



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

July 29, 1999

Milwaukee, Wisconsin -- July 29, 1999 -- STRATTEC SECURITY CORPORATION (NASDAQ:STRT) today reported record operating results for the fiscal fourth quarter and year ended June 27, 1999.

Net sales for the three months ended June 27, 1999 were \$56.5 million, an increase of 21 percent compared to net sales of \$46.8 million for the three months ended June 28, 1998. Net income was \$5.1 million, compared to \$3.8 million in the prior year quarter. Diluted earnings per share for the three months ended June 27, 1999, were \$.88 compared to \$.65 in the prior year quarter, an increase of 35 percent.

For the year ended June 27, 1999, net sales were \$202.6 million, an increase of 8 percent compared to net sales of \$186.8 million in the prior year period. Net income was \$17.0 million compared to \$13.5 million and diluted earnings per share were \$2.94 compared to \$2.30, an increase of 28 percent.

Sales to all three of STRATTEC's largest customers increased in the current quarter compared to the prior year levels, with General Motors Corporation increasing 19 percent, DaimlerChrysler Corporation increasing 20 percent and Ford Motor Company increasing 18 percent. This sales growth was primarily due to a combination of higher value mechanical and electro-mechanical content, and increased production volumes. In addition, labor disruptions at General Motors Corporation during June, 1998 reduced sales to this customer by an estimated \$3 million during the prior year quarter.

Gross profit margins were 23.9 percent in the current quarter compared to 22.8 percent in the prior year quarter. Operating expenses were \$5.4 million in the current quarter, compared to \$4.9 million in the prior year quarter.

During the June 1999 quarter 105,000 shares were repurchased under the Company's stock repurchase program at a cost of approximately \$3.0 million.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Fiscal 1999 represents our sixth consecutive year of growth in sales and profitability. With the robust activity in the automotive sector, we set a number of records during the year, including new daily, weekly and monthly highs for both unit shipping and sales volume."

Stratton continued, "Our positive results in fiscal year 1999 are expected to continue into fiscal year 2000, unless the current strong demand for vehicles slows down significantly, or vehicle production is curtailed due to labor disruptions associated with the national labor contracts coming up for negotiation between our customers and the UAW."

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 products 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)

	Three Months Ended				Years Ended	
	June 27, 1999	June 28, 1998	%	Change	June 27, 1999	June 28, 1998
	(Unaudited)					
Net Sales	\$ 56,514	\$ 46,795	21	0	\$ 202,625	\$ 186,804
Cost of Goods Sold	42,989	36,108	8	6	155,821	146,804
Gross Profit	13,525	10,687	4	4	46,804	39,999
Engineering, Selling & Administrative Expenses	5,397	4,865	5	20,191	18,922	18,922
Income from						

Operations	8,128	5,82	2	26,613	21,01
Interest Income	1	34	5 7 1	98	3 1, 132
Interest Expense		- 9	-	1	- (
Other Income (Expense), Net	3	(165	)7 47	(2	39)
		8,31	0 6,0 267	27,	506 21,
Provision for Income Taxes	1	3,24	1 2,2 44	9 10,	491 7,
Net Income	\$	5,089	\$ 3,82 3	\$ 17,0	15 \$ 13,4
Earnings Per Share:					
Basic	\$	6 .9	1 \$ 3 .	67 \$ . 3	.02 \$ 2
Diluted	\$	0 .8	8 \$ 3 .	65 \$ . 2	.94 \$ 2
Average Basic Shares Outstanding	8	5,59	1 5,07 17	7 5,	639 5,
Average Diluted Shares Outstanding	3	5,73	7 5,68 91	8 5,	791 5,

Balance Sheet Data  
(In Thousands)

	June 27, 19	99	9	June 28, 19
Cash and Cash Equivalents	\$	28,60	0	\$ 14,80
Accounts Receivable, Net		30,10	0	25,30
Inventories		13,80	0	15,00
Debt		- -		
Shareholders' Equity		82,30	0	70,40

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