



KeyBanc Capital Markets Conference

June 7, 2006

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

Patrick J. Hansen

Senior Vice President & CFO

STRATTEC Facilities

STRATTEC SECURITY CORPORATION, Milwaukee, Wisconsin

- Corporate Headquarters
- Component Manufacturing



STRATTEC Facilities

STRATTEC de Mexico S.A. de C.V., Juarez, Mexico

- Mexican Operations Headquarters
- Lockset Assembly and Packaging



STRATTEC Facilities

STRATTEC Componentes Automotrices S.A. de C.V., Juarez, Mexico

- Key and key set manufacturing

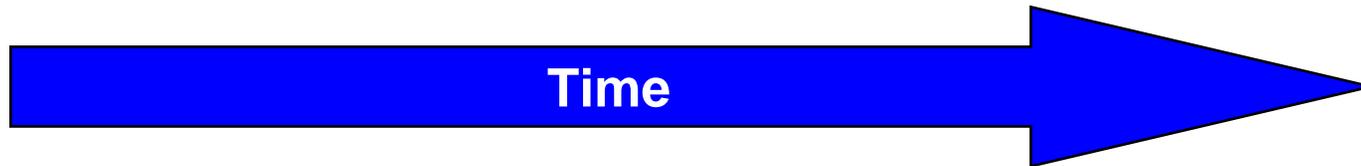


Products

Traditional : Locks and Keys for automotive applications

Transitional: Electronically enhanced “integrated” keys
Driver Controls (Ignition lock housings)

Future : Rear compartment latches (trunk, liftgate,
tailgate)
Seat mechanisms/latches (Seat back
latches, seat-to-floor)
Bladeless Electronic Keys



- Locks & Keys

- Locks & Keys
- Lock Housings
- Electronically Enhanced Keys

- Locks & Keys
- Lock Housings
- Electronically Enhanced Keys
- Bladeless Electronic Keys
- Secondary Latches
- Seat Latches/ Mechanisms

Traditional Product: Vehicle Lockset



Extension of the Traditional Product Line: Codeable Lock



Go from this...



...to this



with the
Codeable Lock

Codeable Lock

- Codeable lock is built with generic tumblers and special features which allow it to code to the first key inserted and turned in the lock
- Different than a standard lock which is built with tumblers to match a specific key code

Codeable Lock

STRATTEC's codeable lock provides unique convenience to users by making it possible to use one key to lock your car door, trunk, trailer hitch, truck tool box, tonneau cover, ski rack, padlock...



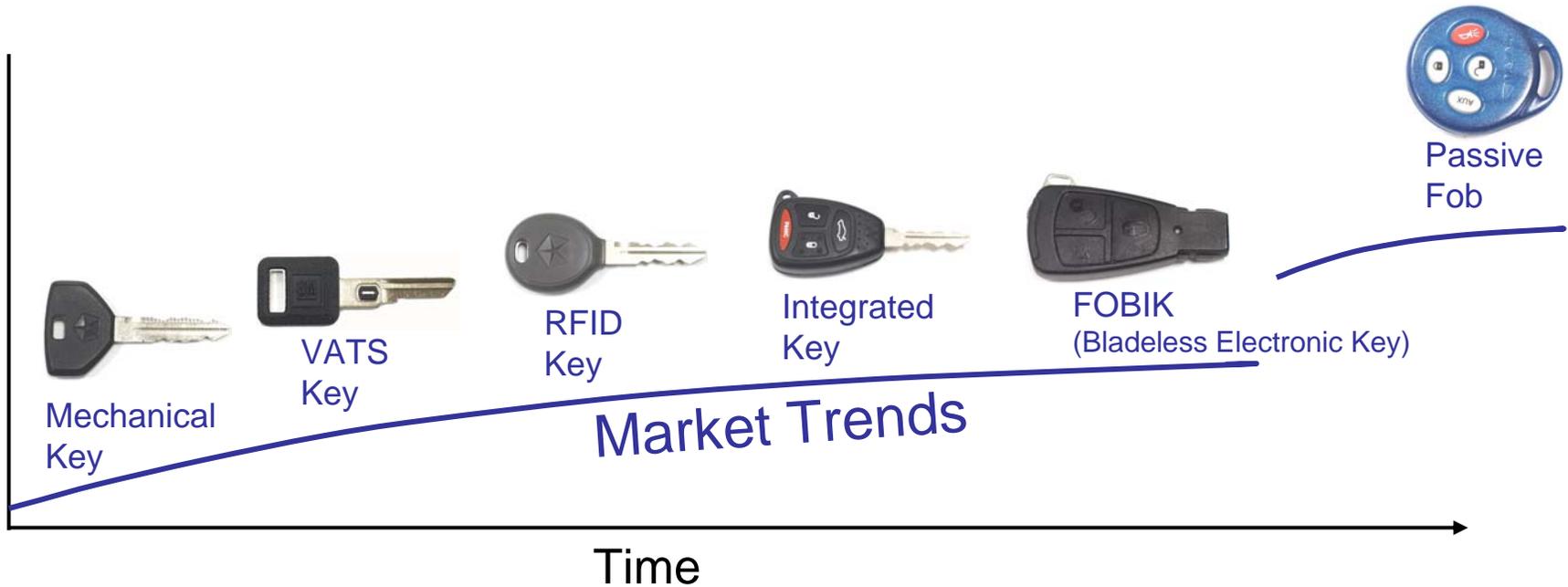
Codeable Lock Benefits

- **OEM:** Significant opportunity for reducing cost and complexity in the vehicle assembly process
- **Aftermarket:** Convenience of being able to use one key for your vehicle and any lockable accessories
- **STRATTEC:** Increased content and value per lock

Codeable Lock

- First accessory application for a new family of light trucks starting in Fiscal Year 2007
- Working with a lock hardware manufacturer to develop codeable products for the residential door hardware and consumer products markets
- Solid market potential

Transitional Product: Electronically Enhanced Keys



Transitional Product: Driver Controls

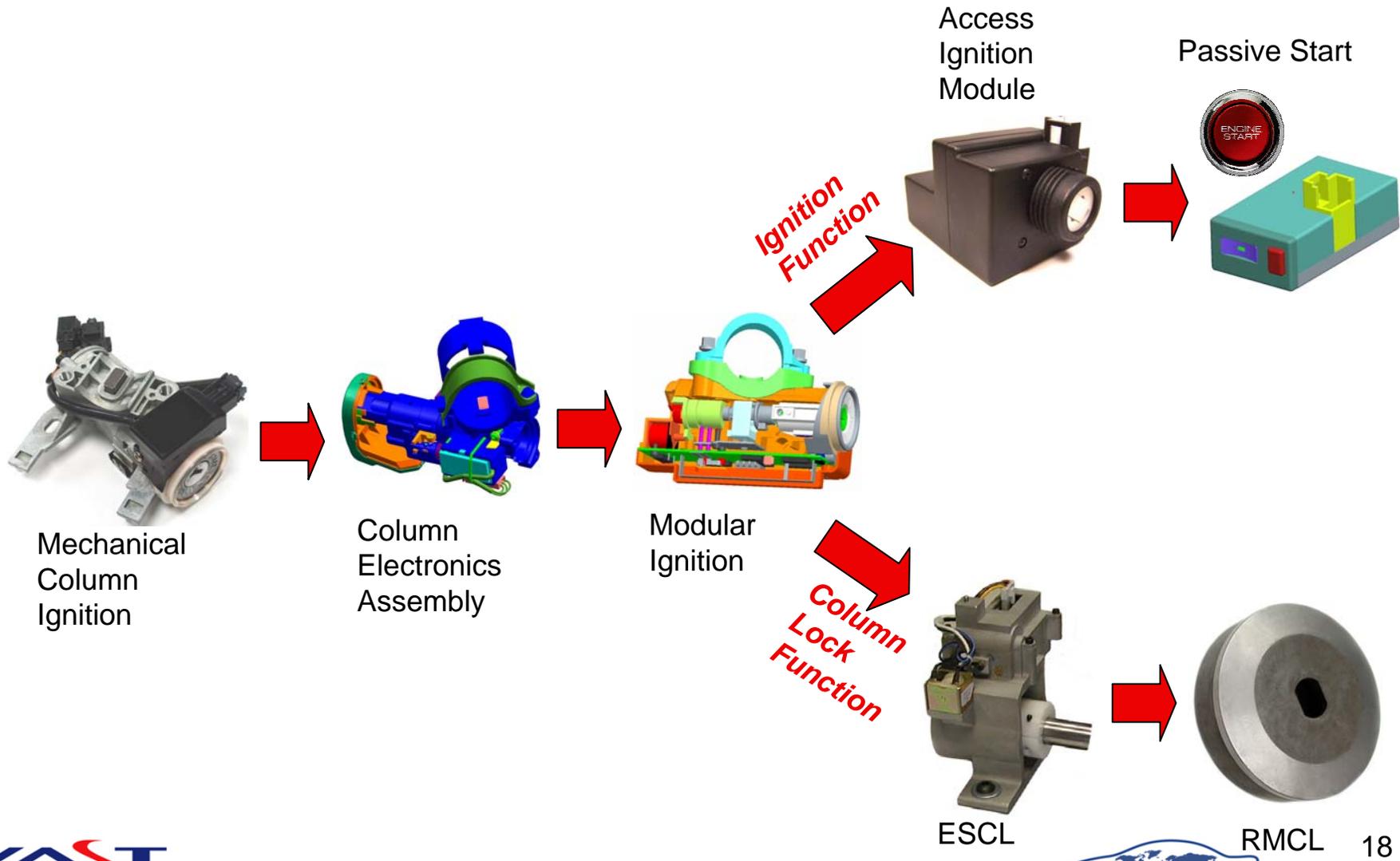
- New definition for this product category
- Ignition Lock Housings
- Growing business

Driver Controls

Ignition Lock Housing Opportunities

- Expansion of customer base
- Additional mechanical and electrical/electronic content
- Participation in evolving systems

Ignition Housing Technology Roadmap



Driver Controls

Ignition Lock Housings Awarded Business



Current base of business is approximately \$30 million

<u>Vehicle</u>	<u>Estimated New Ann. Unit Volume</u>	<u>Model Year</u>
- GMT 900 Trucks (Delphi)	(replacement)	2007
- Chrysler/Dodge Mid-Size Cars (DaimlerChrysler)	200,000	2007
- GM Mid-Size CUVs Program (Alps)	200,000	2007
- GM Holden Mid-Size Cars (NACAM)	140,000	2007
- GM Mid-Size SUV's (Alps)	(replacement)	2008
- GM Full-Size VAN's (Delphi)	(replacement)	2008
- GM Full-Size Cars – CEA (Alps)	50,000	2008

Future Product: Rear Compartment Latches

- Gaining customer credibility with small latch programs (Chevy SSR, Ford GT, Ford Sport Trac) over the last 2-3 years
- Believe both current and future opportunities exist as certain suppliers decide to exit the latch business

Future Product: Rear Compartment Latches



'07 Ford Explorer Sport Trac

Projected vehicle production: 55,000/yr.

STRATTEC LATCH CONTENT

(Supplied to TK Budd)

- 4 Tonneau Cover Latches
- Tool Box Latch

STRATTEC LOCKSET CONTENT

(Supplied to Ford Motor Co.)

- 2 Tonneau Cover Locks
- 1 Ignition Lock
- 1 LH Door Lock
- 2 RFID Keys

Service/Aftermarket Business

Service = Sale of our product through the distribution channels managed by our OEM Customers. That includes: General Motors Service Parts Operations (GMSPO), Ford Customer Service Division (FCSD), Ford Rotunda, Chrysler Mopar, Chrysler Pentastar, Saturn SPO, Mitsubishi Service

Aftermarket = Sale of our product primarily through independent distributors, not directly associated with our OEM customers.

Aftermarket Business

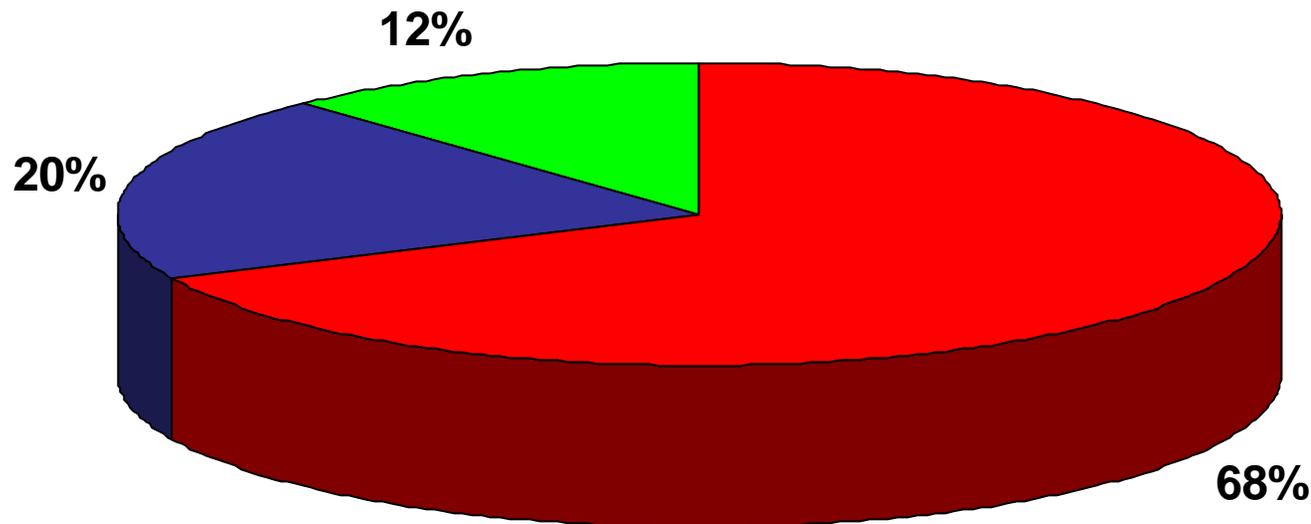
Aftermarket Business Direction

STRATTEC has been successful in selling more keys to the aftermarket built to STRATTEC specifications

- STRATTEC produced keys for domestic vehicles
- Added foreign key blanks (Toyota, Honda, Nissan, etc.) via the STRATTEC XL line

Service/Aftermarket

Percent of North American Vehicles in Operation Serviceable by STRATTEC



88% of Vehicle Population Covered

■ Traditional STRATTEC
 ■ New STRATTEC XL
 ■ Not-Serviceable by STRATTEC

Aftermarket Activities

STRATTEC has been successful in selling electronic key programming tools to locksmiths



“Quick Code” = Cloning tool which copies transponder key electronics to another key



“Code Seeker” = Handheld diagnostic tool allowing a locksmith to program keys to a vehicle

- Helps keep locksmiths competitive in the service market

Vehicle Access System Technology (VAST) Alliance Globalization Strategy Update

- Alliance and JV with WITTE Velbert, Germany established in November, 2000
- ADAC Plastics, Inc. Grand Rapids, Michigan joined the Alliance January 2006
- Provides credibility and access to markets in Europe, South America and Far East
- Protects STRATTEC's existing North American market
- Expands our portfolio of access control products (primarily in secondary latches)

Vehicle Access System Technology (VAST) Alliance Globalization Strategy Update

- Starting to see more serious global quoting and product development activity from our customers quoting locksets, ignition lock housings, rear compartment latches, seat back latches and outside door handles for global programs
- VAST LLC joint ventures in Brazil and China yielding approximately \$12 million of new or localized business in Calendar Year 2005 with Volkswagen, General Motors and Ford
- We are positioned exactly where we want to be to take advantage of globalization trends to expand our transitional/future business

VAST Alliance Profile

- \$720 million annual sales
- 17 Manufacturing facilities in U.S., Mexico, U.K., Germany, and Czech Republic
- One JV manufacturing facility in Brazil and two JV manufacturing facilities in China
- Worldwide employment of 5,700 (excluding JVs)
- Major Customers Served:

DaimlerChrysler

Honda

BMW

Ford

Nissan

Thyssen-Krupp

General Motors

ZF

Delphi

Volkswagen Group

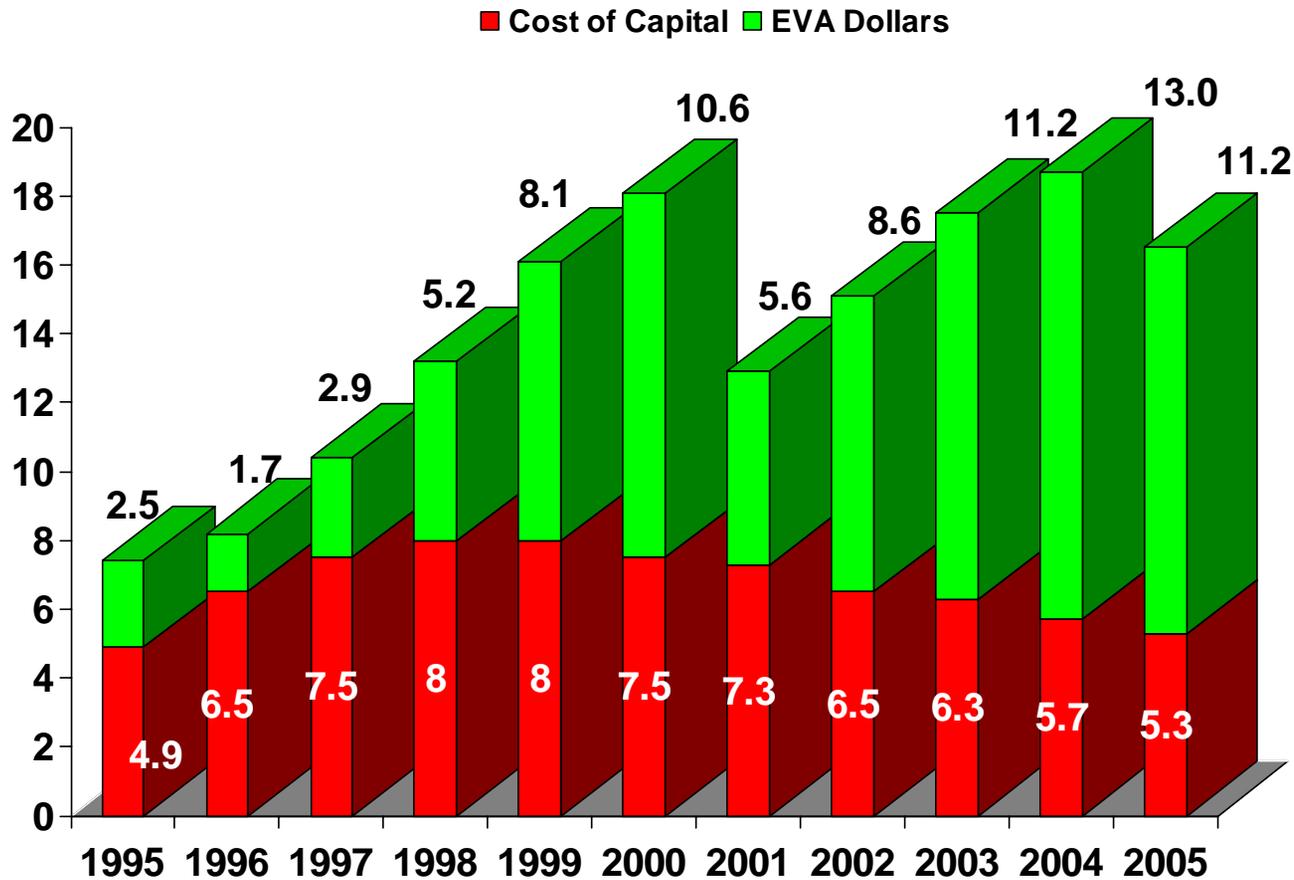
Lear

JCI

Historical Financial Performance

Economic Value Added (EVA)

(in millions of dollars)



STRATTEC SECURITY CORPORATION

(Historical EVA Returns)

<u>Fiscal Year</u>	<u>Return</u>
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

Industry Dynamics

- The New Domestic Manufacturers (Toyota, Nissan, Honda, etc.) continue to increase their production market share of North American vehicles at the expense of our traditional OEM customers (General Motors, Ford and DaimlerChrysler) further eroding STRATTEC's traditional lockset market share.
- Traditional OEM vehicle product mix geared towards SUV's and Trucks while new vehicle purchasers have renewed interest in more fuel efficient cars due to rising fuel costs.
- Continued customer price reduction pressures along with STRATTEC's inability to pass on cost increases for raw materials (zinc, brass, aluminum, etc.) and health care.

Industry 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
- STRATTEC recorded a \$1.6 million charge in our Fiscal 2006 operating results to reflect the impact of the Delphi Bankruptcy filing.

STRATTEC Dynamics

- Continued emphasis on cost reductions and lean manufacturing initiatives both in the plant and office.
- Our high quality/low cost assembly and key finishing operations located in Juarez, Mexico represents a significant competitive advantage for STRATTEC.
- Favorable union contract at our Milwaukee facility effective June 27, 2005 requires all eligible U.S. associates and retirees be on a “High Deductible/ Consumer Driven Medical Plan” that reduces both current and future legacy costs for healthcare.

STRATTEC Dynamics

- Capital Investments in our traditional lockset business today requires significantly higher returns with faster payback periods than in the past.
- The business continues to generate significant 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, etc.)

STRATTEC SECURITY CORPORATION

Stock Buyback Program Status

Number of Shares Purchased = 3,246,000 Shares

Dollar Amount Purchased = \$118.6 Million

Average Cost Per Share = \$36.53

% of Issued Shares Purchased = 47%

Additional Shares Available to
Purchase Under Current
Program Authorization = 393,000 Shares

Our strong financial position, with \$62 million of invested cash and no debt facility borrowings over the last eight years, positions us well to make strategic investments - including acquisitions

End of the presentation.

Beginning of a New Era for

