be required to either record additional expense in future periods or to reverse part of the previously recorded charges.

2015 Programs

The Company recorded restructuring costs of \$0.4 million during the six fiscal months ended June 27, 2015 related to cost reduction programs in two of its facilities in Asia and one in the United Kingdom.

A voluntary termination program was initiated by the Company at its subsidiary in Beijing, China in response to challenging economic conditions. During the fiscal quarter ended June 27, 2015, restructuring costs totaling \$0.2 million were comprised of employee termination costs, including severance, covering 51 production employees. As of June 27, 2015, all restructuring costs have been paid.

A voluntary termination program was initiated by the Company at its subsidiary in Tianjin, China in response to challenging economic conditions. During the fiscal quarter ended June 27, 2015, restructuring costs totaling \$0.1 million were comprised of employee termination costs, including severance, covering 11 production employees. As of June 27, 2015, substantially all of the restructuring costs have been paid. The remaining costs are recorded within other accrued expenses on the accompanying consolidated condensed balance sheet and are anticipated to be paid in the third quarter of 2015.

The Company recorded restructuring costs of \$0.1 million during the fiscal quarter ended March 28, 2015. These costs were comprised of employee termination costs, including severance, at one of the Company's subsidiaries in the United Kingdom, and were incurred in connection with a cost reduction program. The restructuring costs were fully paid in the first quarter of 2015.

2014 Programs

The Company recorded restructuring costs of \$0.7 million during the year ended December 31, 2014. This included two cost reduction programs implemented by the Company.

Restructuring costs of \$0.5 million were comprised of employee termination costs, including severance and a statutory retirement allowance, at the Company's subsidiary in Canada, and were incurred in connection with a cost reduction program. The restructuring costs were fully paid by the end of the first quarter of 2015.

Restructuring costs of \$0.2 million were comprised of employee termination costs, including severance, at one of the Company's subsidiaries in the United States, and were incurred in connection with a cost reduction program. As of June 27, 2015, the restructuring costs have been fully paid.

Note 3 – Income Taxes

VPG calculates the tax provision for interim periods using an estimated annual effective tax rate methodology which is based on a current projection of full-year earnings before taxes amongst different taxing jurisdictions and adjusted for the impact of discrete quarterly items. The effective tax rate for the fiscal quarter ended June 27, 2015 was 16.5% versus 21.0% for the fiscal quarter ended June 28, 2014. The effective tax rate for the six fiscal months ended June 27, 2015 was 17.2% versus 21.0% for the six fiscal months ended June 28, 2014. The primary change in the effective tax rate for both periods presented is the result of changes in the geographic mix of pretax earnings and the recording of net tax benefits associated with foreign exchange variations. Additionally, in the fiscal quarter ended June 28, 2014, VPG initiated changes to its corporate entity structure. As a result of this reorganization, the Company recorded a discrete income tax expense of \$1.9 million related to the repatriation of foreign earnings and a \$2.0 million discrete income tax benefit related to a reversal of an existing valuation allowance associated with U.S. foreign tax credit carryforwards.

The provision for income taxes consists of federal, state, and foreign income taxes. The effective tax rates for the fiscal quarters and six months ended June 27, 2015 and June 28, 2014 represent VPG's expected tax rate on reported income before income tax and tax adjustments. VPG operates in an international environment with significant operations in various locations outside the United States. Accordingly, the consolidated income tax rate is a composite rate reflecting VPG's earnings and the applicable tax rates in the various locations in which VPG operates.

The Company and its subsidiaries are subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in evaluating the Company's tax positions and determining the provision for income taxes. During the ordinary course

-13-

Note 3 – Income Taxes (continued)

of business, there are transactions and calculations for which the ultimate tax determination is uncertain. VPG establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves are established when VPG believes that certain positions might be challenged despite its belief that the tax return positions are supportable. VPG adjusts these reserves in light of changing facts and circumstances and the provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate. Penalties and tax-related interest expense are reported as a component of income tax expense. The Company anticipates \$0.5 million to \$0.8 million of unrecognized tax benefits to be reversed within the next twelve months of the balance sheet date, due to the expiration of statutes of limitation and cash payments in certain jurisdictions.

Note 4 – Long-Term Debt

Long-term debt consists of the following (in thousands):

	June 27, 2015	December 31, 2014
2013 Credit Agreement - U.S. term facility	\$5,000	\$6,000
2013 Credit Agreement - Canadian term facility	11,250	12,000
Exchangeable unsecured notes, due 2102	4,097	4,097
Other debt	654	736
	21,001	22,833
Less: current portion	16,366	5,120
	\$4,635	\$17,713

In January 2013 the Company entered into an amended and restated credit agreement. The terms of the credit agreement require VPG to comply with customary covenants, representations and warranties, including the maintenance of specific financial ratios. The financial maintenance covenants include a tangible net worth ratio, a leverage ratio and a fixed charges coverage ratio. During the second quarter of 2015, VPG was in compliance with the tangible net worth and leverage ratios, but VPG was not in compliance with the fixed charges coverage ratio. The Company obtained a waiver from the lenders respecting such non-compliance dated July 31, 2015. The Company may not be in compliance with the fixed charges coverage ratio in future periods, and the lenders could terminate the credit agreement, and all amounts outstanding pursuant to the credit agreement could become immediately payable. Therefore, the borrowings under the credit agreement have been classified as current as of June 27, 2015. The Company is currently pursuing an amendment to this facility to bring it into compliance, but cannot provide any assurances that it will be able to successfully amend the facility. The Company believes it has sufficient available cash on hand to repay all amounts currently outstanding under the credit agreement.

Additionally, the January 2013 credit agreement requires the Company to deliver to the lenders, within 45 days after the close of each of the first three quarters of each fiscal year, certain management-prepared financial statements and an officer's compliance certificate stating the Company is in compliance with the tangible net worth, leverage and the fixed charges coverage ratios as stipulated in the credit agreement. The Company was not able to provide this information within the 45-day period following June 27, 2015 due to its review and analysis of the functional currency accounting at its Indian subsidiary. The Company obtained a waiver from the lenders on August 18, 2015 permitting it to provide the management-prepared financial statements and officer's compliance certificate by September 11, 2015.

Note 5 – Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), net of tax, consist of the following (in thousands):

	Foreign Currency Translation Adjustment	Pension and Other Postretirement Actuarial Items	Total
Balance at January 1, 2015 (a)	\$ (21,757	) \$ (4,803	) \$ (26,560)
Other comprehensive loss before reclassifications	(2,680	) —	(2,680)
Amounts reclassified from accumulated other comprehensive income (loss)	—	129	129
Balance at June 27, 2015 (a)	\$ (24,437	) \$ (4,674	) \$ (29,111)
	Foreign Currency Translation Adjustment	Pension and Other Postretirement Actuarial Items	Total
Balance at January 1, 2014 (a)	\$ (13,742	) \$ (2,265	) \$ (16,007)
Other comprehensive loss before reclassifications	793	—	793
Amounts reclassified from accumulated other comprehensive income (loss)	—	(6	) (6)
Balance at June 28, 2014 (a)	\$ (12,949	) \$ (2,271	) \$ (15,220)

(a) As described in more detail in Note 1 to the consolidated condensed financial statements included herein, the prior period amounts reported above have been restated to correct certain immaterial errors within our Indian subsidiary's financial statements and for other minor adjustments.

Reclassifications of pension and other postretirement actuarial items out of accumulated other comprehensive income (loss) are included in the computation of net periodic benefit cost (see Note 6).

Note 6 – Pension and Other Postretirement Benefits

Employees of VPG participate in various defined benefit pension and other postretirement benefit ("OPEB") plans. The following table sets forth the components of the net periodic benefit cost for the Company's defined benefit pension and other postretirement benefit plans (in thousands):

	Fiscal quarter ended June 27, 2015		Fiscal quarter ended June 28, 2014	
	Pension Plans	OPEB Plans	Pension Plans	OPEB Plans
Net service cost	\$103	\$19	\$107	\$21
Interest cost	214	30	238	31
Expected return on plan assets	(163	) —	(201) —
Amortization of actuarial losses	58	19	7	9
Net periodic benefit cost	\$212	\$68	\$151	\$61
	Six fiscal months ended June 27, 2015		Six fiscal months ended June 28, 2014	
	Pension Plans	OPEB Plans	Pension Plans	OPEB Plans
Net service cost	\$206	\$38	\$212	\$42
Interest cost	427	60	473	62
Expected return on plan assets	(326	) —	(399) —
Amortization of actuarial losses	116	38	14	18
Net periodic benefit cost	\$423	\$136	\$300	\$122

Note 7 – Share-Based Compensation

The Amended and Restated Vishay Precision Group, Inc. Stock Incentive Program (as amended and restated, the "Plan") permits the issuance of up to 1,000,000 shares of common stock. At June 27, 2015, the Company had reserved 484,766 shares of common stock for future grant of equity awards (restricted stock, unrestricted stock, restricted stock units ("RSUs"), or stock options) pursuant to the Plan. If any outstanding awards are forfeited by the holder or canceled by the Company, the underlying shares would be available for regrant to others.

On January 20, 2015, VPG's three executive officers were granted annual equity awards in the form of RSUs, of which 75% are performance-based. The awards have an aggregate grant-date fair value of \$1.0 million and were comprised of 59,325 RSUs as determined using the average of the closing stock prices of the Company's common stock for the last five trading days immediately preceding January 1, 2015. Twenty-five percent of these awards will vest on January 1, 2018, subject to the executives' continued employment. The performance-based portion of the RSUs will also vest on January 1, 2018, subject to the satisfaction of certain performance objectives relating to three-year cumulative "free cash" and net earnings goals, and their continued employment.

On March 30, 2015, certain VPG employees were granted annual equity awards in the form of RSUs, of which 75% are performance-based. The awards have an aggregate target grant-date fair value of \$0.3 million and were comprised of 21,743 RSUs. Twenty-five percent of these awards will vest on January 1, 2018 subject to the employees' continued employment. The performance-based portion of the RSUs will also vest on January 1, 2018, subject to the satisfaction of certain performance objectives relating to three-year cumulative earnings and cash flow goals, and their continued employment.

On May 21, 2015, the Board of Directors approved the issuance of an aggregate of 13,300 RSUs to the three independent board members and to the non-executive Chairman of the Board, with an aggregate grant-date fair value of \$0.2 million. These RSUs will vest on May 21, 2016, subject to the directors' continued service on the Board.

Note 7 – Share-Based Compensation (continued)

The amount of compensation cost related to share-based payment transactions is measured based on the grant-date fair value of the equity instruments issued. VPG determines compensation cost for RSUs based on the grant-date fair value of the underlying common stock. The Company recognizes compensation cost for RSUs that are expected to vest and for which performance criteria are expected to be met. The following table summarizes share-based compensation expense recognized (in thousands):

	Fiscal quarter ended		Six fiscal months ended	
	June 27, 2015	June 28, 2014	June 27, 2015	June 28, 2014
Restricted stock units	\$ 149	\$ 263	\$ 416	\$ 485

Share based compensation expense was lower for the fiscal quarter and six fiscal months ended June 27, 2015, as compared to the comparable prior year periods. In the second quarter of 2015, it was determined that certain performance objectives associated with awards granted to executives and certain employees in 2014 were not likely to be fully met. As a result, that share based compensation expense which was associated with those objectives was reversed to reflect the anticipated performance levels.

Note 8 – Segment Information

VPG reports in three product segments: the Foil Technology Products segment, the Force Sensors segment, and the Weighing and Control Systems segment. The Foil Technology Products reporting segment is comprised of the foil resistor and strain gage operating segments. The Force Sensors reporting segment is comprised of transducers, load cells and modules. The Weighing and Control Systems reporting segment is comprised of instruments, complete systems for process control, and on-board weighing applications.

VPG evaluates reporting segment performance based on multiple performance measures including revenues, gross profits and operating income, exclusive of certain items. Management believes that evaluating segment performance, excluding items such as restructuring costs, acquisition costs, and other items is meaningful because it provides insight with respect to the intrinsic operating results of VPG. The following table sets forth reporting segment information (in thousands):

Note 8 – Segment Information (continued)

	Fiscal quarter ended		Six fiscal months ended	
	June 27, 2015	June 28, 2014 (a)	June 27, 2015 (a)	June 28, 2014 (a)
Net third-party revenues:				
Foil Technology Products	\$26,155	\$28,028	\$51,216	\$54,035
Force Sensors	15,645	16,981	30,882	33,413
Weighing and Control Systems	17,708	20,153	34,018	38,954
Total	\$59,508	\$65,162	\$116,116	\$126,402
Gross profit:				
Foil Technology Products	\$10,352	\$11,341	\$20,722	\$20,995
Force Sensors	2,967	3,848	6,296	7,083
Weighing and Control Systems	7,716	9,720	14,996	18,541
Total	\$21,035	\$24,909	\$42,014	\$46,619
Reconciliation of segment operating income to consolidated results:				
Foil Technology Products	\$5,922	\$6,623	\$12,072	\$11,622
Force Sensors	526	1,489	1,433	2,359
Weighing and Control Systems	2,531	3,647	4,512	6,808
Unallocated G&A expenses	(6,340)	(6,747)	(13,147)	(13,230)
Restructuring costs	(304)	(7)	(382)	(331)
Consolidated condensed operating income	\$2,335	\$5,005	\$4,488	\$7,228
Restructuring costs:				
Force Sensors	\$304	\$—	\$304	\$—
Weighing and Control Systems	—	7	78	331

(a) As described in more detail in Note 1 to the consolidated condensed financial statements included herein, the prior period amounts reported above have been restated to correct certain immaterial errors within our Indian subsidiary's financial statements and for other minor adjustments.

Products are transferred between segments on a basis intended to reflect, as nearly as practicable, the market value of the products. Intersegment sales from the Foil Technology Products segment to the Force Sensors segment and Weighing and Control Systems segment were \$0.6 million and \$0.9 million during the fiscal quarters ended June 27, 2015 and June 28, 2014, respectively, and \$1.5 million and \$1.4 million during the six fiscal months ended June 27, 2015 and June 28, 2014, respectively. Intersegment sales from the Force Sensors segment to the Foil Technology Products segment and Weighing and Control Systems segment were \$0.5 million and \$0.4 million during the fiscal quarters ended June 27, 2015 and June 28, 2014, respectively, and \$1.0 million and \$0.8 million during the six fiscal months ended June 27, 2015 and June 28, 2014, respectively. Intersegment sales from the Weighing and Control Systems segment to the Force Sensors segment were \$0.2 million and \$0.3 million during the fiscal quarters ended June 27, 2015 and June 28, 2014, respectively, and \$0.4 million and \$0.6 million during the six fiscal months ended June 27, 2015 and June 28, 2014, respectively.

Note 9 – Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share attributable to VPG stockholders (in thousands, except earnings per share):

	Fiscal quarter ended		Six fiscal months ended	
	June 27, 2015	June 28, 2014 (a)	June 27, 2015 (a)	June 28, 2014 (a)
Numerator:				
Numerator for basic earnings per share:				
Net earnings attributable to VPG stockholders	\$ 1,476	\$ 3,578	\$ 2,336	\$ 4,753
Adjustment to the numerator for net earnings:				
Interest savings assuming conversion of dilutive exchangeable notes, net of tax	2	1	3	3
Numerator for diluted earnings per share:				
Net earnings attributable to VPG stockholders	\$ 1,478	\$ 3,579	\$ 2,339	\$ 4,756
Denominator:				
Denominator for basic earnings per share:				
Weighted average shares	13,580	13,756	13,663	13,754
Effect of dilutive securities:				
Exchangeable notes	181	181	181	181
Employee stock options	—	1	—	1
Restricted stock units	29	30	31	27
Dilutive potential common shares	210	212	212	209
Denominator for diluted earnings per share:				
Adjusted weighted average shares	13,790	13,968	13,875	13,963
Basic earnings per share attributable to VPG stockholders	\$ 0.11	\$ 0.26	\$ 0.17	\$ 0.35
Diluted earnings per share attributable to VPG stockholders	\$ 0.11	\$ 0.26	\$ 0.17	\$ 0.34

(a) As described in more detail in Note 1 to the consolidated condensed financial statements included herein, the prior period amounts reported above have been restated to correct certain immaterial errors within our Indian subsidiary's financial statements and for other minor adjustments.

Diluted earnings per share for the periods presented do not reflect the following weighted average potential common shares, as the effect would be antidilutive (in thousands):

	Fiscal quarter ended		Six fiscal months ended	
	June 27, 2015	June 28, 2014	June 27, 2015	June 28, 2014
Weighted average employee stock options	18	23	18	23

Note 10 – Additional Financial Statement Information

The caption “other” on the consolidated condensed statements of operations consists of the following (in thousands):

	Fiscal quarter ended		Six fiscal months ended	
	June 27, 2015	June 28, 2014 (a)	June 27, 2015 (a)	June 28, 2014 (a)
Foreign exchange loss	\$ (279)	\$ (90)	\$ (1,238)	\$ (515)
Interest income	36	82	91	120
Other	(171)	(239)	(196)	(288)
	\$ (414)	\$ (247)	\$ (1,343)	\$ (683)

(a) As described in more detail in Note 1 to the consolidated condensed financial statements included herein, the prior period amounts reported above have been restated to correct certain immaterial errors within our Indian subsidiary's financial statements and for other minor adjustments.

Note 11 – Fair Value Measurements

Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurement, establishes a valuation hierarchy of the inputs used to measure fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the Company’s own assumptions.

An asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table provides the financial assets and liabilities carried at fair value measured on a recurring basis (in thousands):

	Total Fair Value	Fair value measurements at reporting date using:		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
June 27, 2015				
Assets				
Assets held in rabbi trusts	\$4,701	\$766	\$3,935	\$—
December 31, 2014				
Assets				
Assets held in rabbi trusts	\$4,725	\$915	\$3,810	\$—

The Company maintains non-qualified trusts, referred to as “rabbi” trusts, to fund payments under deferred compensation and non-qualified pension plans. Rabbi trust assets consist primarily of marketable securities, classified as available-for-sale money market funds at June 27, 2015 and December 31, 2014, and company-owned life insurance assets. The marketable securities held in the rabbi trusts are valued using quoted market prices on the last business day of the period. The company-owned life insurance assets are valued in consultation with the Company’s insurance brokers using the value of underlying assets of the insurance contracts. The fair value measurement of the marketable securities held in the rabbi trust is considered a Level 1 measurement and the measurement of the company-owned life insurance assets is considered a Level 2 measurement within the fair value hierarchy.

The fair value of the long-term debt at June 27, 2015 and December 31, 2014 is approximately \$19.6 million and \$21.7 million, respectively, compared to its carrying value of \$21.0 million and \$22.8 million, respectively. The Company estimates the fair value of its long-term debt using a combination of quoted market prices for similar financing arrangements and expected future payments discounted at risk-adjusted rates. The fair value of long-term debt is considered a Level 2 measurement within the fair value hierarchy.

Note 11 – Fair Value Measurements (continued)

The Company's financial instruments include cash and cash equivalents whose carrying amounts reported in the consolidated condensed balance sheets approximate their fair values.

Note 12 – Reconciliation of Previously Reported Amounts to Amounts as Restated

As described in Note 1, the Company identified certain immaterial errors within one of its Indian subsidiary's financial statements and has corrected these prior period misstatements in the accompanying consolidated condensed financial statements. The Company has also corrected certain other identified immaterial errors related to prior periods. The impacts of these changes within our consolidated condensed financial statements are summarized below:

Consolidated Condensed Balance Sheets

(In thousands)

	December 31, 2014			December 31, 2013		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Assets						
Current assets:						
Cash and cash equivalents	\$79,642	\$—	\$79,642	\$72,785	\$24	\$72,809
Accounts receivable, net	37,514	(87)	37,427	40,500	(281)	40,219
Inventories:						
Raw materials	15,017	(794)	14,223	15,223	269	15,492
Work in process	20,498	(685)	19,813	19,962	18	19,980
Finished goods	18,798	8	18,806	19,788	228	20,016
Inventories, net	54,313	(1,471)	52,842	54,973	515	55,488
Deferred income taxes	5,003	633	5,636	4,784	(450)	4,334
Prepaid expenses and other current assets	10,566	(205)	10,361	10,500	199	10,699
Total current assets	187,038	(1,130)	185,908	183,542	7	183,549
Property and equipment, at cost:						
Land	1,893	—	1,893	1,993	—	1,993
Buildings and improvements	50,266	(357)	49,909	47,793	1,333	49,126
Machinery and equipment	79,109	(609)	78,500	75,644	1,000	76,644
Software	6,837	—	6,837	6,333	—	6,333
Construction in progress	3,786	(858)	2,928	1,252	(2)	1,250
Accumulated depreciation	(89,909 )	) 535	(89,374)	(83,692 )	) (324)	(84,016)
Property and equipment, net	51,982	(1,289)	50,693	49,323	2,007	51,330
Goodwill	12,788	—	12,788	18,880	36	18,916
Intangible assets, net	17,489	(108)	17,381	22,458	(116)	22,342
Other assets	20,590	(197)	20,393	17,901	664	18,565
Total assets	\$289,887	\$(2,724)	\$287,163	\$292,104	\$2,598	\$294,702

Consolidated Condensed Balance Sheets
(In thousands)

	December 31, 2014			December 31, 2013		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Liabilities and equity						
Current liabilities:						
Trade accounts payable	\$ 10,371	\$ 188	\$ 10,559	\$ 10,258	\$ 51	\$ 10,309
Payroll and related expenses	14,252	(36)	14,216	15,016	(501)	14,515
Other accrued expenses	16,590	312	16,902	15,814	768	16,582
Income taxes	2,197	(64)	2,133	615	—	615
Current portion of long-term debt	5,120	—	5,120	4,137	—	4,137
Total current liabilities	48,530	400	48,930	45,840	318	46,158
Long-term debt, less current portion	17,713	—	17,713	22,936	—	22,936
Deferred income taxes	1,756	(1,118)	638	1,259	(148)	1,111
Other liabilities	7,658	(14)	7,644	7,738	554	8,292
Accrued pension and other postretirement costs	13,072	(719)	12,353	10,780	(754)	10,026
Total liabilities	88,729	(1,451)	87,278	88,553	(30)	88,523
Commitments and contingencies						
Equity:						
Common stock	1,273	—	1,273	1,271	—	1,271
Class B convertible common stock	103	—	103	103	—	103
Treasury stock	(32)	—	(32)	—	—	—
Capital in excess of par value	189,532	—	189,532	188,424	—	188,424
Retained earnings	36,500	(1,165)	35,335	32,647	(392)	32,255
Accumulated other comprehensive loss	(26,452)	(108)	(26,560)	(19,027)	3,020	(16,007)
Total Vishay Precision Group, Inc. stockholders' equity	200,924	(1,273)	199,651	203,418	2,628	206,046
Noncontrolling interests	234	—	234	133	—	133
Total equity	201,158	(1,273)	199,885	203,551	2,628	206,179
Total liabilities and equity	\$ 289,887	\$ (2,724)	\$ 287,163	\$ 292,104	\$ 2,598	\$ 294,702

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended March 28, 2015		
	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$56,608	\$—	\$56,608
Costs of products sold	35,829	(200)	35,629
Gross profit	20,779	200	20,979
Selling, general, and administrative expenses	18,733	15	18,748
Restructuring costs	78	—	78
Operating income	1,968	185	2,153
Other income (expense):			
Interest expense	(184)	(3)	(187)
Other	(958)	29)	(929)
Other income (expense) - net	(1,142)	26)	(1,116)
Income before taxes	826	211	1,037
Income tax expense	143	47	190
Net earnings	683	164	847
Less: net loss attributable to noncontrolling interests	(13)	—)	(13)
Net earnings attributable to VPG stockholders	\$696	\$164	\$860
Basic earnings per share attributable to VPG stockholders	\$0.05	\$0.01	\$0.06
Diluted earnings per share attributable to VPG stockholders	\$0.05	\$0.01	\$0.06
Weighted average shares outstanding - basic	13,746	—	13,746
Weighted average shares outstanding - diluted	13,960	—	13,960

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended December 31, 2014			Fiscal year ended December 31, 2014		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$61,218	\$ (994)	\$60,224	\$250,823	\$ (795)	\$250,028
Costs of products sold	39,615	124	39,739	158,699	555	159,254
Gross profit	21,603	(1,118)	20,485	92,124	(1,350)	90,774
Selling, general, and administrative expenses	19,062	(735)	18,327	77,348	(314)	77,034
Impairment of goodwill and indefinite-lived intangibles	5,446	133	5,579	5,446	133	5,579
Restructuring costs	193	—	193	668	—	668
Operating (loss) income	(3,098)	(516)	(3,614)	8,662	(1,169)	7,493
Other income (expense):						
Interest expense	(208)	(3)	(211)	(868)	(14)	(882)
Other	(81)	(99)	(180)	(851)	111	(740)
Other income (expense) - net	(289)	(102)	(391)	(1,719)	97	(1,622)
(Loss) income before taxes	(3,387)	(618)	(4,005)	6,943	(1,072)	5,871
Income tax expense	957	(144)	813	2,912	(299)	2,613
Net (loss) earnings	(4,344)	(474)	(4,818)	4,031	(773)	3,258
Less: net earnings attributable to noncontrolling interests	89	—	89	178	—	178
Net (loss) earnings attributable to VPG stockholders	\$(4,433)	\$(474)	\$(4,907)	\$3,853	\$(773)	\$3,080
Basic (loss) earnings per share attributable to VPG stockholders	\$(0.32)	\$(0.04)	\$(0.36)	\$0.28	\$(0.06)	\$0.22
Diluted (loss) earnings per share attributable to VPG stockholders	\$(0.32)	\$(0.04)	\$(0.36)	\$0.28	(0.06)	\$0.22
Weighted average shares outstanding - basic	13,755	—	13,755	13,755	—	13,755
Weighted average shares outstanding - diluted	13,755	—	13,755	13,977	—	13,977

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended September 27, 2014			Nine fiscal months ended September 27, 2014		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$63,402	\$ —	\$63,402	\$189,605	\$ 199	\$189,804
Costs of products sold	39,625	107	39,732	119,084	431	119,515
Gross profit	23,777	(107)	23,670	70,521	(232)	70,289
Selling, general, and administrative expenses	19,668	(21)	19,647	58,286	421	58,707
Restructuring costs	144	—	144	475	—	475
Operating income	3,965	(86)	3,879	11,760	(653)	11,107
Other income (expense):						
Interest expense	(212)	(3)	(215)	(660)	(11)	(671)
Other	(81)	204	123	(770)	210	(560)
Other income (expense) - net	(293)	201	(92)	(1,430)	199	(1,231)
Income before taxes	3,672	115	3,787	10,330	(454)	9,876
Income tax expense	523	—	523	1,955	(155)	1,800
Net earnings	3,149	115	3,264	8,375	(299)	8,076
Less: net earnings attributable to noncontrolling interests	30	—	30	89	—	89
Net earnings attributable to VPG stockholders	\$3,119	\$ 115	\$3,234	\$8,286	\$(299)	\$7,987
Basic earnings per share attributable to VPG stockholders	\$0.23	\$0.01	\$0.24	\$0.60	\$(0.02)	\$0.58
Diluted earnings per share attributable to VPG stockholders	\$0.22	\$0.01	\$0.23	\$0.59	(0.02)	\$0.57
Weighted average shares outstanding - basic	13,757	—	13,757	13,755	—	13,755
Weighted average shares outstanding - diluted	13,977	—	13,977	13,968	—	13,968

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended June 28, 2014			Six fiscal months ended June 28, 2014		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$65,162	\$ —	\$65,162	\$126,203	\$ 199	\$126,402
Costs of products sold	40,465	(212)	40,253	79,459	324	79,783
Gross profit	24,697	212	24,909	46,744	(125)	46,619
Selling, general, and administrative expenses	19,918	(21)	19,897	38,618	442	39,060
Restructuring costs	7	—	7	331	—	331
Operating income	4,772	233	5,005	7,795	(567)	7,228
Other income (expense):						
Interest expense	(236)	(4)	(240)	(448)	(8)	(456)
Other	(147)	(100)	(247)	(689)	6	(683)
Other income (expense) - net	(383)	(104)	(487)	(1,137)	(2)	(1,139)
Income before taxes	4,389	129	4,518	6,658	(569)	6,089
Income tax expense	936	12	948	1,432	(155)	1,277
Net earnings	3,453	117	3,570	5,226	(414)	4,812
Less: net (loss) earnings attributable to noncontrolling interests	(8)	—	(8)	59	—	59
Net earnings attributable to VPG stockholders	\$3,461	\$ 117	\$3,578	\$5,167	\$(414)	\$4,753
Basic earnings per share attributable to VPG stockholders	\$0.25	\$0.01	\$0.26	\$0.38	\$(0.03)	\$0.35
Diluted earnings per share attributable to VPG stockholders	\$0.25	\$0.01	\$0.26	\$0.37	(0.03)	\$0.34
Weighted average shares outstanding - basic	13,756	—	13,756	13,754	—	13,754
Weighted average shares outstanding - diluted	13,968	—	13,968	13,963	—	13,963

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal quarter ended March 29, 2014		
	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$61,041	\$199	\$61,240
Costs of products sold	38,994	536	39,530
Gross profit	22,047	(337	) 21,710
Selling, general, and administrative expenses	18,700	463	19,163
Restructuring costs	324	—	324
Operating income	3,023	(800	) 2,223
Other income (expense):			
Interest expense	(212	) (4	) (216
Other	(542	) 106	(436
Other income (expense) - net	(754	) 102	(652
Income before taxes	2,269	(698	) 1,571
Income tax expense	496	(167	) 329
Net earnings	1,773	(531	) 1,242
Less: net earnings attributable to noncontrolling interests	67	—	67
Net earnings attributable to VPG stockholders	\$1,706	\$(531	) \$1,175
Basic earnings per share attributable to VPG stockholders	\$0.12	\$(0.03	) \$0.09
Diluted earnings per share attributable to VPG stockholders	\$0.12	(0.04	) \$0.08
Weighted average shares outstanding - basic	13,752	—	13,752
Weighted average shares outstanding - diluted	13,958	—	13,958

-27-

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except per share amounts)

	Fiscal year ended December 31, 2013			Fiscal year ended December 31, 2012		
	As previously reported	Correction of prior period misstatements	As restated	As previously reported	Correction of prior period misstatements	As restated
Net revenues	\$240,275	\$ (1,686)	\$238,589	\$217,616	\$—	\$217,616
Costs of products sold	156,420	(1,286)	155,134	142,584	(17)	142,567
Gross profit	83,855	(400)	83,455	75,032	17	75,049
Selling, general, and administrative expenses	74,521	(462)	74,059	63,666		