



Robert W. Baird & Company

2006 Industrial Conference

November 8, 2006

Disclosure for Presentation at Baird Industrial Conference

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include expected future financial results, product offerings, global expansion, liquidity needs, financing ability, planned capital expenditures, management’s or the Company’s expectations and beliefs, and similar matters. The Company’s business, operations and financial performance are subject to certain risks and uncertainties, which could result in material differences in actual results from the Company’s current expectations. These risks and uncertainties include, but are not limited to, general economic conditions, in particular, relating to the automotive industry, customer demand for the Company’s and its customer’s products, competitive and technological developments, customer purchasing actions, foreign currency fluctuations and costs of operations. Such risks and uncertainties are discussed further in the Company’s filings with the Securities and Exchange Commission.

This presentation includes selected information regarding the Company’s business, operations and financial performance and is qualified in its entirety by the more complete information contained in the Company’s filings with the Securities and Exchange Commission and other public disclosures.

All information in this presentation is as of November 8, 2006 and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. The company undertakes no obligation to update any information in this presentation to reflect subsequent events or circumstances.

This presentation can be found at:
www.strattec.com
Investor Relations
Presentations

Patrick J. Hansen

Senior Vice President & CFO

North American Industry Dynamics

- Our Traditional OEM customers (General Motors, Ford and DaimlerChrysler) vehicle product mix is heavily weighted towards SUV's and Trucks while new vehicle purchasers have renewed interest in more fuel efficient cars due to rising and fluctuating fuel costs.
- The New Domestic Manufacturers (Toyota, Nissan, Honda, etc.) continue to increase their production market share at the expense of our traditional OEM customers further eroding STRATTEC's traditional lockset market share.
- Our traditional customers business models are broken. They are starting to fix their internal cost structures, but need to address the product side.

North American Industry Dynamics

- We experienced weak vehicle production schedules from our customers during our 1st Fiscal Quarter and see this trend continuing through our second fiscal quarter ending in December 2006. Production volume for our 3rd Fiscal Quarter looks modestly more promising at this time, although we don't have confidence in the forecasts.
- Continued customer price reduction pressures along with STRATTEC's inability to pass on current cost increases for our primary raw materials, zinc and brass, that have more than doubled in cost during the past year.

STRATTEC Dynamics

- Higher raw material costs for zinc and brass reduced 2007 first quarter operating results by approximately \$2.3 million.
- Starting to gain momentum with customers to accept or acknowledge potential raw material adjustments going forward but will take most of fiscal 2007 to make an impact on future results.
- We and our OEM customers are looking for lower cost alternatives to our current zinc and brass components which could be manufactured in either magnesium, aluminum, plastic, steel, etc.

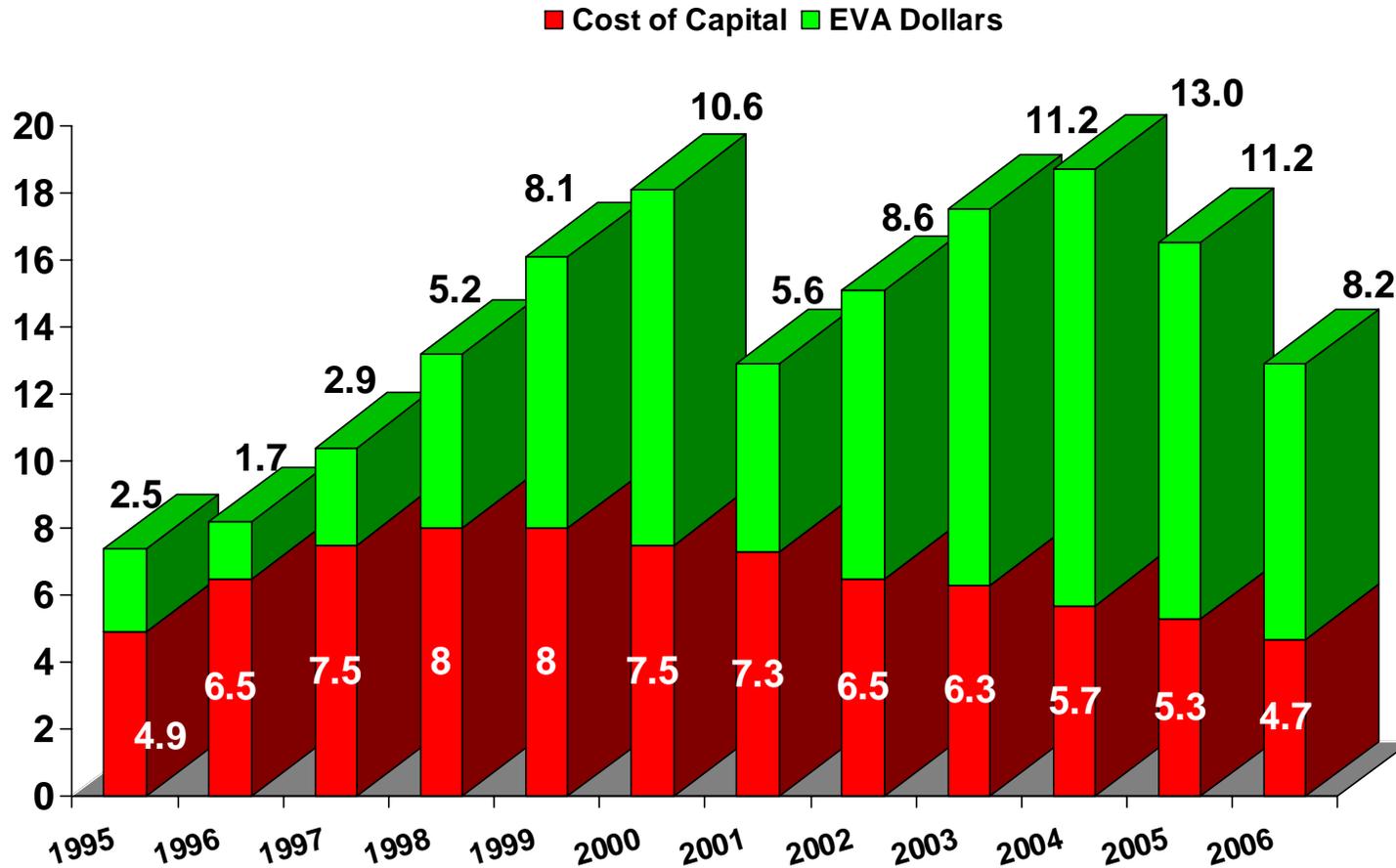
STRATTEC Dynamics

- Several automotive suppliers are in financial distress and some have been forced into filing for bankruptcy protection during the past year due to:
 - Highly leveraged capital structures
 - Significant obligations relating to their legacy liabilities for pensions and retiree healthcare
 - Inability to absorb rising raw material costs
 - Dependence on distressed customers and/or product mix
- Provides us with opportunities to quote takeover business from both distressed and bankrupt suppliers

STRATTEC Dynamics

- Continued emphasis on cost reduction activities.
- Moving our Milwaukee service assembly operations to STRATTEC de Mexico. This move is expected to generate cost savings starting after January 1, 2007.
- Our business continues to generate cash flow from operations that has supported our stock buyback program and strategic initiatives in new and transitional products (latches, driver controls/ignition lock housings, codeable lock, residual magnetics, etc.), and developing new customers.

Economic Value Added (EVA) (in millions of dollars)



NOTE: Cost of capital was 12% for fiscal years 1995 – 2003, 11% for fiscal years 2004, 2005 and 2006

STRATTEC SECURITY CORPORATION

(Historical EVA Returns)

<u>Fiscal Year</u>	<u>Return</u>
2006	30.4%
2005	34.4%
2004	36.2%
2003	33.1%
2002	28.1%
2001	21.1%
2000	29.1%
1999	24.1%
1998	19.7%
1997	16.5%
1996	15.1%
1995	17.8%

Represents Actual EVA Return to Our Shareholders Based on Average Net Capital Assets Employed in the Business which excludes cash and investment income

STRATTEC SECURITY CORPORATION

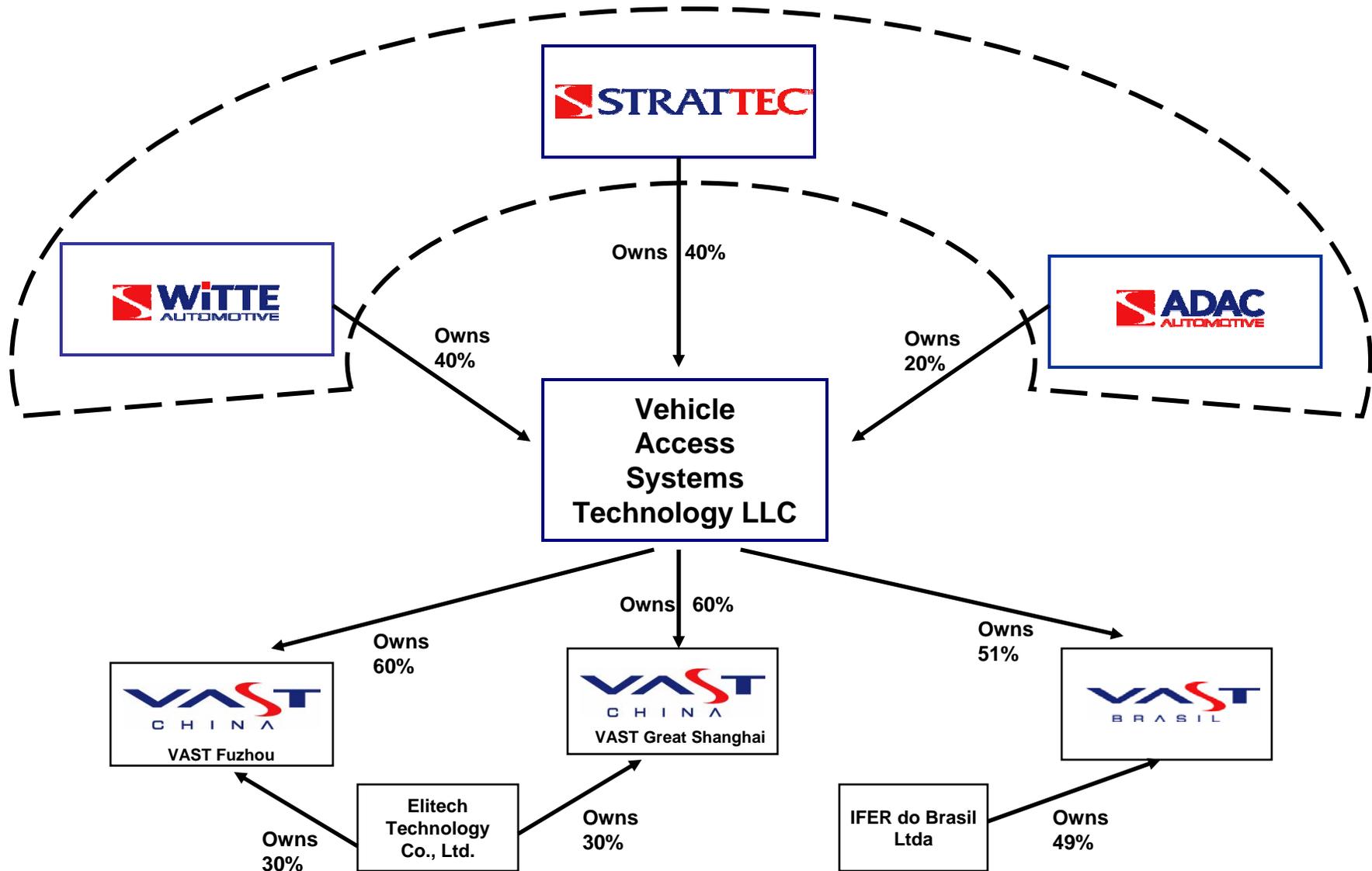
Stock Buyback Program Status as of October 1, 2006

Number of Shares Purchased	=	3,343,000	Shares
Dollar Amount Purchased	=	\$125.3	Million
Average Cost Per Share	=	\$37.48	
% of Issued Shares Purchased	=	49%	
Additional Shares Available to Purchase Under Current Program Authorization	=	296,000	Shares

Our strong financial position, with \$64 million of invested cash and no debt facility borrowings over the last nine years, positions us well to make strategic investments - including acquisitions

Harold M. Stratton II

Chairman, President & CEO



Benefits of VAST Alliance

- Global footprint which qualifies us to quote “global” programs. Without this, STRATTEC would not be able to quote North American programs that are part of a customer’s global sourcing initiative.
- Access to partners’ technology and product development resources.
- Joint participation in revenue generated by one partner’s core product produced by another partner in Europe or North America.

Benefits of VAST Alliance

- Sharing among partners of the risk/reward of commercial activities outside of Europe and North America.
- Access to broader customer base.

VAST Alliance

- Starting to see more serious global quoting and product development activity from our customers.
- The VAST Alliance members won a significant amount of new global programs at General Motors with their Epsilon II platform (locksets, ignition lock housings, seat back latches and outside door handles).
- North American content includes ignition lock housings and seat back latches produced by STRATTEC, and outside door handles produced by ADAC.

VAST Alliance

- VAST LLC joint ventures in China yielding approximately \$12 million of new or localized business in Calendar Year 2006 with Volkswagen, General Motors and Ford. Significant sales growth forecast over next three years. VAST China annual sales in calendar year 2009 expected to exceed \$30 million.
- We are positioned exactly where we want to be to take advantage of globalization trends to expand our business.

VAST Alliance Profile

- \$650 million annual sales
- 20 Manufacturing facilities in U.S., Mexico, U.K., Germany, Czech Republic, China and Brazil
- Worldwide employment of 6,000 (including JVs)
- Major Customers Served:

DaimlerChrysler

Honda

BMW

Ford

Nissan

Thyssen-Krupp

General Motors

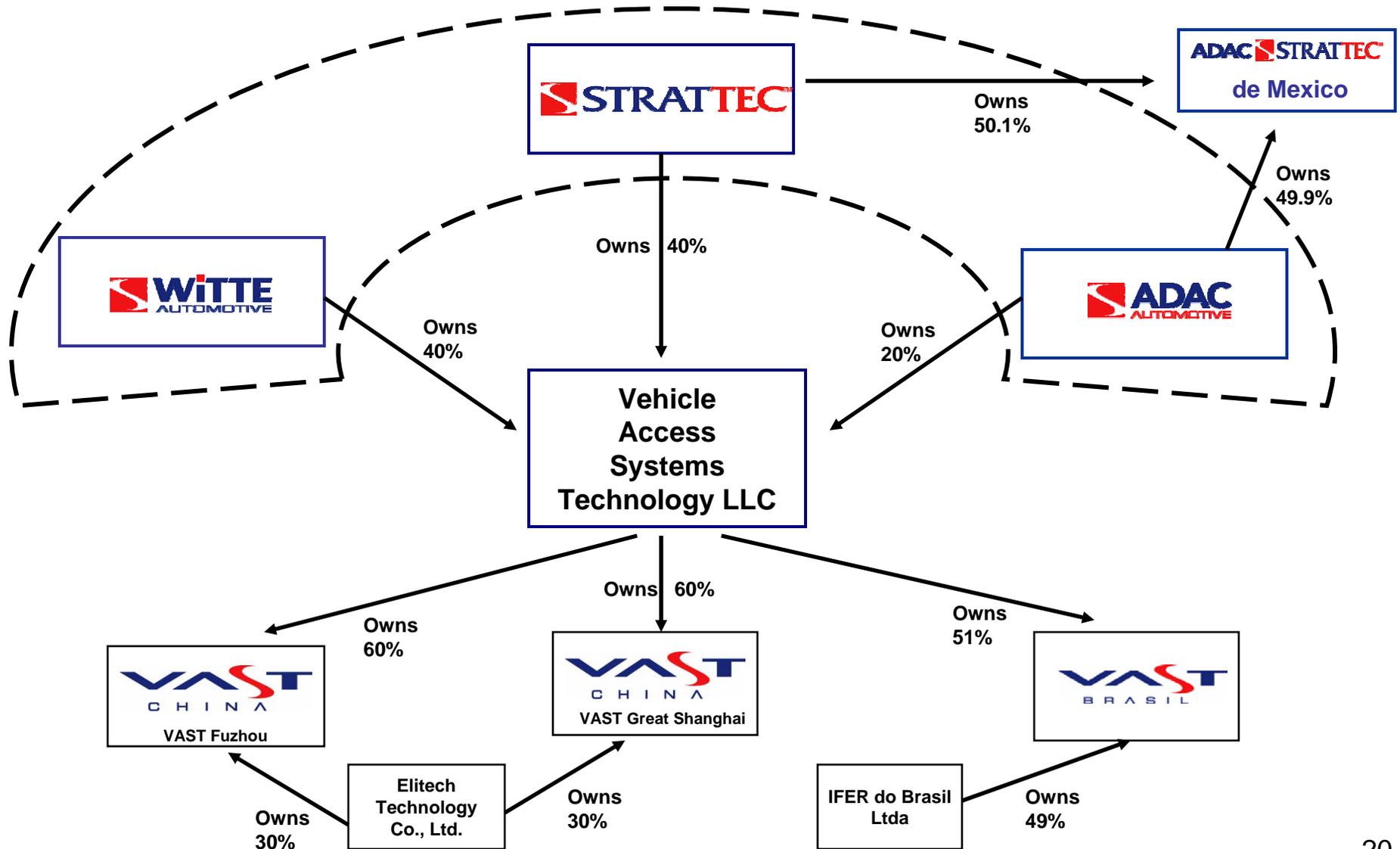
ZF

Delphi

Volkswagen Group

Lear

JCI



ADAC STRATTEC de Mexico LLC (ASDM)

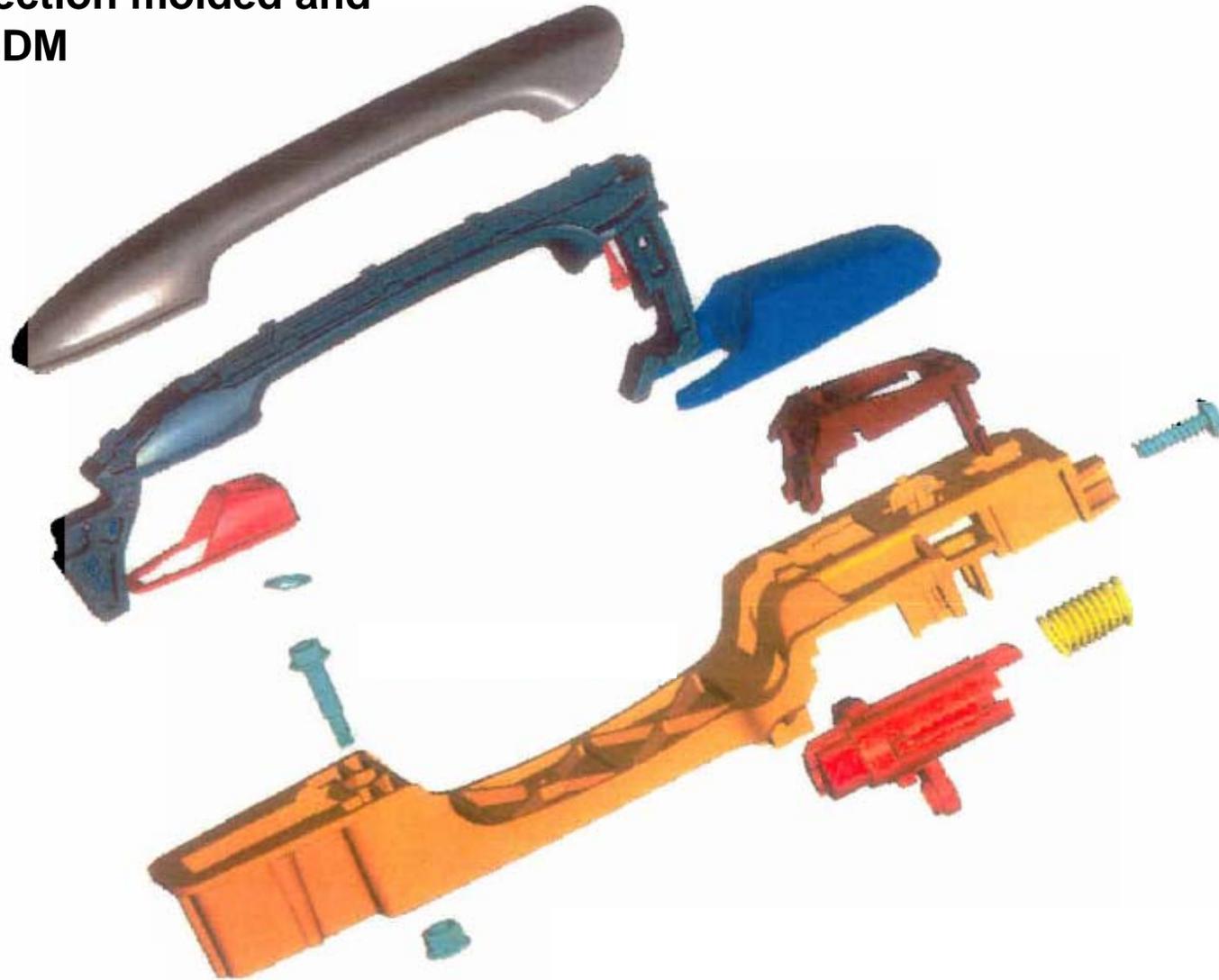
- New Joint Venture established between ADAC Automotive and STRATTEC effective October 2006
- STRATTEC is the majority owner at 50.1% with ADAC owning 49.9%. Allows STRATTEC to consolidate the sales activity and record our ownership interest in future operating results.
- The purpose of the Joint Venture is to conduct injection molding and assembly operations in Juarez, Mexico, primarily for door handle products, although certain driver control products are potential products for this JV as well.

ADAC STRATTEC de Mexico LLC (ASDM)

- The first programs in the Joint Venture will be the Ford Fusion outside door handle chassis assembly and the JC49 Dodge Midsize Crossover Vehicle lightbar rear appliqué starting July and December 2007.
- Expected ASDM sales for STRATTEC fiscal years:

2008	=	\$5.4	Million
2009	=	\$12.5	Million
2010	=	\$14.2	Million

**Ford Fusion outside door handle
chassis to be injection molded and
assembled at ASDM**



Recent Positive Developments

- ADAC-STRATTEC de Mexico JV
- Cost reduction successes
- Getting some traction with material cost pricing recovery
- Continued preparation for a major latch program
 - New 400-ton stamping press to be installed in Milwaukee facility (December, 2006)
 - New press also supports Epsilon II seat latch program
 - New addition to plating line in Milwaukee

Recent Positive Developments

- Actively engaged in discussions to takeover a large portion of competitors lockset business. If successful, this business will have the following positive characteristics:
 - Starting January, 2007
 - Locksets for 11 branded models (5 vehicle platforms)
 - Annual production volume of 944,000
 - Good passenger car product mix
 - Annual sales volume of \$9,850,000
 - Pricing includes recent raw material costs

Recent Positive Developments

- Establishing a sales and engineering branch office in Tokyo with VAST Alliance partners to promote business with New Domestic in North America and Europe (Operational in January, 2007)
- Pace of new product quoting opportunities accelerating for lock sets and rear compartment latches

Recent Positive Developments

- Announced introduction of RE-Codeable lock technology with Master Lock
 - Technology developed by STRATTEC in collaboration with Master Lock after we introduced our Codeable lock product to them.
 - RE-Codeable locks benefit consumers by making it easy to re-code a lock to a specific key without taking the lock apart or enlisting the aid of a lock service professional.
 - Provides the convenience of a one-key system for a variety of lockable items to the consumer.
 - Product applications introduced by Master Lock at last week's Automotive Aftermarket Products Expo (AAPEX) in Las Vegas.

Recent Positive Developments

- Master Lock products using RE-Codeable lock technology include automotive towing security products, door hardware and tool boxes.
- STRATTEC is the exclusive manufacturer of RE-Codeable lock cylinders for Master Lock applications.
- Gives us an opportunity to participate in markets beyond our core automotive OEM market.



Summary

- Difficult first quarter for our fiscal 2007
- Second quarter will be at least as difficult, may be more so.
- We expect second half of fiscal 2007 will show improvements over the first half:
 - Positive effects of cost reduction activities
 - Expect to have some price increases implemented during 3rd and 4th fiscal quarters
 - New product sales expected to come on line
 - Improvement still dependent on customer production
- Strategic initiatives starting to show progress for both product and customer expansion in the future



Robert W. Baird & Company

2006 Industrial Conference

November 8, 2006