

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 20, 2006

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**STRATTEC SECURITY CORPORATION**

(Exact name of registrant as specified in its charter)

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Wisconsin

(State or other jurisdiction of incorporation)

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0-25150

(Commission File Number)

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39-1804239

(I.R.S. Employer I.D. Number)

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3333 West Good Hope Road  
Milwaukee, WI

(Address of Principal Executive Offices)

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53209

(Zip Code)

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(414) 247-3333

(Registrant's telephone number; including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Section 2 - Financial Information**

### Item 2.02. Results of Operations and Financial Condition

On April 20, 2006, STRATTEC SECURITY CORPORATION issued a press release (the "Press Release") announcing results for the fiscal third quarter ended April 2, 2006. A copy of the Press Release is attached as Exhibit 99.1 to this report. The attached Exhibit 99.1 is furnished pursuant to Item 2.02 of Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

## **Section 9 - Financial Statements and Exhibits**

### Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 -- Press Release of STRATTEC SECURITY CORPORATION, issued April 20, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 20, 2006

STRATTEC SECURITY CORPORATION

BY /s/ Patrick J. Hansen  
Patrick J. Hansen, Senior Vice President  
and Chief Financial Officer

FOR RELEASE AT 6:00 AM CDT

Contact: Pat Hansen  
Senior Vice President and  
Chief Financial Officer  
414-247-3435  
www.strattec.com

**STRATTEC SECURITY CORPORATION  
REPORTS FISCAL THIRD QUARTER RESULTS**

Milwaukee, Wisconsin - April 20, 2006 -- STRATTEC SECURITY CORPORATION (NASDAQ:STRT) today reported operating results for the fiscal third quarter ended April 2, 2006.

Net sales for the Company's three months ended April 2, 2006 were \$46.6 million, compared to net sales of \$46.1 million for the three months ended March 27, 2005. Based on the timing of the Company's quarter end and its annual Christmas-New Year holiday shutdown, the 2006 fiscal third quarter had 13 customer shipping weeks while 2005 fiscal third quarter had 12 weeks. The impact of one additional week of customer shipments during the current quarter increased sales by approximately \$2.7 million. Net income for the period was \$4.1 million, compared to \$3.7 million in the prior year quarter. Diluted earnings per share for the period were \$1.10 compared to \$.98 in the prior year quarter. During the third quarter the Company sold approximately \$3.4 million of pre-petition Chapter 11 accounts receivable due from Delphi Corporation to a third party for \$1.78 million. As a result, the increase in the third quarter operating results reflects a \$1.58 million (\$994,000 after tax) net recovery for doubtful accounts. This increased the current quarter earnings per share by \$.27. For further explanation see Note (A) in the "Results of Operations."

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For the nine months ended April 2, 2006, net sales were \$134.6 million compared to net sales of \$139.1 million in the prior year period. Net income was \$8.5 million compared to \$11.8 million and diluted earnings per share were \$2.27 compared to \$3.07 in the prior year.

Sales to STRATTEC's largest customers overall remained flat in the current quarter compared to the prior year quarter levels. Sales to DaimlerChrysler Corporation increased significantly during the current quarter to \$15.7 million compared to \$13.1 million due to additional product content and higher production volumes. Sales to Mitsubishi Motor Manufacturing of America were \$1.3 million compared to \$1.1 million due to higher vehicle production volumes and product content. Sales to General Motors Corporation were \$8.5 million compared to \$9.8 million due to a combination of price reductions, discontinued models and lower production volumes on certain GM vehicles. Sales to Delphi Corporation were \$6.7 million compared to \$6.8 million due primarily to pre-programmed price reductions. Sales to Ford Motor Company were \$6.9 million compared to \$8.3 million due to pre-programmed price reductions, discontinued models, and generally lower Ford vehicle production volumes.

Gross profit margins were 19.6 percent in the current quarter compared to 22.1 percent in the prior year quarter. The lower gross profit margins in the current year quarter were primarily the result of higher purchased raw material costs for brass and zinc along with an unfavorable Mexico peso to U.S. dollar exchange rate affecting the Company's operations in Mexico.

Operating expenses were \$5.5 million in the current quarter, compared to \$4.8 million in the prior year quarter. The increase in operating expenses during the current quarter was attributed to higher spending in new product development and recognizing stock based compensation expense under Financial Accounting Standard 123(R). The impact of adopting this new financial accounting standard at the beginning of fiscal year 2006 reduced current quarter earnings per share by \$.05.

Provision for income taxes in the current quarter includes a favorable State income tax adjustment that positively impacted earnings per share by \$.04.

During the third quarter, STRATTEC repurchased 43,800 shares of its common stock under the Company's stock repurchase program at a cost of approximately \$1.8 million. Subsequent to the end of the quarter, 51,400 additional shares were repurchased at a cost of approximately \$1.8 million.

STRATTEC designs, develops, manufactures and markets mechanical locks and keys, electronically enhanced locks and keys, steering column and instrument panel ignition lock housings, latches and related access control products for North American automotive customers, and for global automotive manufacturers through the VAST Alliance in which it participates with WITTE Automotive of Velbert, Germany and ADAC Automotive, Inc. of Grand Rapids, Michigan. The Company's history in the automotive business spans more than 95 years.

*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)

	<i>Third Quarter Ended</i>		<i>Nine Months Ended</i>	
	<u>April 2, 2006</u>	<u>March 27, 2005</u>	<u>April 2, 2006</u>	<u>March 27, 2005</u>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Net Sales	\$ 46,575	\$ 46,102	\$ 134,646	\$ 139,129
Cost of Goods Sold	37,453	35,892	107,208	106,700
Gross Profit	9,122	10,210	27,438	32,429
Engineering, Selling & Administrative Expenses	5,467	4,822	16,246	14,836
Provision (Recovery) for Doubtful Accounts, net	(1,578) <sup>(A)</sup>	-	1,622	-
Income from Operations	5,233	5,388	9,570	17,593
Interest Income	670	326	1,733	742
Interest Expense	-	-	-	-
Other Income (Expense), Net	408	(50)	572	109
	6,311	5,664	11,875	18,444
Provision for Income Taxes	2,195	1,933	3,363	6,662
Net Income	<u>\$ 4,116</u>	<u>\$ 3,731</u>	<u>\$ 8,512</u>	<u>\$ 11,782</u>
Earnings Per Share:				
Basic	<u>\$ 1.11</u>	<u>\$ .98</u>	<u>\$ 2.28</u>	<u>\$ 3.10</u>
Diluted	<u>\$ 1.10</u>	<u>\$ .98</u>	<u>\$ 2.27</u>	<u>\$ 3.07</u>
Average Basic				
Shares Outstanding	3,722	3,798	3,737	3,803
Average Diluted				
Shares Outstanding	3,725	3,815	3,742	3,836
Other				
Capital Expenditures	\$ 883	\$ 1,435	\$ 4,723	\$ 3,455
Depreciation & Amortization	\$ 1,757	\$ 1,759	\$ 5,389	\$ 5,440

NOTE A:

Pre-petition Chapter 11 Accounts Receivable due from Delphi Corporation	\$ 3,399
Provision for Doubtful Accounts recorded during the first quarter	(\$3,200)
Sale of pre-petition accounts receivable to third party	(\$1,777)
Net recovery during third quarter	<u>(\$1,578)</u>

**STRATTEC SECURITY CORPORATION****Condensed Balance Sheet Data  
(In Thousands)**

	<u>April 2, 2006</u>	<u>July 3, 2005</u>
	<i>(Unaudited)</i>	
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 62,264	\$ 56,950
Receivables, net	24,156	26,053
Inventories	8,712	11,654
Other Current Assets	11,753	10,030
Total Current Assets	<u>106,885</u>	<u>104,687</u>
Deferred Income Taxes	1,796	1,796
Investment in Joint Venture	1,636	1,412
Other Long Term Assets	593	603
Property, Plant and Equipment, Net	28,646	29,592
	<u>\$ 139,556</u>	<u>\$ 138,090</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable	\$ 16,981	\$ 17,218
Other	11,479	12,850
Total Current Liabilities	28,460	30,068
Borrowings Under Line of Credit	-	-
Accrued Pension and Post Retirement Obligations	11,896	16,271
Shareholders' Equity	230,761	220,261
Accumulated Other Comprehensive Loss	(12,115)	(12,047)
Less: Treasury Stock	(119,446)	(116,463)
Total Shareholders' Equity	<u>99,200</u>	<u>91,751</u>
	<u>\$ 139,556</u>	<u>\$ 138,090</u>

**STRATTEC SECURITY CORPORATION**  
**Condensed Cash Flow Statement Data**  
(In Thousands)

	<i>Third Quarter Ended</i>		<i>Nine Months Ended</i>	
	<u>April 2, 2006</u>	<u>March 27, 2005</u>	<u>April 2, 2006</u>	<u>March 27, 2005</u>
	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
<b>Cash Flows from Operating Activities:</b>				
Net Income	\$ 4,116	\$ 3,731	\$ 8,512	\$ 11,782
<b>Adjustment to Reconcile Net Income to</b>				
<b>Cash Used in Operating Activities:</b>				
Depreciation and Amortization	1,757	1,759	5,389	5,440
Stock Based Compensation Expense	301	-	861	-
Tax Benefit from Options Exercised	-	277	61	949
Provision (Recovery) for Doubtful Accounts	(1,578)	-	1,622	-
Change in Operating Assets/Liabilities	5,242	(869)	(4,464)	(12,348)
Other, net	(71)	-	-	224
<b>Net Cash Provided by Operating Activities</b>	<b>9,767</b>	<b>4,898</b>	<b>11,981</b>	<b>6,047</b>
<b>Cash Flows from Investing Activities:</b>				
Investment in Joint Ventures	-	-	(50)	(75)
Additions to Property, Plant and Equipment	(883)	(1,435)	(4,723)	(3,455)
Proceeds from Sale of Property, Plant and Equipment	-	-	22	-
<b>Net Cash Used in Investing Activities</b>	<b>(883)</b>	<b>(1,435)</b>	<b>(4,751)</b>	<b>(3,530)</b>
<b>Cash Flow from Financing Activities:</b>				
Purchase of Common Stock	(1,797)	(2,572)	(2,993)	(8,826)
Reissue/Exercise of Stock Options	9	303	1,077	3,435
<b>Net Cash Used in Financing Activities</b>	<b>(1,788)</b>	<b>(2,269)</b>	<b>(1,916)</b>	<b>(5,391)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>7,096</b>	<b>1,194</b>	<b>5,314</b>	<b>(2,874)</b>
<b>Cash and Cash Equivalents:</b>				
Beginning of Period	55,168	50,163	56,950	54,231
End of Period	<u>\$ 62,264</u>	<u>\$ 51,357</u>	<u>\$ 62,264</u>	<u>\$ 51,357</u>