



STRATTEC SECURITY CORPORATION Reports Fiscal Fourth Quarter and Year End Results

July 30, 2002

MILWAUKEE, Jul 30, 2002 /PRNewswire-FirstCall via COMTEX/ -- STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal fourth quarter and year ended June 30, 2002.

Net sales for the fourth quarter ended June 30, 2002 were \$57.0 million, compared to net sales of \$52.4 million for the fourth quarter ended July 1, 2001. Net income was \$4.7 million, compared to \$3.1 million in the prior year quarter. Diluted earnings per share for the fourth quarter were \$1.11 compared to \$.75 in the prior year quarter. During the prior year quarter, operating results were negatively impacted by a 16-day strike at our Milwaukee facility.

Sales to STRATTEC's largest customers increased in the current quarter compared to the prior year quarter levels, with General Motors Corporation at \$17.7 million compared to \$15.7 million, Delphi Corporation at \$8.2 million compared to \$6.9 million, Ford Motor Company at \$12.2 million compared to \$11.9 million, DaimlerChrysler Corporation at \$10.5 million compared to \$9.8 million and Mitsubishi Motor Manufacturing of America, Inc. at \$2.7 million compared to \$2.4 million.

Gross profit margins were 21.7 percent in the current quarter compared to 18.5 percent in the prior year quarter. The impact of the prior year quarter strike reduced overall gross profit margins by 2 percent.

Operating expenses were \$5.0 million in the current quarter, compared to \$4.8 million in the prior year quarter. The increase was primarily related to spending associated with the development of new products.

For the year ended June 30, 2002, net sales were \$207.3 million, compared to net sales of \$203.0 million in the prior year period. Net income was \$15.6 million compared to \$13.0 million and diluted earnings per share were \$3.73 compared to \$2.96.

During the fourth quarter, 144,000 STRATTEC SECURITY CORPORATION shares were repurchased under the Company's stock repurchase program at a cost of approximately \$7.7 million. For the year ended June 30, 2002, a total of 216,000 shares were repurchased at a cost of approximately \$10.2 million. In addition, during July, 2002, the Company repurchased 136,000 shares at a cost of \$5.7 million and the Company's Board of Directors authorized the repurchase of an additional 400,000 shares (approximately 10% of currently outstanding shares) under its' ongoing stock repurchase program. Shares may be repurchased from time to time in open market transactions and will be held as Treasury Shares.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Our fourth quarter and fiscal year operating results continued to be favorably impacted by our ongoing cost reduction efforts and a more stable customer vehicle production schedule resulting primarily from consumer financing and cash rebate incentives offered by the automotive manufacturers. The more stable operating environment and cost reduction activities also enabled us to further strengthen our balance sheet and cash flow positions. With the automakers' continued incentive programs and resulting robust vehicle build schedules, we anticipate continued positive results for our new fiscal year."

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)

	Fourth Quarter Ended		Years Ended	
	June 30, 2002	July 1, 2001	June 30, 2002	July 1, 2001
	(Unaudited)			
Net Sales	\$ 56,966	\$ 52,385	\$ 207,286	\$ 202,973
Cost of Goods Sold	44,612	42,709	163,370	162,735
Gross Profit	12,354	9,676	43,916	40,238

Engineering, Selling &

Administrative Expenses	5,048	4,804	19,644	19,676
Income from Operations	7,306	4,872	24,272	20,562
Interest Income	123	107	538	628
Interest Expense	---	---	---	---
Other Income (Expense), Net	7	(356)	(42)	(514)
	7,436	4,623	24,768	20,676
Provision for Income Taxes	2,751	1,518	9,164	7,650
Net Income	\$4,685	\$3,105	\$15,604	\$13,026
Earnings Per Share:				
Basic	\$1.13	\$.77	\$3.80	\$3.02
Diluted	\$1.11	\$.75	\$3.73	\$2.96
Average Basic Shares Outstanding	4,130	4,050	4,109	4,310
Average Diluted Shares Outstanding	4,235	4,130	4,185	4,401
Other				
Capital Expenditures	1,523	996	5,297	7,548
Depreciation & Amortization	2,040	2,033	8,270	7,939

STRATTEC SECURITY CORPORATION
Condensed Balance Sheet Data
(In Thousands)

June 30, 2002 July 1, 2001

ASSETS

Current Assets:

Cash and cash equivalents	\$34,956	\$15,298
Receivables, net	27,860	27,189
Inventories	8,242	8,605
Other current assets	11,189	8,575
Total Current Assets	82,247	59,667
Deferred Income Taxes	469	130
Investment in Joint Venture	393	---
Property, Plant and Equipment, Net	38,531	41,851
	\$121,640	\$101,648

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts Payable	\$15,291	\$14,178
Other	16,234	12,315
Total Current Liabilities	31,525	26,493
Borrowings Under Revolving Credit Facility	---	---
Accrued Pension and Post Retirement Obligations	15,448	15,145
Shareholders' Equity	153,644	128,848
Less: Treasury Stock	(78,977)	(68,838)
Total Shareholders' Equity	74,667	60,010
	\$121,640	\$101,648

SOURCE STRATTEC SECURITY CORPORATION

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