



## STRATTEC SECURITY CORPORATION Reports Fiscal Third Quarter Results

April 11, 2002

MILWAUKEE, Apr 11, 2002 /PRNewswire-FirstCall via COMTEX/ -- STRATTEC SECURITY CORPORATION (Nasdaq: STRT) today reported operating results for the fiscal third quarter ended March 31, 2002.

Net sales for the Company's three months ended March 31, 2002 were \$51.7 million, an increase of 7 percent, compared to net sales of \$48.2 million for the three months ended April 1, 2001. Net income for the period was \$4.0 million, compared to \$2.6 million in the prior year quarter, an increase of 54 percent. Diluted earnings per share for the period were \$.96 compared to \$.60 in the prior year quarter, an increase of 60 percent. During the prior year quarter, the Company recorded a pre-tax charge of \$450,000 to cover severance and separation costs related to a realignment of the Company's human resources. The impact of this realignment charge reduced earnings per share in the prior year quarter by \$.07.

For the nine months ended March 31, 2002, net sales were \$150.3 million compared to net sales of \$150.6 million in the prior year period. Net income was \$10.9 million compared to \$9.9 million and diluted earnings per share were \$2.62 compared to \$2.21 in the prior year.

Sales to STRATTEC's largest customers overall increased in the current quarter compared to the prior year quarter levels, with General Motors Corporation at \$15.7 million compared to \$13.9 million, Delphi Corporation at \$7.4 million compared to \$6.1 million, and DaimlerChrysler Corporation at \$9.6 million compared to \$8.2 million. Sales to Ford Motor Company decreased during the current quarter at \$10.6 million compared to \$10.8 million and Mitsubishi Motor Manufacturing of America, Inc. were \$2.4 million compared to \$2.7 million in the prior year quarter.

Gross profit margins were 22.0 percent in the current quarter compared to 19.4 percent in the prior year quarter. The higher margins in the current year quarter were a result of more level and normalized customer vehicle production schedules and the companies ongoing cost reduction initiatives. The impact of the charge related to the realignment of human resources in the prior year quarter reduced gross profit margins by .5 percent.

Operating expenses were \$5.0 million in the current quarter compared to \$5.2 million in the prior year quarter (including \$225,000 of the pre-tax realignment charge).

Harold M. Stratton II, Chairman of the Board and Chief Executive Officer, commented: "Last year, our third quarter was impacted by vacillating demand from our customers as they reacted to the downturn in the U.S. economy by temporarily closing their production facilities. This year, our customers have maintained stable production schedules at reasonably strong levels. This stability, along with our cost reduction efforts, has allowed us to show improvement in profitability on a quarter to quarter basis."

Several significant events of note occurred during the third quarter. The company received ISO 14001 Certification both at its Milwaukee, Wis. and Juarez, Mexico facilities in recognition of its environmental management systems. In addition, STRATTEC has been recommended for TS 16949 Certification at its Milwaukee, Detroit, (MI) and Juarez sites, thereby expanding upon its existing QS 9000 quality certification. This additional certification supports the company's business with global customers.

On March 1, 2002, the company completed the formation of WITTE - STRATTEC China, a joint venture between WITTE - STRATTEC LLC and a unit of Elitech Technology Co. Ltd of Taiwan. WITTE - STRATTEC China, located in Fuzhou, People's Republic of China will be the base of operation to service the company's automotive customers in the Asian market. This joint venture, along with WITTE - STRATTEC do Brasil, formed in November, 2001 to service customers in South America, complete STRATTEC's initial globalization effort. With its Alliance partner in Europe, WITTE Velbert GmbH & Co. KG, the companies are now positioned to support their customers' global programs.

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 31,	April 1,	March 31,	April 1,
2002	2001	2002	2001
(Unaudited)		(Unaudited)	

Net Sales	\$51,687	\$48,179	\$150,320	\$150,588
Cost of Goods Sold	40,313	38,842	118,758	120,026
Gross Profit	11,374	9,337	31,562	30,562
Engineering, Selling & Administrative Expenses	4,954	5,182	14,596	14,872
Income from Operations	6,420	4,155	16,966	15,690
Interest Income	119	138	415	521
Interest Expense	--	--	--	--
Other Expense, Net	(142)	(81)	(49)	(158)
	6,397	4,212	17,332	16,053
Provision for Income Taxes	2,367	1,601	6,413	6,132
Net Income	\$4,030	\$2,611	\$10,919	\$9,921
Earnings Per Share:				
Basic	\$.98	\$.61	\$2.66	\$2.26
Diluted	\$.96	\$.60	\$2.62	\$2.21
Average Basic Shares Outstanding	4,130	4,297	4,103	4,397
Average Diluted Shares Outstanding	4,204	4,382	4,162	4,492
Other				
Capital Expenditures	\$1,489	\$1,610	\$3,774	\$6,552
Depreciation & Amortization	\$2,082	\$2,027	\$6,230	\$5,906

STRATTEC SECURITY CORPORATION  
Condensed Balance Sheet Data  
(In Thousands)

March 31, 2002    July 1, 2001  
(Unaudited)

ASSETS

Current Assets:

Cash and cash equivalents	\$32,434	\$15,298
Receivables, net	26,745	27,189
Inventories	10,128	8,605
Other current assets	9,715	8,575
Total Current Assets	79,022	59,667
Deferred Income Taxes	130	130
Property, Plant and Equipment, Net	39,362	41,851
	\$118,514	\$101,648

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Accounts Payable	\$15,027	\$14,178
Other	15,212	12,315
Total Current Liabilities	30,239	26,493
Borrowings Under Revolving Credit Facility	--	--
Accrued Pension and Post Retirement Obligations	14,967	15,145

Shareholders' Equity	144,575	128,848
Less: Treasury Stock	(71,267)	(68,838)
Total Shareholders' Equity	73,308	60,010
	\$118,514	\$101,648

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#### SOURCE STRATTEC SECURITY CORPORATION

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