



Strattec Security Corporation Reports Record Fiscal Fourth Quarter and Year End Results

August 2, 2000

MILWAUKEE, Aug. 2 /PRNewswire/ --

STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported record operating results for the fiscal fourth quarter and year ended July 2, 2000.

Net sales for the fourth quarter ended July 2, 2000 were \$63.9 million, an increase of 13 percent compared to net sales of \$56.5 million for the fourth quarter ended June 27, 1999. (The 2000 fiscal fourth quarter was 14 weeks while 1999's fourth quarter was the typical 13 weeks.) Net income was \$5.5 million, compared to \$5.1 million in the prior year quarter. Diluted earnings per share for the fourth quarter ended July 2, 2000, were \$1.17 compared to \$.88 in the prior year quarter, an increase of 33 percent.

For the year ended July 2, 2000, net sales were \$224.8 million, an increase of 11 percent compared to net sales of \$202.6 million in the prior year period. Net income was \$18.5 million compared to \$17.0 million and diluted earnings per share were \$3.65 compared to \$2.94, an increase of 24 percent.

Sales to STRATTEC's largest customers increased in the current quarter compared to the prior year levels, with General Motors Corporation and Delphi Automotive Systems Corporation increasing 5 percent, and both DaimlerChrysler Corporation and Ford Motor Company increasing 13 percent. Sales to Mitsubishi Motor Manufacturing of America, Inc. were \$3,000,000 compared to \$500,000 in the prior year quarter. The overall sales growth was driven by one additional shipping week in this years quarter, higher value mechanical and electro-mechanical content in the Company's lock products, and increased customer production volumes.

Gross profit margins were 22.0 percent in the current quarter which is consistent with the last two quarters but below the prior year quarter. The decrease in gross profit margins was attributed to product sales mix, facilities rearrangement costs and process improvement efforts that are nearly completed, as well as continued wage inflation in Mexico combined with an unfavorable Mexican Peso to U.S. dollar exchange rate.

Operating expenses were \$5.6 million in the current quarter, compared to \$5.4 million in the prior year quarter.

During the fourth quarter, 221,000 shares were repurchased under the Company's stock repurchase program at a cost of approximately \$7.6 million. For the year ended July 2, 2000, 1,293,000 shares were repurchased at a cost of approximately \$44.2 million. The impact of these share repurchases during the year reduced current quarter interest income to \$231,000 compared to \$347,000 realized in the prior year quarter.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Fiscal 2000 represents our seventh consecutive year of growth in sales and profit. Additionally, we have made good progress this year in positioning our business for the future, including process improvement initiatives, product expansion and globalization activities with our alliance partner, WITTE-Velbert GmbH."

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related security products for North American and select European 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, and costs of operations. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such 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 except per share amounts)

	Fourth Quarter Ended		Years Ended	
	July 2, 2000	June 27, 1999	July 2, 2000	June 27, 1999
	(Unaudited)			
Net Sales	\$63,885	\$56,514	\$224,817	\$202,625
Cost of Goods Sold	49,815	42,989	175,322	155,821
Gross Profit	14,070	13,525	49,495	46,804
Engineering, Selling & Administrative Expenses	5,624	5,397	20,254	20,191
Income from Operations	8,446	8,128	29,241	26,613
Interest Income	231	347	1,056	1,132
Interest Expense	--	--	--	--

Other Income (Expense), Net	292	(165)	52	(239)
	8,969	8,310	30,349	27,506
Provision for Income Taxes	3,498	3,241	11,836	10,491
Net Income	\$5,471	\$5,069	\$18,513	\$17,015
Earnings Per Share:				
Basic	\$1.20	\$. 91	\$3.75	\$3.02
Diluted	\$1.17	\$.88	\$3.65	\$2.94
Average Basic Shares Outstanding	4,568	5,591	4,936	5,639
Average Diluted Shares Outstanding	4,691	5,737	5,079	5,791

STRATTEC SECURITY CORPORATION
Condensed Balance Sheet Data
(In Thousands)

July 2, 2000 June 27, 1999

ASSETS

Current Assets:

Cash and cash equivalents	\$13,915	\$28,611
Receivables, net	28,731	36,063
Inventories	14,342	13,804
Other current assets	9,613	8,805
Total Current Assets	66,601	87,283
Property, Plant and Equipment, Net	42,381	40,911
	\$108,982	\$128,194

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts Payable	\$19,694	\$17,386
Other	14,407	15,036
Total Current Liabilities	34,101	32,422
Deferred Income Taxes	299	512
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement Obligations	14,132	12,915
Shareholders' Equity	113,710	91,428
Less: Treasury Stock	(53,260)	(9,083)
Total Shareholders' Equity	60,450	82,345
	\$108,982	\$128,194

SOURCE Strattec Security Corporation

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