



Strattec Security Corporation Reports Fiscal First Quarter Results

October 7, 1998

Milwaukee, Wisconsin -- October 7, 1998 -- STRATTEC SECURITY CORPORATION (NASDAQ: STRT) today reported operating results for the fiscal first quarter ended September 27, 1998.

Net sales for the three months ended September 27, 1998 were \$40.4 million, a decrease of 6 percent compared to net sales of \$42.9 million for the three months ended September 28, 1997. Net income increased to \$2.8 million, compared to \$2.4 million in the prior year quarter. Diluted earnings per share for the three months ended September 27, 1998, were \$.48 compared to \$.41 in the prior year quarter, an increase of 17 percent.

Sales to Chrysler Corporation increased by \$1.4 million or 30 percent in the current quarter compared to the prior year levels. The increase was primarily due to Chrysler's increased vehicle production schedules and higher value mechanical and electrical content in the locksets which STRATTEC supplies. Labor disruptions early in the quarter at General Motors Corporation reduced sales to this customer by \$4.4 million or 22 percent compared to the prior year quarter. Sales to Ford Motor Company were comparable to the prior year levels. During the quarter STRATTEC began production volume shipments to Mitsubishi Motor Manufacturing of America in support of the launch of the 1999 Gallant. This is STRATTEC's initial program with Mitsubishi.

Gross profit margins were 21.9 percent in the current quarter compared to 19.8 percent in the prior year quarter. The market cost of zinc, the Company's primary raw material, continued to be substantially lower than the prior year. Operating expenses were essentially the same as the prior year quarter.

Harold M. Stratton II, President and Chief Executive Officer, commented: "Despite lingering effects from the General Motors strike, we are pleased with the operating results for our first fiscal quarter. As we move into the seasonally stronger second fiscal quarter, we believe robust vehicle build schedules at our customer's plants will result in a continuation of the positive operating momentum of our business".

In addition to its operating results, STRATTEC announced that it repurchased 118,500 of its outstanding shares under the Company's stock repurchase program at a cost of \$3,230,000.

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related security products for major automotive manufacturers.

Forward looking statements in this release are subject to many uncertainties in the Company's operations and business environment. These uncertainties include general economic conditions, demand for the Company's products and costs of operations. Such uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission.

STRATTEC SECURITY CORPORATION Results of Operations (In Thousands)

	Three Months Ended			
	September 27, 1997	September 27, 1997	September 28, 1997	September 28, 1997
	()	(Unaudited)
Net Sales	8	\$ 40,36	62	\$ 42,8
Cost of Goods Sold	0	31,58	27	34,3
Gross Profit	8	8,88	35	8,4
Engineering, Selling & Administrative Expenses	7		44	86 4,6
Income from Operations	1	4,14	49	3,8
Interest Income	9		2	44
Interest Expense	2	1	-	
Other Income (Expense), Net)	8	72	(2
	0	4,4	1	65 3,8
Provision for Income Taxes	2	1,61	52	1,4

Net Income	8	\$ 2,89	13	\$ 2,3
Earnings Per Share:				
Basic	2	\$.4	49	\$.
Diluted	1	\$.4	48	\$.
Average Basic Shares Outstanding	5	5,77	01	5,6
Average Diluted Shares Outstanding		1 5,8	60	5,8

Balance Sheet Data

(In Thousands)

		September 27, 1998 (Unaudited)	September 28, 199
Cash and Cash Equivalents	0	\$10,60	0 \$ 20
Accounts Receivable, Net	0	29,10	0 31,50
Inventories	0	15,00	0 13,90
Debt	0		- 2,40
Shareholders' Equity	0	70,10	0 59,10