

COMPUTER TASK GROUP INC  
Form 10-Q  
July 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 1, 2016

OR

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

For the Transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-9410

COMPUTER TASK GROUP, INCORPORATED

(Exact name of registrant as specified in its charter)

New York  
(State or other jurisdiction of incorporation or organization)  
800 Delaware Avenue, Buffalo, New York  
(Address of principal executive offices)

16-0912632  
(I.R.S. Employer Identification No.)  
14209  
(Zip Code)

Registrant's telephone number, including area code: (716) 882-8000

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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 (§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.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a 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 Act). YES  NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

Title of each class	Shares outstanding at July 22, 2016
Common stock, par value \$.01 per share	16,365,977

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## COMPUTER TASK GROUP, INCORPORATED

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands, except per share data)

(Unaudited)

	For the Quarter Ended		For the Two Quarters Ended	
	July 1, 2016	July 3, 2015	July 1, 2016	July 3, 2015
Revenue	\$83,486	\$94,744	\$169,336	\$192,221
Direct costs	67,574	79,143	138,879	159,315
Selling, general and administrative expenses	14,026	14,485	27,493	29,577
Goodwill impairment	—	—	21,544	—
Operating income (loss)	1,886	1,116	(18,580 )	3,329
Interest and other income	7	4	25	45
Interest and other expense	104	46	184	97
Income (loss) before income taxes	1,789	1,074	(18,739 )	3,277
Provision for income taxes	530	520	859	1,456
Net income (loss)	\$1,259	\$554	\$(19,598 )	\$1,821
Net income (loss) per share:				
Basic	\$0.08	\$0.04	\$(1.26 )	\$0.12
Diluted	\$0.08	\$0.03	\$(1.26 )	\$0.11
Weighted average shares outstanding:			&n	