



*Robert W. Baird & Company*

*2009 Industrial Conference*

November 10, 2009

Patrick J. Hansen

Senior Vice President & CFO

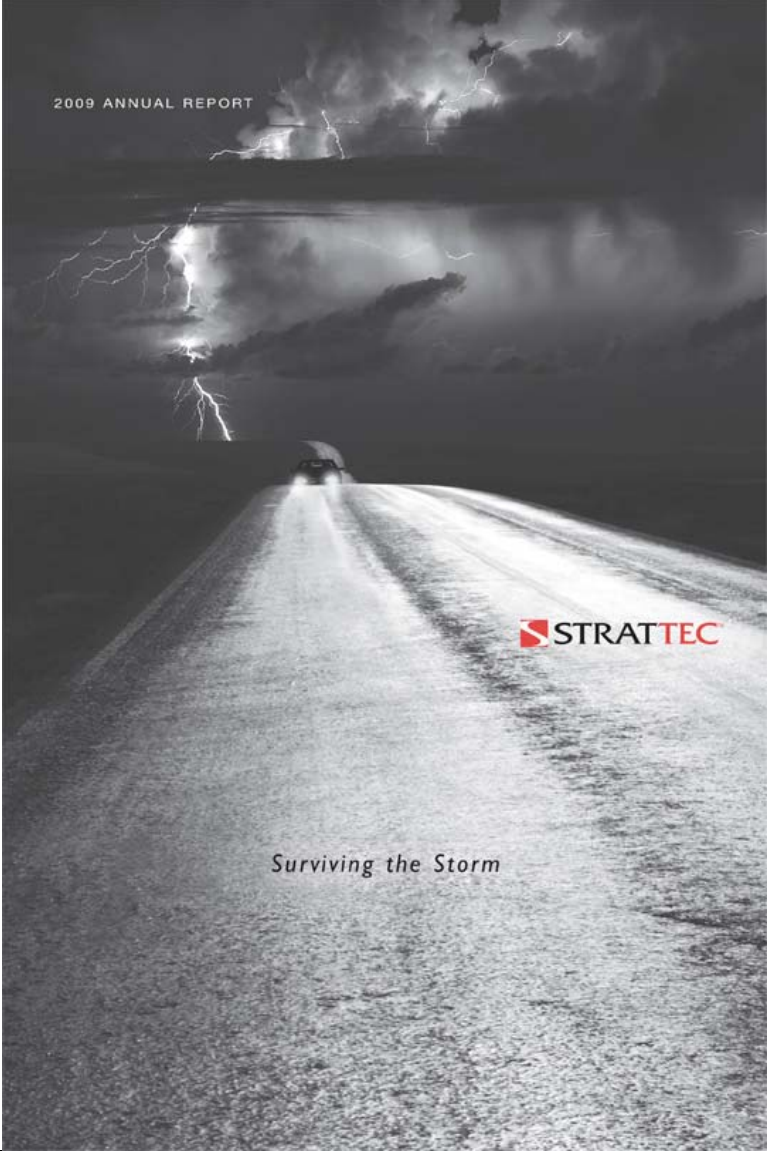
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## **Fiscal Year 2009 Net Loss \$6.1 Million**

(First net loss since spin-off from Briggs & Stratton in 1995)

### Items that Impacted Operating Results in Fiscal Year 2009

- Availability of Consumer Credit and Overall Global Recession.
- Significant reduction in demand for new vehicles.
- Significant customer downtime months of December, January, May and June 2009.
- Consolidation of two leased facilities in Matamoros (Delphi Power Products Business) and Juarez, Mexico (Key Finishing and ASDM Assembly) into a new 140,000 sq. ft. facility in Juarez, Mexico.
- Chrysler and General Motors Bankruptcy filings in our 4<sup>th</sup> Quarter.
- Acquisition/integration of STRATTEC POWER ACCESS

## Specific Actions Taken

- Did not replace 10 salaried positions for associates that left the Company through retirements or normal attrition.
- Reduced salaried headcount on January 15, 2009 by 20 associates.
- Reduced 401(k) match for salaried associates on January 1, 2009.
- Reduced salaries by approximately 4% on May 16, 2009.
- Temporary work furloughs for hourly and salaried associates.
- Total annual savings of \$3.5 million.

**Fiscal Year 2010 1<sup>st</sup> Quarter Net sales of \$41.2 million versus \$34.7 million in the prior year quarter driven by STRATTEC POWER ACCESS sales of \$10.7 million**

**1<sup>st</sup> Quarter Profit \$943,000 versus \$20,000 Profit in the Prior Year**

Specific Actions Taken During the 1<sup>st</sup> Quarter Affecting the Quarter and Future Periods

- Temporary work furloughs during July 2009.
- Froze STRATTEC defined benefit Retirement Plans for hourly and salaried associates effective December 31, 2009 and replaced future benefit accruals under the Plan with a higher 401(k) match effective January 1, 2010.
- Impact of the Retirement Plan freeze should reduce future annual cash contributions by approximately \$2.0 million per year.
- Changed the STRATTEC Retiree Health insurance program with annual cap effective for retirees after December 31, 2009.
- Impact of the retirement plan changes will be calculated and disclosed in future quarters.
- Identified specific operations to be moved from Milwaukee to Juarez over the next 16 months.

## Outlook Going Forward

- Cash for Clunkers Program pulled future vehicle demand forward into the month of August 2009.
- The September and October 2009 Production Rates largely driven by replenishment of retail inventories, are not sustainable over next Two Quarters (November 2009 – March 2010).
- Continue to manage and adjust the business based on customer vehicle build schedules going forward.



## Other Items

- VAST Alliance signed a definitive agreement to purchase the remaining non-controlling interest of our two Chinese Joint Ventures on October 29, 2009
- STRATTEC renewed our \$20 million unsecured line of credit on October 31, 2009 with M&I Bank

# Harold M. Stratton II

## Chairman, President & CEO

- The purchase of Delphi Power Products was completed on November 30, 2008.
- The North American Business of Delphi Power Products is now called STRATTEC POWER ACCESS LLC (SPA).
- Ownership of SPA is 80% STRATTEC and 20% WITTE.
- WITTE purchased the European Business of the Delphi Power Products Group.

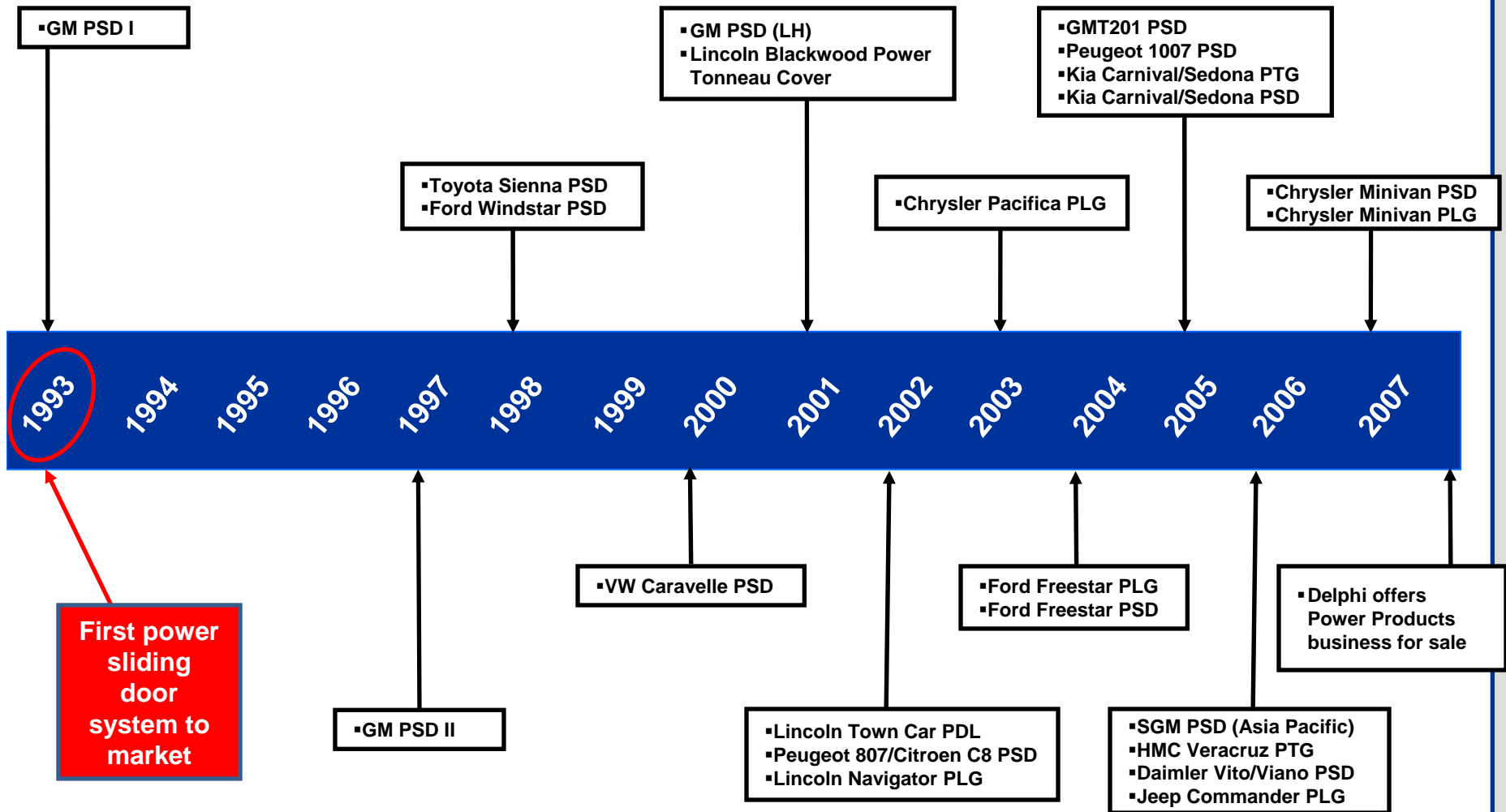
# Power Access Business Overview



- Power Products Historical timeline
- Global Customer Base
- Current Production Business
- Power Sliding Door (PSD)
- Power Liftgate (PLG)
- Power Deck Lid (PDL)
- Power Tonneau Cover (PTC)
- Power Cinching Latch & Striker
- Touchless Obstacle Detection



# Power Access Products Historical Timeline



# Global Customer Base





# Current Production Business



# STRATTEC Power Access – Current Production Business (Chrysler, VW)



## Power Sliding Doors & Power Liftgate



Chrysler Town and Country  
Dodge Caravan

## Power Liftgate



Jeep Commander

## Power Sliding Doors & Power Liftgate



VW Routan



# STRATTEC Power Access – Current Production Business (Asia Pacific Market)

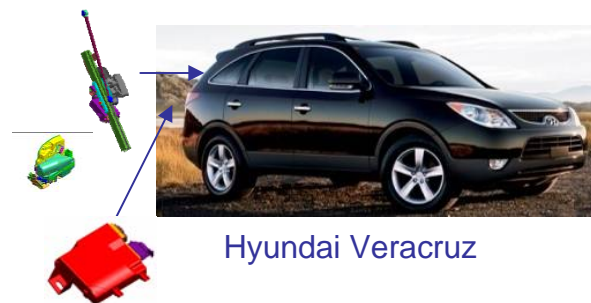


Power Sliding Doors, Power Liftgate,  
Power Cinching Latch, Electronic Control Module



Kia Sedona

Power Liftgate, Power Cinching Latch,  
Electronic Control Module



Hyundai Veracruz



Power Sliding Doors with Controllers



Luxgen

Power Sliding Door with Controller



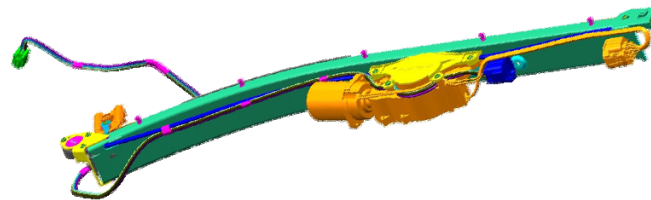
Buick GL8



Power Decklid



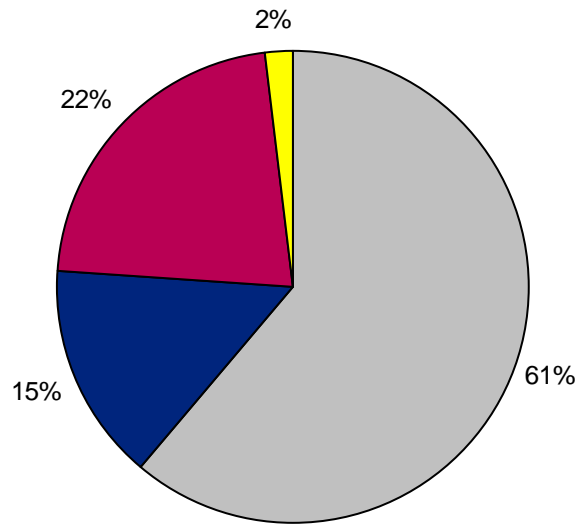
Lincoln Towncar



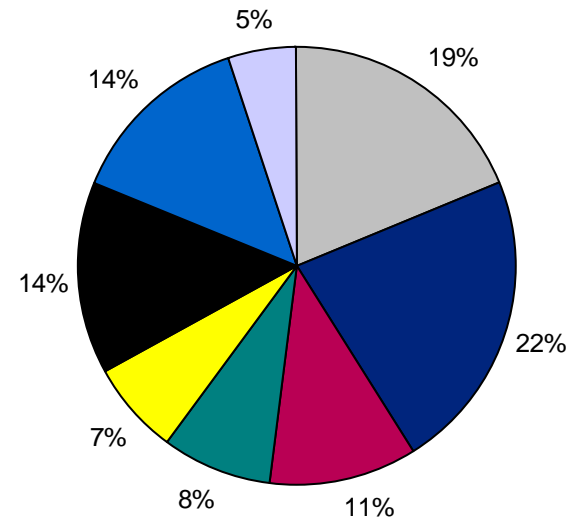
## Power Sliding Door Components

# 2009 Market Share – North America

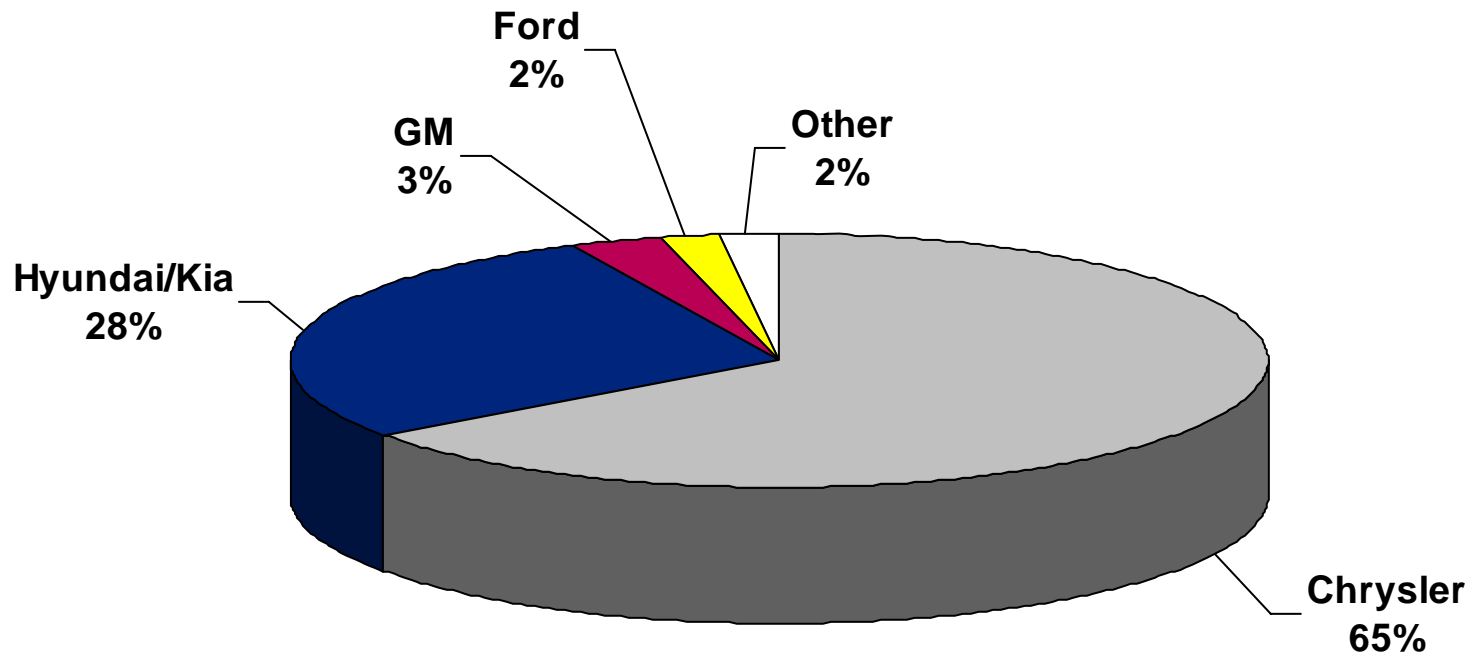
Power Sliding Door Market Share - North America



Power Liftgate Market Share - North America



## Fiscal Year 2010 Projected Revenue % by Customer



The main logo for STRATTEC POWER ACCESS. It features a large red 'S' icon on the left, followed by 'STRATTEC' in blue and red capital letters with a trademark symbol, and 'POWER ACCESS' in blue and red capital letters below it.

# Power Sliding Door Overview



- **Drive Unit Assembly**

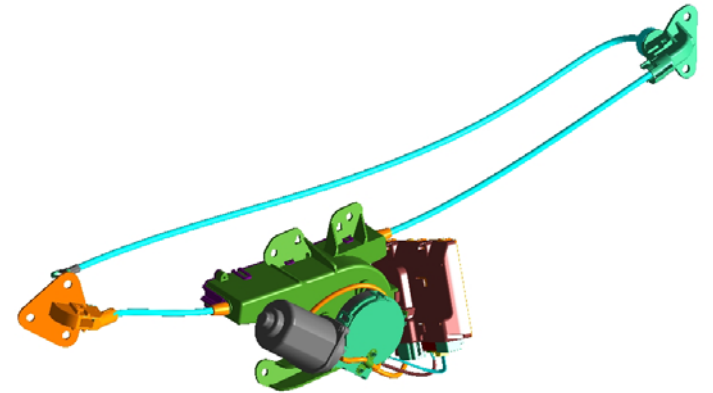
- Usually contains motor and clutch, optical sensor or hall effect device.
- Most SPA systems are capable of fully cinching the door

- **Electronic Control Module**

- Microprocessor controlled
- Patented software for obstacle detection and speed control

- **Latch Assembly**

- Slightly modified standard SPA sliding door latch assembly with addition of a detent switch (provides signal indicating latch position to the PSD Controller)
- No separate cinching mechanism required for most SPA systems

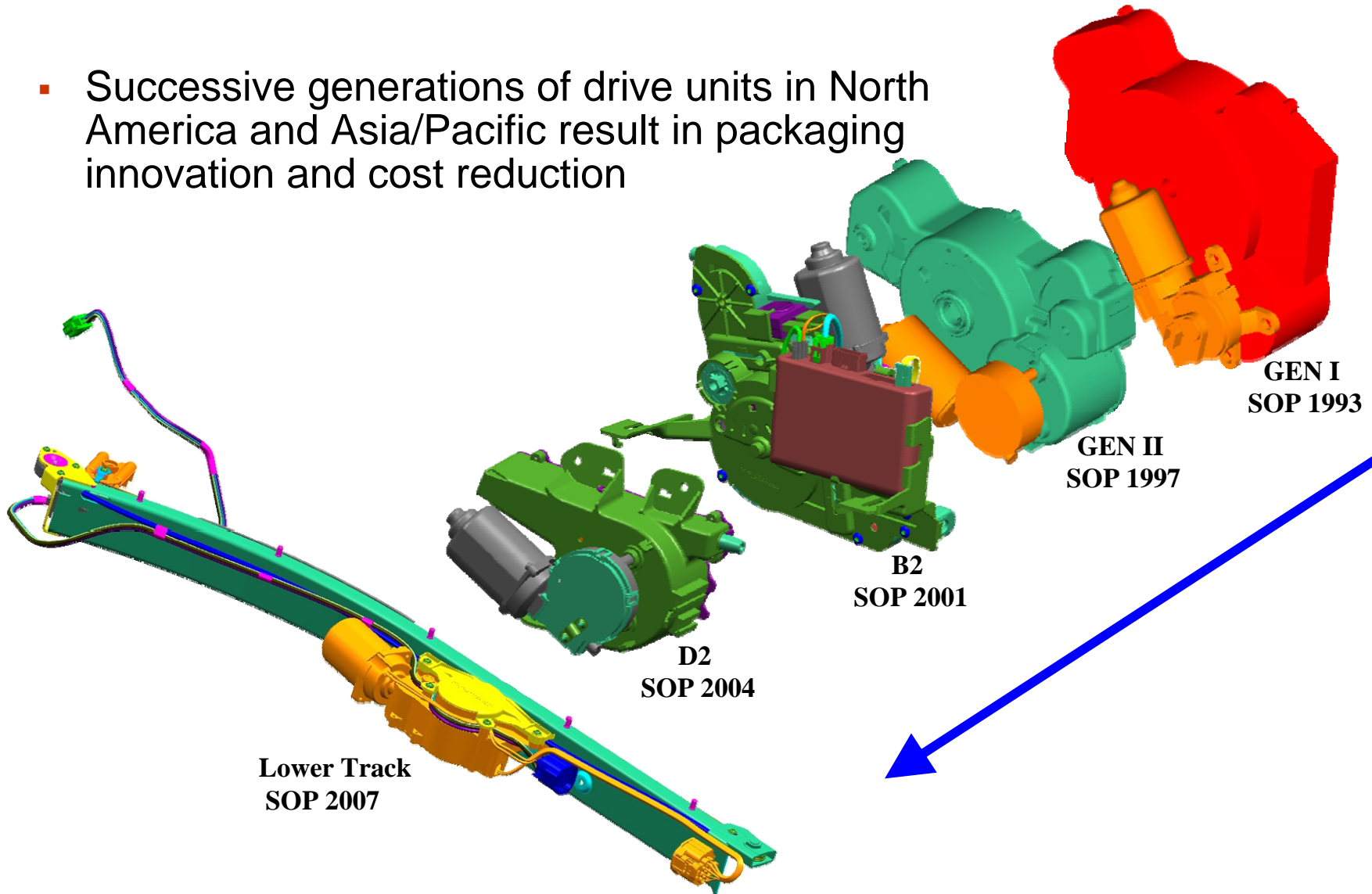




# Power Sliding Door – North America & Asia Products



- Successive generations of drive units in North America and Asia/Pacific result in packaging innovation and cost reduction





A large version of the STRATTEC logo, with 'STRATTEC' in blue and red and 'POWER ACCESS' in red below it.

# Power Liftgate Overview



- **Drive Unit Assembly**

- Usually contains motor and clutch, optical sensor or hall effect device.
- Most SPA systems mount on the D pillar.
- Power the gate from full open position to secondary latch position and vice versa

- **Electronic Control Module**

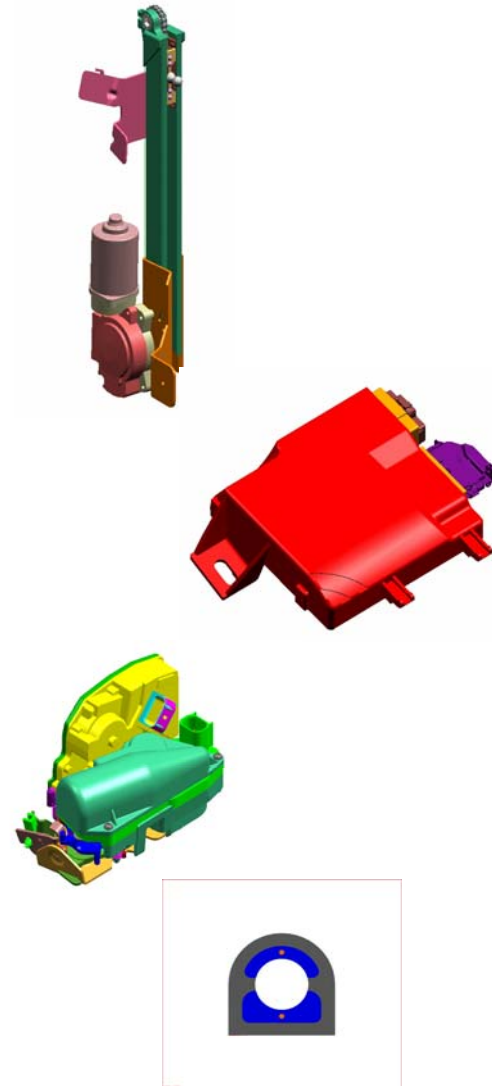
- Microprocessor controlled
- Patented software for obstacle detection and speed control

- **Cinching Latch Assembly**

- Powers the gate from the secondary latch position to the full primary position

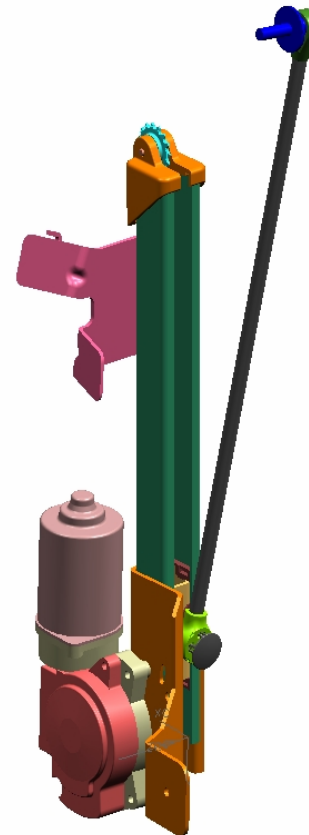
- **Touch Strip**

- Mounted on either gate or D pillar
- When pressed, signal is sent to the electronic controller to reverse power operation



## D-Pillar Power Lift Gate

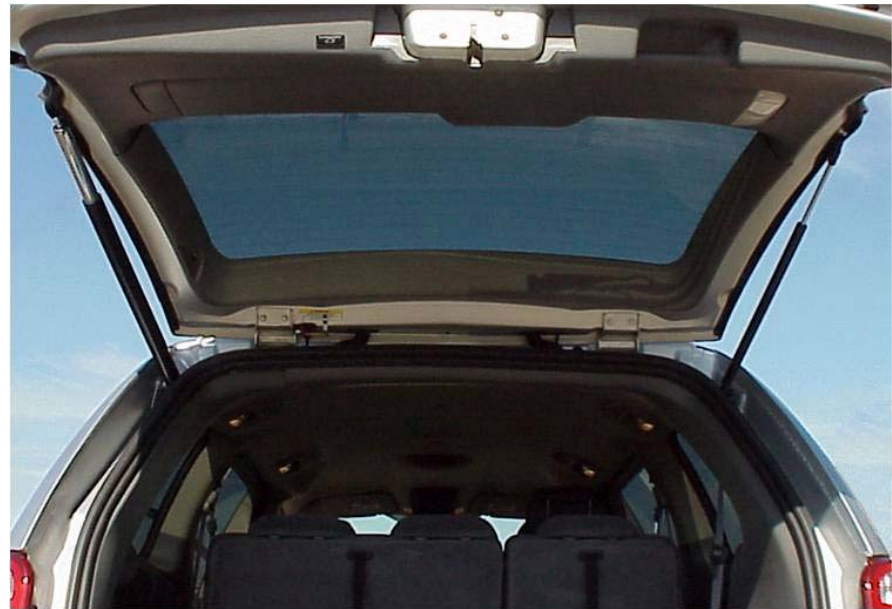
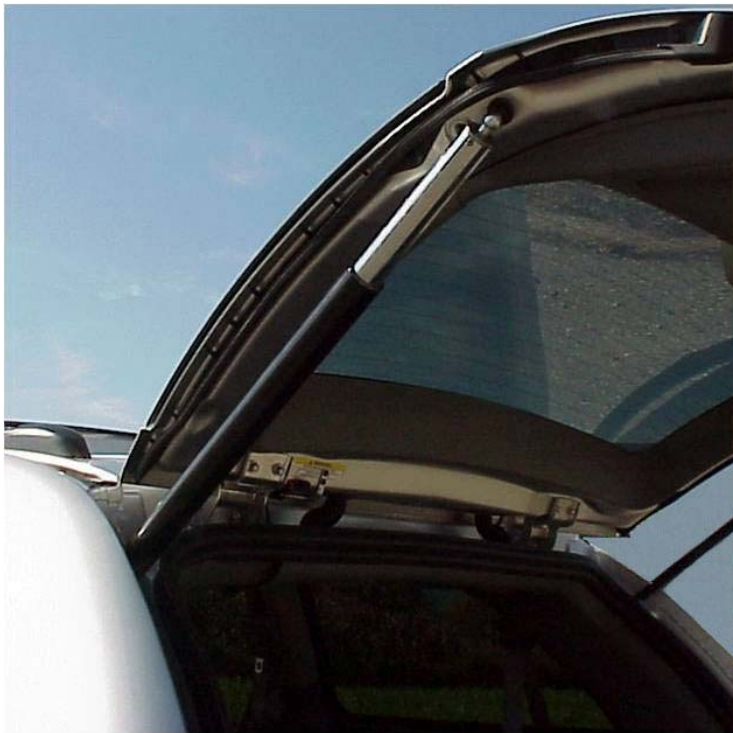
- Single side D-pillar mounted system
- Chain driven or Rack & Pinion driven system
- Potential for common trim between power and manual lift gate options
- Greater than 90% component reuse allows for cost effective PLG reuse across multiple vehicle platforms
- High frequency controller allows for a quiet system



- **Power Actuator system mounted outside of the weather seals for Liftgate or Hatchback type closures.**
- **Packages in the D-pillar rain gutter.**
- **Offered in both dual or single sided versions depending on customer requirements and/or preference.**
- **Replaces the gas strut(s) from a manual gate.**
- **The assembly is simple and flexible. The Power Strut mounts to the same ball studs as the gas strut(s).**
- **Feasible for Flip-over or Push-up Gate Geometry.**
- **Includes mechanical springs to provide gate counterbalance. For dual systems, this reduces effects of temperature usually found with gas strut gate systems.**
- **Other available features include:**
  - **Absolute position sensor for defined gate position at all times**
  - **Slip Device to protect for customer mis-use/abuse**



## Example of Vehicle Packaging, Flip-over Gate Geometry



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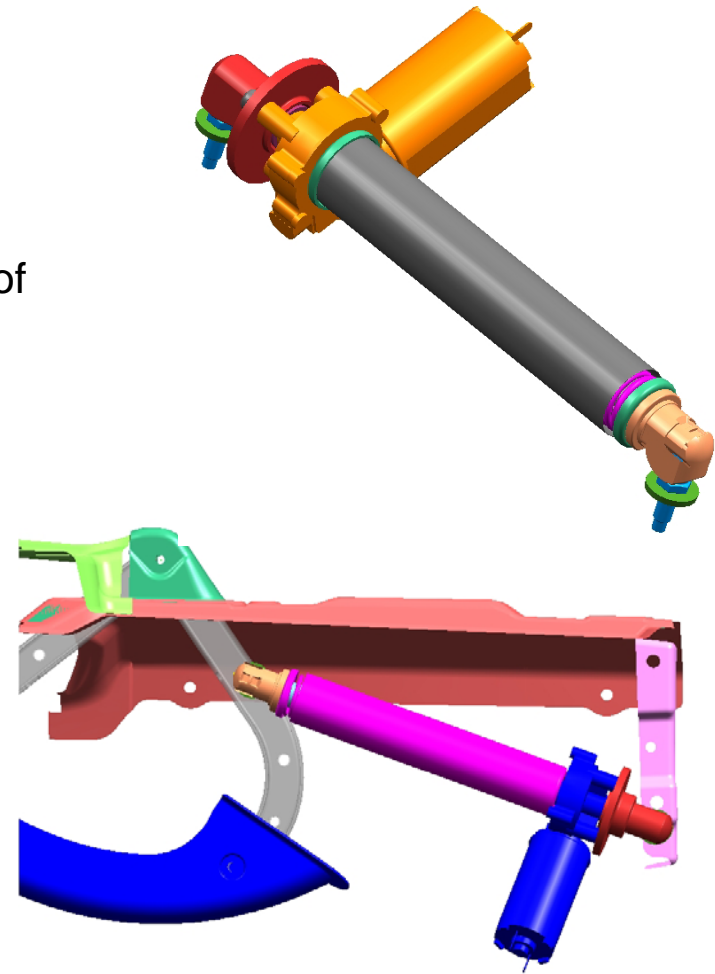
## Power Decklid Overview





# Jackscrew PDL Overview

- Back-drivable jackscrew linear actuator.
- Feasible for torque rod or mechanical spring / gas strut counterbalance for gooseneck hinge systems.
- Flexible packaging: Capable of packaging rearward or forward of the hinge on either the LH or RH side of the vehicle.
- Due to small size and packaging flexibility, provides little to no intrusion into trunk storage volume.
- Flexible design allows for additional content:
  - Counterbalance spring
  - Slip device for customer mis-use
  - Absolute Position sensor
- Socket attachment features, similar to gas struts, for ease of installation to vehicle attachments (ball studs).

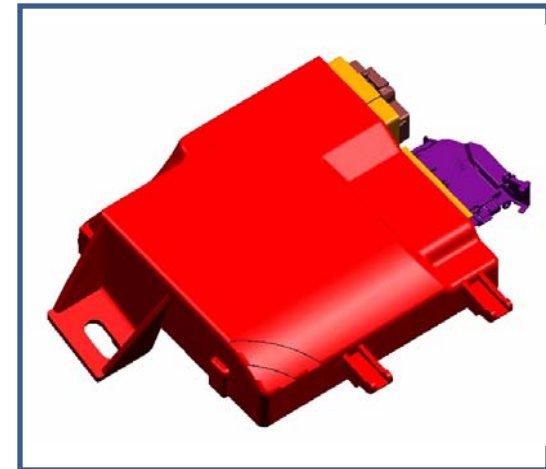




# Electronic Control Module Overview



- **Description:**
  - Electronic controller hardware and software design scalable for multiple power products systems
  - Strategy to maximize re-use and thereby reduce technical risk, timing and engineering cost
  
- **Key Technology:**
  - Electronic component technologies result in performance improvements and lower unit cost
  - Common “core” hardware and software
  - Software architecture to promote re-use, modularity, auto-coding and future compliance to international developments (e.g., AUTOSAR)
  - Computer modeled algorithms and state machines that can be auto-coded into embedded software
  
- **Potential Applications**
  - All new power access products controller programs



## Key Advantages

- Material cost
- Fast to market and reduced risk
- Lower engineering cost

- New product offerings in access control space
- New non-US customers
- Superior system technology, including certain patents
- Customer respect and renewed confidence in viability of Power Products business
- Increased sales revenue
- Potential profit enhancement
- Outstanding people

# Questions?