



## Strattec Security Corporation Reports Fiscal Third Quarter Results

April 12, 2000

MILWAUKEE, April 12 /PRNewswire/ -- STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal third quarter ended March 26, 2000.

Net sales for the three months ended March 26, 2000 were \$54.5 million, an increase of 6 percent compared to net sales of \$51.2 million for the three months ended March 28, 1999. Net income was \$4.4 million, compared to \$4.5 million in the prior year quarter. Diluted earnings per share for the three months ended March 26, 2000, were \$.91 compared to \$.77 in the prior year quarter.

For the nine months ended March 26, 2000, net sales were \$160.9 million compared to \$146.1 million in the prior year period. Net income was \$13.0 million compared to \$11.9 million and diluted earnings per share were \$2.50 compared to \$2.06.

During the current quarter, sales to General Motors Corporation, Ford Motor Co. and Delphi Automotive Systems Corporation each increased approximately 2 percent over the prior year quarter. Sales to DaimlerChrysler Corporation increased 9 percent, and sales to Mitsubishi Motor Manufacturing of America, Inc. were nearly five times last year's moderate level due to an increase in STRATTEC's share of this customer's production requirements.

Gross profit margins were 22 percent in the current quarter as the Company continued to invest in process changes, facilities rearrangement and training associated with its Lean Manufacturing initiatives. The major portion of the facilities rearrangement will be completed over the next 4-5 months and benefits are beginning to be realized in the form of cost reduction, inventory reduction and the enhanced ability to meet continually increasing customer requirements for productivity and quality.

The Mexican Peso to U.S. dollar exchange rate was unfavorable in the current quarter and when combined with annual wage increases effective January 2000, resulted in higher U.S. dollar costs for STRATTEC's Mexican operations. The Company believes the exchange rate will become more favorable in the last half of this calendar year.

Engineering, selling and administrative expenses were \$4.8 million, which are comparable to the last two fiscal quarters, and lower than the \$5.1 million reported for the prior year quarter. Current year expense levels reflect the favorable impact of moving the Company's service aftermarket warehouse and distribution back to its Milwaukee facility in April 1999. Also, included in current year expenses are substantial development activities associated with new products and STRATTEC's globalization activities with its alliance partner, WITTE-Velbert GmbH.

During the third quarter, 151,000 shares were repurchased under the Company's Stock Repurchase Program at a cost of approximately \$5.0 million. For the nine months ended March 26, 2000, 1,072,000 shares were repurchased at a cost of approximately \$36.6 million. The impact of these share repurchases during the year reduced current quarter interest income to \$146,000 compared to \$309,000 realized in the prior year quarter.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "North American vehicle production levels reached an all-time high in March, and our sales revenue in the quarter reflects this activity. Assuming continued robust vehicle builds in the months ahead, we anticipate improved operating efficiencies during the upcoming fourth quarter and another record fiscal year."

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related access control 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, in particular, relating to the automotive industry, consumer demand for the Company's and its customers products, competitive and technological developments, foreign currency fluctuations, Year 2000 compliance issues and costs of operations. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. In addition, 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)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	March 26, 2000	March 28, 1999	March 26, 2000	March 28, 1999
Net Sales	\$ 54,539	\$ 51,220	\$ 160,932	\$ 146,111
Cost of Goods Sold	42,551	39,149	125,507	112,832
Gross Profit	11,988	12,071	35,425	33,279
Engineering, Selling &				

Administrative Expenses	4,847	5,078	14,630	14,794
Income from Operations	7,141	6,993	20,795	18,485
Interest Income	146	309	825	785
Interest Expense	--	--	--	--
Other Expense, Net	(91)	(91)	(240)	(74)
	7,196	7,211	21,380	19,196
Provision for Income Taxes	2,806	2,740	8,338	7,250
Net Income	\$ 4,390	\$ 4,471	\$ 13,042	\$ 11,946
Earnings Per Share:				
Basic	\$.94	\$.79	\$2.57	\$2.11
Diluted	\$.91	\$.77	\$2.50	\$2.06
Average Basic Shares Outstanding	4,667	5,649	5,068	5,654
Average Diluted Shares Outstanding	4,808	5,807	5,219	5,809

Balance Sheet Data  
(In Thousands)

	March 26, 2000	March 28, 1999
	(Unaudited)	
Cash and Cash Equivalents	\$ 9,200	\$ 21,100
Accounts Receivable, Net	32,000	34,700
Inventories	14,900	16,100
Debt	--	--
Shareholders' Equity	106,300	85,900
Less: Treasury Stock	(45,700)	(6,100)
Net Shareholders' Equity	60,600	79,800

SOURCE STRATTEC SECURITY CORPORATION

CONTACT: Patrick Hansen, Vice President and Chief Financial Officer of