



Strattec Security Corporation Reports Record Fiscal First Quarter Results

October 12, 2000

MILWAUKEE, Oct. 12 /PRNewswire/ --

STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported record sales and operating results for the fiscal first quarter ended October 1, 2000.

Net sales for the three months ended October 1, 2000 were \$52.4 million, an increase of 5 percent compared to net sales of \$49.7 million for the three months ended September 26, 1999. Net income was \$3.9 million, compared to \$3.7 million in the prior year quarter. Diluted earnings per share for the three months ended October 1, 2000, were \$.85 compared to \$.65 in the prior year quarter, an increase of 31 percent.

Sales to STRATTEC's largest customers overall increased in the current quarter compared to the prior year levels, with Mitsubishi Motor Manufacturing of America, Inc. increasing 95%, and DaimlerChrysler Corporation 7%. Sales to General Motors Corporation, Delphi Automotive Systems Corporation and Ford Motor Company were flat with the prior year quarter. The impact of the Firestone tire recall on Ford Explorer and Ranger pickup truck production during this year's quarter reduced sales to the Ford Motor Company by an estimated \$500,000. However, product mix and content changes for the remainder of the Ford Motor Company products we supply helped offset this reduction. Sales to our Industrial & Service Products customers increased, primarily with sales of our new Vehicle Access Control Systems (VACS) product into the delivery van market.

Gross profit margins were 21.6 percent in the current quarter compared to 21.5 percent in the prior year quarter. Gross profit margins were comparable with the prior year quarter, despite the impact of higher raw material costs, primarily zinc, as well as continued wage inflation in Mexico combined with an unfavorable Mexico Peso to U.S. dollar exchange rate.

Operating expenses were \$5.0 million in the current quarter, compared to \$4.9 million in the prior year quarter.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Despite the impact of the Firestone Tire recall on our sales to Ford, and the general slow-down in the U.S. economy, we were fortunate to be able to avoid the earnings declines many supplier's in our industry experienced this quarter. Overall, we are very pleased with our first quarter operating results."

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related access control products for North American automotive manufacturers and, through an alliance partner, other global 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)

	First Quarter Ended	
	October 1, 2000	September 26, 1999
	(Unaudited)	
Net Sales	\$52,421	\$49,667
Cost of Goods Sold	41,083	38,979
Gross Profit	11,338	10,688
Engineering, Selling & Administrative Expenses	5,033	4,888
Income from Operations	6,305	5,800
Interest Income	193	388
Other Income (Expense), Net	(187)	(108)
	6,311	6,080
 Provision for Income Taxes	 2,430	 2,372
Net Income	\$3,881	\$3,708
Earnings Per Share:		
Basic	\$.87	\$.67
Diluted	\$.85	\$.65
Average Basic		

Shares Outstanding	4,479	5,511
Average Diluted		
Shares Outstanding	4,582	5,671

STRATTEC SECURITY CORPORATION
Condensed Balance Sheet Data
(In Thousands)

	October 1, 2000	July 2, 2000
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	\$13,847	\$13,915
Receivables, Net	29,174	28,731
Inventories	17,846	14,342
Other current assets	6,543	9,613
Total Current Assets	67,410	66,601
Property, Plant and Equipment, Net	41,953	42,381
	\$109,363	\$108,982
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$18,311	\$19,694
Other	11,355	14,407
Total Current Liabilities	29,666	34,101
Deferred Income Taxes	299	299
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement		
Obligations	14,455	14,132
Shareholders' Equity	118,190	113,710
Less: Treasury Stock	(53,247)	(53,260)
Total Shareholders' Equity	64,943	60,450
	\$109,363	\$108,982

SOURCE STRATTEC SECURITY CORPORATION

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