

NOTES TO FINANCIAL STATEMENTS

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Options granted at a price greater than the market value on the date of grant included in the table above were as follows:

	2015	2014	2013
Shares	10,000	40,000	40,000
Exercise Price	\$79.73	\$38.71	\$25.64

A summary of restricted stock activity under our stock incentive plan was as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested Balance at July 1, 2012	49,400	\$20.45
Granted	24,150	\$23.69
Vested	(10,400)	\$15.44
Forfeited	(1,900)	\$25.49
Nonvested Balance at June 30, 2013	61,250	\$22.42
Granted	24,950	\$37.29
Vested	(19,350)	\$20.40
Forfeited	(3,250)	\$27.88
Nonvested Balance at June 29, 2014	63,600	\$28.64
Granted	25,000	\$70.90
Vested	(18,100)	\$23.02
Forfeited	(4,150)	\$45.71
Nonvested Balance at June 28, 2015	66,350	\$45.03

We have an Employee Stock Purchase Plan to provide substantially all U.S. full-time associates an opportunity to purchase shares of STRATTEC common stock through payroll deductions. A participant may contribute a maximum of \$5,200 per calendar year to the plan. On the last day of each month or if such date is not a trading day on the most recent previous trading day, participant account balances are used to purchase shares of our common stock at the average of the highest and lowest reported sales prices of a share of STRATTEC common stock on the NASDAQ Global Market. A total of 100,000 shares may be issued under the plan. Shares issued from treasury stock under the plan totaled 1,038 at an average price of \$76.06 during 2015, 1,181 at an average price of \$49.53 during 2014 and 2,000 at an average price of \$26.88 during 2013. A total of 69,132 shares remain available for purchase under the plan as of June 28, 2015.

EXPORT SALES

Total export sales, sales from the United States to locations outside of the United States, and countries for which customer sales accounted for ten percent or more of total net sales are summarized as follows (thousands of dollars and percent of total net sales):

	2015		2014		2013	
	Net Sales	%	Net Sales	%	Net Sales	%
Export Sales	\$141,584	34%	\$119,099	34%	\$111,159	37%
Export Sales into Canada	\$ 60,987	15%	\$ 76,736	22%	\$ 69,221	23%

PRODUCT SALES

Sales by product group were as follows (thousands of dollars and percent of total net sales):

	2015		2014		2013	
	Net Sales	%	Net Sales	%	Net Sales	%
Keys & Locksets	\$114,287	28%	\$115,379	33%	\$102,157	34%
Aftermarket & OE Service	78,717	19%	49,586	14%	36,487	12%
Power Access	68,078	16%	60,141	17%	56,443	19%
Door Handles & Exterior Trim	60,864	15%	48,034	14%	37,225	13%
Driver Controls	57,894	14%	53,729	16%	51,032	17%
Latches	24,320	6%	14,664	4%	9,385	3%
Other	7,315	2%	6,886	2%	5,450	2%
	<u>\$411,475</u>	<u>100%</u>	<u>\$348,419</u>	<u>100%</u>	<u>\$298,179</u>	<u>100%</u>

SALES AND RECEIVABLE CONCENTRATION

Sales to our largest customers were as follows (thousands of dollars and percent of total net sales):

	2015		2014		2013	
	Net Sales	%	Net Sales	%	Net Sales	%
Fiat Chrysler Automobiles	\$116,914	28%	\$117,502	34%	\$ 95,476	32%
General Motors Company	105,809	26%	79,526	23%	56,972	19%
Ford Motor Company	45,415	11%	46,619	13%	44,773	15%
	<u>\$268,138</u>	<u>65%</u>	<u>\$243,647</u>	<u>70%</u>	<u>\$197,221</u>	<u>66%</u>

Receivables from our largest customers were as follows (thousands of dollars and percent of gross receivables):

	June 28, 2015		June 29, 2014	
	Receivables	%	Receivables	%
Fiat Chrysler Automobiles	\$ 17,060	29%	\$ 22,202	32%
General Motors Company	8,751	15%	20,717	30%
Ford Motor Company	7,340	12%	6,358	9%
	<u>\$ 33,151</u>	<u>56%</u>	<u>\$ 49,277</u>	<u>71%</u>