



STRATTEC SECURITY CORPORATION Reports Fiscal Third Quarter Results

April 10, 2003

MILWAUKEE, Wis., Apr 10, 2003 /PRNewswire-FirstCall via COMTEX/ -- STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal third quarter ended March 30, 2003.

Net sales for the Company's three months ended March 30, 2003 were \$49.9 million, compared to net sales of \$51.7 million for the three months ended March 31, 2002. Net income for the period was \$4.2 million, compared to \$4.0 million in the prior year quarter. Diluted earnings per share for the period were \$1.11 compared to \$.96 in the prior year quarter.

For the nine months ended March 30, 2003, net sales were \$146.5 million compared to net sales of \$150.3 million in the prior year period. Net income was \$12.5 million compared to \$10.9 million and diluted earnings per share were \$3.22 compared to \$2.62 in the prior year.

Sales to STRATTEC's largest customers overall decreased in the current quarter compared to the prior year quarter levels, with General Motors Corporation at \$15.0 million compared to \$15.7 million, and DaimlerChrysler Corporation at \$8.6 million compared to \$9.6 million. Sales to Ford Motor Company and Mitsubishi Motor Manufacturing of America, Inc. were flat during the current quarter at \$10.6 million and \$2.4 million, respectively. Sales to Delphi Corporation increased slightly at \$7.6 million compared to \$7.4 million in the prior year quarter.

Gross profit margins were 23.4 percent in the current quarter compared to 22.0 percent in the prior year quarter. The higher margins in the current year quarter were a result of the company's ongoing cost reduction initiatives along with a favorable Mexican Peso to U.S. Dollar exchange rate.

Operating expenses were \$5.0 million in the current quarter, approximately the same level as in the prior year quarter.

During the third quarter, 33,000 STRATTEC SECURITY CORPORATION shares were repurchased under the Company's stock repurchase program at a cost of approximately \$1.6 million. The Company also contributed \$5.0 million to its Pension Fund during the quarter.

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "I'm pleased that we continued to show solid operating results during the third quarter ended March 30, 2003 despite an uncertain U.S. economy. Our North American production increased approximately 5% in comparison to the prior year quarter. However, our sales continued to be reduced by product content changes and pre-programmed price reductions as has been the case throughout the current fiscal year. This sales pattern will continue into our fiscal fourth quarter. In addition, certain customers have announced vehicle production cutbacks for the upcoming quarter, while at the same time enhancing incentive programs to encourage consumer buying. The effectiveness of these incentive programs is dependent upon many factors, including the outcome of the war in Iraq. It is therefore difficult to predict the effect these actions will have on our fourth quarter. Regardless, we believe we have positioned ourselves operationally to meet the uncertainty, and anticipate a favorable finish to our fiscal year end in June."

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)

	Third Quarter Ended		Nine Months Ended	
	March 30, 2003 (Unaudited)	March 31, 2002 (Unaudited)	March 30, 2003 (Unaudited)	March 31, 2002 (Unaudited)
Net Sales	\$49,926	\$51,687	\$146,512	\$150,320
Cost of Goods Sold	38,255	40,313	112,550	118,758
Gross Profit	11,671	11,374	33,962	31,562

Engineering, Selling & Administrative Expenses	5,043	4,954	14,225	14,596
Income from Operations	6,628	6,420	19,737	16,966
Interest Income	91	119	274	415
Interest Expense	-	-	-	-
Other Income (Expense), Net	21	(142)	(227)	(49)
	6,740	6,397	19,784	17,332
Provision for Income Taxes	2,493	2,367	7,320	6,413
Net Income	\$4,247	\$4,030	\$12,464	\$10,919
Earnings Per Share:				
Basic	\$1.13	\$.98	\$3.28	\$2.66
Diluted	\$1.11	\$.96	\$3.22	\$2.62
Average Basic Shares Outstanding	3,759	4,130	3,797	4,103
Average Diluted Shares Outstanding	3,822	4,204	3,867	4,162
Other				
Capital Expenditures	\$1,327	\$1,489	\$2,700	\$3,774
Depreciation & Amortization	\$1,968	\$2,082	\$5,884	\$6,230

STRATTEC SECURITY CORPORATION

Condensed Balance Sheet Data
(In Thousands)

	March 30, 2003 (Unaudited)	June 30, 2002
ASSETS		
Current Assets:		
Cash and cash equivalents	\$27,442	\$34,956
Receivables, net	28,230	27,860
Inventories	11,067	8,242
Other current assets	11,623	11,582
Total Current Assets	78,362	82,640
Deferred Income Taxes	469	469
Property, Plant and Equipment, Net	35,042	38,531
	\$113,873	\$121,640
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$16,279	\$15,291
Other	15,608	16,234
Total Current Liabilities	31,887	31,525
Borrowings Under Revolving Credit Facility	-	-
Accrued Pension and Post Retirement Obligations	11,625	15,448
Shareholders' Equity	167,083	153,644
Less: Treasury Stock	(96,722)	(78,977)
Total Shareholders' Equity	70,361	74,667

\$113,873

\$121,640

SOURCE STRATTEC SECURITY CORPORATION

Pat Hansen, Vice President and Chief Financial Officer of
STRATTEC SECURITY CORPORATION, +1-414-247-3435

<http://www.strattec.com>