



STRATTEC SECURITY CORPORATION Reports Fiscal First Quarter Results

October 11, 2001

MILWAUKEE, Oct. 11 /PRNewswire/ --

STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported sales and operating results for the fiscal first quarter ended September 30, 2001.

Net sales for the three months ended September 30, 2001 were \$49.5 million compared to net sales of \$52.4 million for the three months ended October 1, 2000. Net income was \$3.7 million, compared to \$3.9 million in the prior year quarter. Diluted earnings per share for the three months ended September 30, 2001, were \$.88 compared to \$.85 in the prior year quarter.

Sales to STRATTEC's largest customers decreased 6% overall in the current quarter compared to the record prior year quarter levels. The largest sales decreases were attributed to Mitsubishi Motor Manufacturing of America, Inc. at \$2.7 million compared to \$3.8 million, and Ford Motor Company at \$8.9 million compared to \$11.6 million. Sales to DaimlerChrysler Corporation increased to \$8.7 million compared to \$7.8 million. Sales to General Motors Corporation were up slightly at \$15.7 million compared to \$15.6 million, and sales to Delphi Automotive Systems Corporation were also up modestly at \$7.1 million compared to \$7.0 million in the prior year's quarter.

Gross profit margin was 20.4 percent in the current quarter compared to 21.6 percent in the prior year quarter. The decline in gross profit margin was primarily attributed to additional costs incurred during the early part of the current quarter to expedite past due orders and rebuild inventories depleted during the June 2001 strike at the Milwaukee facility.

Operating expenses were \$4.8 million in the current quarter, compared to \$5.0 million in the prior year quarter.

During the quarter, 57,000 shares were repurchased under the Company's stock repurchase program at a cost of \$2.0 million.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Our first quarter results reflect strong production requirements from most of our customers in July and August. September started out equally well, but the tragic events of September 11th understandably softened the consumer demand for new vehicles. As a result, some of our customers immediately began reducing their production requirements, negatively affecting our sales rate during the last half of September. With the continued uncertainty in the economy related to the aftermath of the terrorist attacks in New York City and Washington D.C. and the developing war on terrorism, it is difficult to foresee how our business will be affected during the balance of the fiscal year. However, we believe we will be able to effectively manage the potential swings in production requirements as they occur, and our strong financial position will allow us to continue pursuing our strategic initiatives. STRATTEC, like the rest of the nation, will persevere through these difficult times."

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks, electro-mechanical locks and related access control products for North American and global automotive manufacturers.

Certain statements contained in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "could," "expect," "intend," "may," "planned," "potential," "should," "will," and "would." Such forward-looking statements in this release are inherently 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, customer purchasing actions, 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 occurring after the date of this release. 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	
	September 30, 2001	October 1, 2000
	(Unaudited)	
Net Sales	\$49,455	\$52,421
Cost of Goods Sold	39,373	41,118
Gross Profit	10,082	11,303

Engineering, Selling & Administrative Expenses	4,768	5,033
Income from Operations	5,314	6,270
Interest Income	155	193
Other Income (Expense), Net	331	(152)
	5,800	6,311
Provision for Income Taxes	2,146	2,430
Net Income	\$3,654	\$3,881
Earnings Per Share:		
Basic	\$.90	\$.87
Diluted	\$.88	\$.85
Average Basic Shares Outstanding	4,081	4,479
Average Diluted Shares Outstanding	4,153	4,582

STRATTEC SECURITY CORPORATION
Condensed Balance Sheet Data
(In Thousands)

	September 30, 2001 (Unaudited)	July 1, 2001
ASSETS		
Current Assets:		
Cash and cash equivalents	\$24,317	\$15,298
Receivables, Net	25,225	27,189
Inventories	12,359	8,605
Other current assets	7,769	8,575
Total Current Assets	69,670	59,667
Deferred Income Taxes	130	130
Property, Plant and Equipment, Net	40,570	41,851
	\$110,370	\$101,648
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$18,276	\$14,178
Other	11,912	12,315
Total Current Liabilities	30,188	26,493
Deferred Income Taxes	--	--
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement Obligations	15,683	15,145
Shareholders' Equity	135,333	128,848
Less: Treasury Stock	(70,834)	(68,838)
Total Shareholders' Equity	64,499	60,010
	\$110,370	\$101,648

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