



STRATTEC SECURITY CORPORATION Reports Fiscal Second Quarter Results

January 11, 2001

STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal second quarter ended December 31, 2000.

MILWAUKEE, Jan. 11 /PRNewswire/ -- Net sales for the Company's second quarter ended December 31, 2000 were \$50.0 million, compared to net sales of \$56.7 million for the second quarter ended December 26, 1999. Net income for the period was \$3.4 million, compared to \$4.9 million in the prior year quarter. Diluted earnings per share for the period were \$.76 compared to \$.95 in the prior year quarter.

For the six months ended December 31, 2000, net sales were \$102.4 million compared to net sales of \$106.4 million in the prior year period. Net income was \$7.3 million compared to \$8.7 million and diluted earnings per share were \$1.61 compared to \$1.60.

Sales to STRATTEC's largest customers overall decreased in the current quarter compared to the robust prior year quarter levels, with General Motors Corporation at \$13.4 million compared to \$15.8 million, Delphi Automotive Systems Corporation at \$7.0 million compared to \$8.0 million, DaimlerChrysler Corporation at \$7.1 million compared to \$8.1 million, and Ford Motor Company at \$10.6 million compared to \$13.3 million. Sales to Mitsubishi Motor Manufacturing of America, Inc. increased during the current quarter and were \$3.1 million compared to \$2.2 million in the prior year quarter due to STRATTEC's increased share of Mitsubishi lockset requirements.

Gross profit margins were 20 percent in the current quarter compared to 22.5 percent in the prior year quarter. The decrease in gross profit margins was attributed primarily to lower production volumes resulting from the decline in automotive production, particularly in the last half of the quarter.

Operating expenses were \$4.7 million in the current quarter, compared to \$4.9 million in the prior year quarter.

During the second quarter, 92,000 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: "During our second fiscal quarter we started to feel the impact of customer plant shutdowns and lower production schedules. We expect the weaker production activity to persist at least through the January-March, 2001 quarter. In response, we are aggressively managing our productive resources to mitigate the effects of the industry down time expected in the coming months."

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related access control products for North American Automotive and 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)

	Second Quarter Ended		Six Months Ended	
	Dec. 31, 2000	Dec. 26, 1999	Dec. 31, 2000	Dec. 26, 1999
	(Unaudited)		(Unaudited)	
Net Sales	\$ 49,988	\$ 56,726	\$ 102,409	\$ 106,393
Cost of Goods Sold	40,002	43,977	81,085	82,956
Gross Profit	9,986	12,749	21,324	23,437
Engineering, Selling & Administrative Expenses	4,657	4,895	9,690	9,783
Income from Operations	5,329	7,854	11,634	13,654
Interest Income	190	291	383	679

Interest Expense	--	--	--	--
Other Income (Expense), Net	11	(41)	(176)	(149)
	5,530	8,104	11,841	14,184
Provision for Income Taxes	2,101	3,160	4,531	5,532
Net Income	\$3,429	\$4,944	\$7,310	\$8,652
Earnings Per Share:				
Basic	\$.77	\$.98	\$1.64	\$1.64
Diluted	\$.76	\$.95	\$1.61	\$1.60
Average Basic				
Shares Outstanding	4,433	5,026	4,447	5,269
Average Diluted				
Shares Outstanding	4,529	5,177	4,547	5,424

STRATTEC SECURITY CORPORATION

Condensed Balance Sheet Data
(In Thousands)

	Dec. 31, 2000	July 2, 2000
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$9,882	\$13,915
Receivables, net	22,453	28,731
Inventories	18,663	14,342
Other current assets	8,414	9,613
Total Current Assets	59,412	66,601
Property, Plant and Equipment, Net	43,352	42,381
	\$102,764	\$108,982
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$13,492	\$19,694
Other	8,865	14,407
Total Current Liabilities	22,357	34,101
Deferred Income Taxes	299	299
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement Obligations	14,720	14,132
Shareholders' Equity	121,619	113,710
Less: Treasury Stock	(56,231)	(53,260)
Total Shareholders' Equity	65,388	60,450
	\$102,764	\$108,982

SOURCE STRATTEC SECURITY CORPORATION

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