



STRATTEC SECURITY CORPORATION Reports Fiscal Second Quarter Results

January 15, 2002

MILWAUKEE, Jan. 15 /PRNewswire-FirstCall/ --

STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal second quarter ended December 30, 2001.

Net sales for the Company's second quarter ended December 30, 2001 were \$49.2 million, compared to net sales of \$50.0 million for the second quarter ended December 31, 2000. Net income for the period was \$3.2 million, compared to \$3.4 million in the prior year quarter. Diluted earnings per share for the period were \$.78 compared to \$.76 in the prior year quarter.

For the six months ended December 30, 2001, net sales were \$98.6 million compared to net sales of \$102.4 million in the prior year period. Net income was \$6.9 million compared to \$7.3 million and diluted earnings per share were \$1.66 compared to \$1.61.

Sales to STRATTEC's largest customers overall decreased slightly in the current quarter compared to the prior year quarter levels, with General Motors Corporation at \$15.1 million compared to \$15.0 million, Delphi Automotive Systems Corporation at \$6.9 million compared to \$7.0 million, DaimlerChrysler Corporation at \$9.1 million compared to \$8.2 million, Ford Motor Company at \$10.7 million compared to \$11.0 million and Mitsubishi Motor Manufacturing of America, Inc. at \$2.1 million compared to \$3.1 million.

Gross profit margins were 20.5 percent in the current quarter compared to 19.8 percent in the prior year quarter. The increase in gross profit margins was attributed primarily to a more stable automotive production build schedule during the current quarter compared to the prior year quarter, in which strong production during the early part of the quarter gave way to significantly weaker demand in the latter part.

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

Other expense of \$238,000 in the current quarter was primarily due to Mexican peso exchange losses on U.S. dollar dominated assets.

During the second quarter, 15,000 shares were repurchased under the Company's stock repurchase program at a cost of approximately \$448,000.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Our second quarter operating results were supported by good, stable vehicle production rates as a result of the zero percent financing and other consumer incentives offered by automotive manufacturers during the quarter. Looking forward, our next six months will be affected by vehicle build schedules which in turn will be dependent upon future consumer incentive offerings, and the potential of reduced demand as a result of consumers purchasing vehicles earlier than planned under the zero percent financing incentives of the last 3 months. It is not clear how these factors will play out. However, if vehicle production remains stable, our operating results for the remainder of our fiscal year should compare favorably with the same period last year."

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.

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)

	Second Quarter Ended		Six Months Ended	
	December 30, 2001 (Unaudited)	December 31, 2000	December 30, 2001 (Unaudited)	December 31, 2000
Net Sales	\$49,178	\$ 49,988	\$98,633	\$ 102,409
Cost of Goods Sold	39,072	40,066	78,445	81,184
Gross Profit	10,106	9,922	20,188	21,225
Engineering, Selling &				

Administrative Expenses	4,874	4,657	9,642	9,690
Income from Operations	5,232	5,265	10,546	11,535
Interest Income	141	190	296	383
Interest Expense	--	--	--	--
Other Income (Expense), Net	(238)	75	93	(77)
	5,135	5,530	10,935	11,841
Provision for Income Taxes	1,900	2,101	4,046	4,531
Net Income	\$3,235	\$3,429	\$6,889	\$7,310
Earnings Per Share:				
Basic	\$.79	\$.77	\$1.68	\$1.64
Diluted	\$.78	\$.76	\$1.66	\$1.61
Average Basic Shares Outstanding	4,096	4,433	4,089	4,447
Average Diluted Shares Outstanding	4,149	4,529	4,140	4,547
Other				
Capital Expenditures	\$1,393	\$3,424	\$2,285	\$4,942
Depreciation & Amortization	\$2,080	\$1,975	\$4,148	\$3,879

STRATTEC SECURITY CORPORATION

Condensed Balance Sheet Data
(In Thousands)

December 30, 2001 July 1, 2001
(Unaudited)

ASSETS

Current Assets:

Cash and cash equivalents	\$28,481	\$15,298
Receivables, net	22,288	27,189
Inventories	10,508	8,605
Other current assets	8,560	8,575
Total Current Assets	69,837	59,667
Deferred Income Taxes	130	130
Property, Plant and Equipment, Net	39,936	41,851
	\$109,903	\$101,648

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts Payable	\$14,516	\$14,178
Other	11,084	12,315
Total Current Liabilities	25,600	26,493
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement Obligations	16,094	15,145
Shareholders' Equity	139,485	128,848
Less: Treasury Stock	(71,276)	(68,838)

Total Shareholders' Equity	68,209	60,010
	\$109,903	\$101,648

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SOURCE STRATTEC SECURITY CORPORATION

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