

MARATHON OIL CORP
Form 424B3
September 20, 2007
Table of Contents

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-144874

Subject to Completion, dated September 20, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated July 26, 2007)

\$

MARATHON OIL CORPORATION

\$ % Senior Notes due 2017

\$ % Senior Notes due 2037

The 2017 notes will bear interest at the rate of % per year. The 2037 notes will bear interest at the rate of % per year. We will pay interest on each series of notes on and of each year, beginning on , 2008. The 2017 notes will mature on , 2017. The 2037 notes will mature on , 2037.

We may redeem some or all of either series of notes at any time at a redemption price equal to the principal amount of the notes we redeem plus a make-whole premium. The redemption prices are discussed in this prospectus supplement under the caption Description of the Notes Optional Redemption. We must redeem all of the notes under the circumstances and at the redemption price described in this prospectus supplement under the caption Description of the Notes Special Mandatory Redemption.

The notes will be unsecured, unsubordinated obligations of our company and will rank equally with all of our other existing and future unsecured, unsubordinated indebtedness.

Investing in the notes involves risks. See Risk Factors on page S-2 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per 2017 Note	Total	Per 2037 Note	Total
Public Offering Price	%	\$	%	\$
Underwriting Discount	%	\$	%	\$
Proceeds to Marathon (before expenses)	%	\$	%	\$

Interest on the notes will accrue from September , 2007 to the date of delivery.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect to deliver the notes to investors in registered book-entry form only through the facilities of The Depository Trust Company on or about September , 2007.

Joint Book-Running Managers

BANC OF AMERICA SECURITIES LLC

JPMORGAN

CITI

MORGAN STANLEY

September , 2007

Table of Contents

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus nor any sale made under this prospectus supplement or the accompanying prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of Marathon Oil Corporation or any of its subsidiaries since the date of this prospectus supplement or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is correct as of any time subsequent to the date of such information.

As used in this prospectus supplement, the terms Marathon, we, us and our may, depending upon the context, refer to Marathon Oil Corporation or to Marathon Oil Corporation and its consolidated subsidiaries taken as a whole.

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>Marathon Oil Corporation</u>	S-2
<u>Risk Factors</u>	S-2
<u>Use of Proceeds</u>	S-3
<u>Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends</u>	S-3
<u>Description of the Notes</u>	S-4
<u>Underwriting</u>	S-9
<u>Legal Matters</u>	S-10
<u>Experts</u>	S-10
<u>Where You Can Find More Information</u>	S-11

Prospectus

<u>About This Prospectus</u>	2
<u>The Company</u>	2
<u>Where You Can Find More Information</u>	3
<u>Forward-Looking Statements</u>	4
<u>Use of Proceeds</u>	5
<u>Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends</u>	5
<u>Selected Historical Consolidated Financial Data</u>	6
<u>Description of Debt Securities</u>	7
<u>Description of Capital Stock</u>	16
<u>Description of Warrants</u>	20
<u>Description of Stock Purchase Contracts and Stock Purchase Units</u>	22
<u>Plan of Distribution</u>	23
<u>Legal Matters</u>	24
<u>Experts</u>	24

Table of Contents

MARATHON OIL CORPORATION

General

Marathon Oil Corporation, a Delaware corporation, is an integrated international energy company. Together with its subsidiaries, Marathon is engaged in:

worldwide exploration, production and marketing of crude oil and natural gas;

domestic refining, marketing and transportation of crude oil and petroleum products; and

worldwide marketing and transportation of products manufactured from natural gas, such as liquefied natural gas and methanol, and development of other projects to link stranded natural gas resources with key demand areas.

Our principal exploration and production activities are in the United States, Angola, Equatorial Guinea, Indonesia, Libya, Norway and the United Kingdom. We are also the fifth-largest refiner in the United States and have a retail marketing system in the United States, comprising approximately 5,700 locations in 17 states.

Our principal executive offices are located at 5555 San Felipe Road, Houston, Texas 77056-2723, and our telephone number at that location is (713) 629-6600. Our common stock trades on the New York Stock Exchange and the Chicago Stock Exchange under the symbol MRO.

Recent Developments

On July 30, 2007, Marathon entered into an Arrangement Agreement (the Arrangement Agreement) by and among Marathon, a subsidiary of Marathon named 1339971 Alberta Ltd., Western Oil Sands Inc. (Western) and WesternZagros Resources Inc. (WesternZagros), pursuant to which Marathon, through its subsidiary, agreed to acquire Western. Under the terms of the Agreement, Western shareholders will receive cash of approximately \$3.8 billion Canadian dollars (CDN) and 34.3 million shares of Marathon common stock or securities exchangeable for shares of Marathon common stock.

Western is a Canadian-based energy company headquartered in Calgary, Alberta. Western's primary focus is its 20% undivided interest in the Athabasca Oil Sands Project. We intend to integrate a portion of Western's share of production from the Athabasca Oil Sands Project with our downstream operations in the Midwestern United States.

The Arrangement Agreement requires Western to spin off WesternZagros, its wholly owned subsidiary, prior to closing. The completion of the acquisition is subject to a number of conditions, including, among other things, (1) the approval of the acquisition by Western shareholders and (2) applicable regulatory and court approvals.

RISK FACTORS

You should consider carefully the risk factors identified in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2006 before making an investment in the notes.

In addition, our proposed acquisition of Western involves various risks. In particular, we may assume unknown liabilities in the acquisition and we will become subject to various operating risks inherent with producing Canadian oil sands. Also, we are operating in a high-cost environment for oil sands production and may not realize the anticipated financial returns from the acquisition. In addition, future changes in laws and regulations, such as royalty and tax regulations, may adversely affect us. For example on September 18, 2007, the Alberta Royalty Review Panel released its report and recommendations to the Minister of Finance of Alberta, following its review of Alberta's royalty and tax regimes. This Panel recommended an increase in the royalty rate applicable to oil sands projects and the implementation of additional taxes. It is uncertain as to how the Minister of Finance will respond to those recommendations.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the notes in this offering will be approximately \$ billion, after deducting underwriting discounts and our expenses of the offering. If the Western acquisition is consummated, we intend to use those net proceeds, together with the proceeds of short-term borrowings and cash on hand, to pay the approximately CDN \$3.8 billion cash portion of the acquisition consideration payable pursuant to the Arrangement Agreement. Pending that application of funds, we will invest the net proceeds from this offering in U. S. government obligations, bank deposits or in other secure, short-term investments.

If the acquisition of Western is not consummated on or prior to March 31, 2008, we will use the net proceeds from this offering, together with cash on hand, to redeem the notes as described under Description of the Notes Special Mandatory Redemption.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO

COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Our ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for each of the periods indicated, in each case determined on a total enterprise basis are as follows:

	Six Months						
	Ended						
	Year Ended December 31,					June 30,	
	2002	2003	2004	2005	2006	2006	2007
Ratio of earnings to fixed charges	3.63	6.47	7.57	11.84	24.10	21.86	21.64

We had no preferred stock outstanding for any period presented in the table above, and, accordingly, our ratio of earnings to combined fixed charges and preferred stock dividends is the same as our ratio of earnings to fixed charges. We have computed the ratios shown in the table above on the same basis as we described under the caption Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends in the accompanying prospectus.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the notes offered by this prospectus supplement is intended to supplement, and to the extent inconsistent to replace, the more general terms and provisions of the debt securities described in the accompanying prospectus, to which we refer you. Each series of notes is a separate series of debt securities. This description of the notes is only a summary. You should read the indenture we refer to below and the notes for more details regarding our obligations and your rights with respect to the notes.

General

The 2017 notes will mature on _____, 2017. The 2037 notes will mature on _____, 2037. The notes will be issued in fully registered form only in denominations of \$1,000 and integral multiples of \$1,000.

The 2017 notes and the 2037 notes are initially being offered in the respective principal amounts of \$ _____ and \$ _____. We may, without the consent of the holders, increase such principal amount in the future, on the same terms and conditions and with the same CUSIP numbers, as the notes being offered by this prospectus supplement. We will not issue any such additional notes unless the additional notes are fungible with the notes being issued hereby for U.S. federal income tax purposes. Interest on the notes will accrue at the respective rates of _____ % and _____ % and will be payable semiannually on _____ and _____, beginning on _____, 2008, to the persons in whose names the notes are registered at the close of business on _____ and _____ preceding the respective interest payment dates, except that interest payable at maturity shall be paid to the same persons to whom principal of the notes is payable. Interest on the notes will be paid on the basis of a 360-day year consisting of twelve 30-day months. The notes will be issued under an indenture dated as of February 26, 2002, between The Bank of New York, as trustee (the "Trustee"), and us.

Special Mandatory Redemption

If, for any reason, (i) the proposed acquisition of Western is not completed on or prior to March 31, 2008 or (ii) the Arrangement Agreement is terminated on or prior to March 31, 2008, we will redeem all of the 2017 notes and 2037 notes on the Special Mandatory Redemption Date at the Special Mandatory Redemption Price. Notice of a special mandatory redemption will be mailed promptly after the occurrence of the event triggering redemption to each holder of 2017 notes and 2037 notes at its registered address. If funds sufficient to pay the Special Mandatory Redemption Price (including any accrued and unpaid interest) of all of the 2017 notes and 2037 notes to be redeemed on the Special Mandatory Redemption Date are deposited with the paying agent on or before such Special Mandatory Redemption Date, and certain other conditions are satisfied, on and after such Special Mandatory Redemption Date the 2017 notes and 2037 notes will cease to bear interest.

For purposes of the foregoing discussion of a special mandatory redemption, the following definitions are applicable:

Special Mandatory Redemption Date means the earlier to occur of (1) April 30, 2008 if the proposed acquisition has not been completed on or prior to March 31, 2008 or (2) the 30th day (or if such day is not a Business Day (as defined under the caption "Optional Redemption" below), the First Business Day thereafter) following the termination of the Arrangement Agreement for any reason.

Special Mandatory Redemption Price means 101% of the aggregate principal amount of the 2017 notes and 2037 notes together with accrued and unpaid interest from the date of initial issuance to but excluding the Special Mandatory Redemption Date.

Optional Redemption

The notes of each series will be redeemable in whole or in part at any time and from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the notes of that series to be redeemed; or

Table of Contents

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus basis points for the 2017 notes and basis points for the 2037 notes.

In each case we will pay accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

For purposes of the foregoing discussion of optional redemption, the following definitions are applicable:

Business Day means any calendar day that is not a Saturday, Sunday or legal holiday in New York, New York or Houston, Texas and on which commercial banks are open for business in New York, New York and Houston, Texas.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (Remaining Life) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

Reference Treasury Dealer means each of Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated (each a Primary Treasury Dealer) and their respective successors which we specify from time to time; provided, however, that if any of them ceases to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

Table of Contents

Notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the series and amount of notes to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date. If fewer than all of the notes of a series are to be redeemed at any time, the Trustee will select, not more than 60 days prior to the redemption date, the particular notes or portions thereof for redemption from the outstanding notes not previously called by such method as the Trustee deems fair and appropriate.

Sinking Fund

There is no provision for a sinking fund for the notes.

Ranking

The notes will constitute unsecured and unsubordinated obligations of Marathon Oil Corporation and will rank equally with all its other existing and future unsecured and unsubordinated indebtedness.

We derive substantially all of our operating income from, and hold substantially all of our assets through, our subsidiaries. As a result, the notes will be structurally subordinated to the liabilities of our subsidiaries, including trade payables. For a discussion of our holding company structure and our ability to obtain distributions of earnings and cash flows from our subsidiaries, see "Description of Debt Securities - General" in the accompanying prospectus.

As of June 30, 2007, our subsidiaries had approximately \$75 million of indebtedness, excluding intercompany loans. As of June 30, 2007, as adjusted to give effect to the issuance of the notes and our application of the net proceeds from that issuance as described under "Use of Proceeds," we would have had an aggregate of \$6.1 billion of consolidated indebtedness, excluding any indebtedness of Western which will remain outstanding or be refinanced by us after the acquisition of Western is consummated (approximately CDN \$681 million as of June 30, 2007).

Certain Covenants

Certain covenants in the indenture limit our ability and the ability of our subsidiaries to:

create or permit to exist mortgages and other liens; and

enter into sale and leaseback transactions.

For a description of these covenants, see "Description of Debt Securities - Restrictive Covenants Under the Senior Indenture" in the accompanying prospectus.

Defeasance

Under certain circumstances, we will be deemed to have discharged the entire indebtedness on all of the outstanding notes by defeasance. See "Description of the Debt Securities - Satisfaction and Discharge; Defeasance Under the Senior Indenture" in the accompanying prospectus for a description of the terms of any discharge or defeasance.

Book-Entry System

We will issue the notes of each series in the form of one or more global notes in fully registered form initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), or such other name as may be requested by an authorized representative of DTC. The global notes will be deposited with DTC and

Table of Contents

may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any nominee to a successor of DTC or a nominee of such successor.

DTC has advised us and the underwriters as follows:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.

DTC holds securities that its participants deposit with DTC and facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities, through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is owned by The Depository Trust & Clearing Corporation, which is owned by a number of its direct participants and by The New York Stock Exchange, Inc., The American Stock Exchange LLC and the National Association of Securities Dealers, Inc.

Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

The rules applicable to DTC and its direct and indirect participants are on file with the Securities and Exchange Commission. Purchases of notes under the DTC system must be made by or through direct participants, which will receive a credit for the notes in DTC's records. The ownership interest of each actual purchaser of notes is in turn to be recorded on the direct and indirect participants' records. Beneficial owners of the notes will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes; DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities which they own. Consequently, those persons may be prohibited from purchasing beneficial interests in the global notes from any beneficial owner or otherwise.

Table of Contents

So long as DTC's nominee is the registered owner of the global notes, such nominee for all purposes will be considered the sole owner or holder of the notes for all purposes under the indenture. Except as provided below, beneficial owners will not be entitled to have any of the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders thereof under the indenture.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the notes. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

All payments on the global notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from trustees or issuers on payment dates in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) shall be the responsibility of the Trustee or us, disbursement of such payments to direct participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of direct and indirect participants.

DTC may discontinue providing its service as securities depository with respect to the notes at any time by giving reasonable notice to us or the Trustee. In addition, we may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Under those circumstances, in the event that a successor securities depository is not obtained, note certificates in fully registered form are required to be printed and delivered to beneficial owners of the global notes representing such notes.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable (including DTC), but we take no responsibility for its accuracy.

Neither Marathon, the Trustee nor the underwriters will have any responsibility or obligation to direct participants, or the persons for whom they act as nominees, with respect to the accuracy of the records of DTC, its nominee or any direct participant with respect to any ownership interest in the notes, or payments to, or the providing of notice to direct participants or beneficial owners.

So long as the notes are in DTC's book-entry system, secondary market trading activity in the notes will settle in immediately available funds. We will make all applicable payments on the notes issued as global notes in immediately available funds.

See Description of Debt Securities in the accompanying prospectus for additional information concerning the notes, the indenture and the book-entry system.

Table of Contents

UNDERWRITING

Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated are acting as joint book-running managers of the offering and as representatives of the underwriters named below.

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter's name.

Underwriter	Principal Amount of 2017 Notes	Principal Amount of 2037 Notes
Banc of America Securities LLC	\$	\$
J.P. Morgan Securities Inc.		
Citigroup Global Markets Inc.		
Morgan Stanley & Co. Incorporated		
Total	\$	\$

Under the terms and conditions of the underwriting agreement, if the underwriters purchase any of the notes, then the underwriters are obligated to purchase all of the notes.

Each series of notes is a new issue of securities with no established trading market and will not be listed on any national securities exchange. The underwriters have advised us that they intend to make a market for the notes, but they have no obligation to do so and may discontinue market making at any time without providing notice. No assurance can be given as to the liquidity of any trading market for the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the notes to dealers at the public offering price less a concession not to exceed % of the principal amount in the case of the 2017 notes and % of the principal amount in the case of the 2037 notes. The underwriters may allow, and dealers may reallow a concession to certain other dealers not to exceed % of the principal amount in the case of the 2017 notes and % of the principal amount in the case of the 2037 notes. After the initial offering of the notes to the public, the representatives may change the public offering price and concessions.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes):

	Paid By Marathon
Per 2017 note	%
Per 2037 note	%

In connection with the offering, Banc of America Securities LLC, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, on behalf of the underwriters, may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress. Finally, the underwriting syndicate may reclaim selling concessions allowed for distributing the notes in this offering, if the syndicate repurchases previously distributed notes in syndicate covering transactions,

Table of Contents

stabilization transactions or otherwise. Any of these activities may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our total expenses for this offering will be \$ million.

Some of the underwriters and their affiliates have, from time to time, performed various investment or commercial banking, financial advisory and lending services for us in the ordinary course of business for which they have received customary fees and expenses. Some of the underwriters or affiliates of some of the underwriters are lenders under some of our credit facilities.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

LEGAL MATTERS

Baker Botts L.L.P., Houston, Texas, will pass on the validity of the notes offered in this prospectus supplement. Cravath, Swaine and Moore LLP, New York, New York, will pass on various legal matters for the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of Marathon Oil Corporation and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated herein by reference to the Current Report on Form 8-K of Marathon Oil Corporation dated September 7, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information we have filed electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus supplement and the accompanying prospectus form part of a registration statement we have filed with the SEC relating to, among other things, the notes. As permitted by SEC rules, this prospectus and the accompanying prospectus do not contain all the information we have included in the registration statement and the accompanying exhibits and schedules we have filed with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the notes. The statements in this prospectus supplement and the accompanying prospectus make pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions, and we qualify them in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its Internet site.

The SEC allows us to incorporate by reference the information we have filed with the SEC, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until all the notes are sold:

our annual report on Form 10-K for the year ended December 31, 2006;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007;

our current reports on Form 8-K filed February 1, 2007 (Items 5.02 and 8.01 only), March 6, 2007, April 25, 2007, May 14, 2007, May 30, 2007, August 3, 2007 and September 7, 2007; and

the description of our common stock contained in our registration statement on Form 8-A/A filed with the SEC on July 17, 2007. The consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2006 and our quarterly report on Form 10-Q for the quarter ended March 31, 2007 do not reflect the two-for-one split of our common stock which was effected in the form of a stock dividend distributed on June 18, 2007 to stockholders of record at the close of business on May 23, 2007. The consolidated financial statements we have included in the current report on Form 8-K we filed with the SEC on September 7, 2007 have been retroactively adjusted to reflect the stock split for all periods presented.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning us at the following address:

Marathon Oil Corporation

5555 San Felipe Road

Houston, Texas 77056-2723

Attention: Corporate Secretary

Telephone: (713) 629-6600

Table of Contents

PROSPECTUS

Marathon Oil Corporation

5555 San Felipe Road

Houston, Texas 77056-2723

(713) 629-6600

Senior Debt Securities

Subordinated Debt Securities

Common Stock

Preferred Stock

Warrants

Stock Purchase Contracts

Stock Purchase Units

We will provide additional terms of our securities in one or more supplements to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you invest in our securities. No person may use this prospectus to offer and sell our securities unless a prospectus supplement accompanies this prospectus.

The Offering

We may offer from time to time:

senior debt securities;

subordinated debt securities;

common stock;

preferred stock;

warrants;

stock purchase contracts; and

stock purchase units.

Our common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange under the symbol MRO.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 26, 2007.

Table of Contents

Table of Contents

<u>About This Prospectus</u>	2
<u>The Company</u>	2
<u>Where You Can Find More Information</u>	3
<u>Forward-Looking Statements</u>	4
<u>Use of Proceeds</u>	5
<u>Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends</u>	5
<u>Selected Historical Consolidated Financial Data</u>	6
<u>Description of Debt Securities</u>	7
<u>Description of Capital Stock</u>	16
<u>Description of Warrants</u>	20
<u>Description of Stock Purchase Contracts and Stock Purchase Units</u>	22
<u>Plan of Distribution</u>	23
<u>Legal Matters</u>	24
<u>Experts</u>	24

About This Prospectus

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission using a shelf registration process. Using this process, we may offer any combination of the securities this prospectus describes in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement and, if applicable, a pricing supplement that will describe the specific terms of the offering. The prospectus supplement and any pricing supplement may also add to, update or change the information contained in this prospectus. Please carefully read this prospectus, the prospectus supplement and any pricing supplement, in addition to the information contained in the documents we refer to under the heading Where You Can Find More Information.

The Company

Marathon Oil Corporation, a Delaware corporation (Marathon), is an integrated international energy company. Together with its subsidiaries, Marathon is engaged in:

worldwide exploration, production and marketing of crude oil and natural gas;

domestic refining, marketing and transportation of crude oil and petroleum products; and

worldwide marketing and transportation of products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol, and development of other projects to link stranded natural gas resources with key demand areas.

In this prospectus, we refer to Marathon, its wholly owned and majority owned subsidiaries and its ownership interest in equity affiliates as we or us, unless we specifically state otherwise or the context indicates otherwise. Our principal executive offices are located at 5555 San Felipe Road, Houston, Texas 77056-2723, and our telephone number at that location is (713) 629-6600.

Table of Contents

Where You Can Find More Information

Marathon files annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy these materials at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information Marathon has filed electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>. You can also obtain information about Marathon at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus does not contain all the information we have included in the registration statement and the accompanying exhibits and schedules we have filed with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its Internet site.

The SEC allows us to incorporate by reference the information Marathon has filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information that Marathon files with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings Marathon makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the termination of this offering. The documents we incorporate by reference are:

our annual report on Form 10-K for the year ended December 31, 2006;

our quarterly report on Form 10-Q for the quarter ended March 31, 2007;

our current reports on Form 8-K filed February 1, 2007 (Items 5.02 and 8.01 only), March 6, 2007, April 25, 2007, May 14, 2007 and May 30, 2007; and

the description of our common stock contained in our registration statement on Form 8-A/A filed with the SEC on July 17, 2007. The consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2006 and our quarterly report on Form 10-Q for the quarter ended March 31, 2007 do not reflect the two-for-one split of Marathon's common stock which was effected in the form of a stock dividend distributed on June 18, 2007 to stockholders of record at the close of business on May 23, 2007.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning Marathon at the following address:

Marathon Oil Corporation

5555 San Felipe Road

Houston, Texas 77056-2723

Attention: Corporate Secretary

Telephone: (713) 629-6600

You should rely only on the information contained or incorporated by reference in this prospectus, the prospectus supplement and any pricing supplement. We have not authorized any person, including any salesman or broker, to provide information other than that provided in this prospectus, the prospectus supplement or any pricing supplement. We have not authorized anyone to provide you with different information. We are not making an offer of the securities in any jurisdiction where the offer is not permitted. You should assume that the information in this prospectus, the prospectus supplement and any pricing supplement is accurate only as of the date on

its cover page and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.

Table of Contents

Forward-Looking Statements

This prospectus, including the information we incorporate by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify our forward-looking statements by words such as anticipates, believes, estimates, expects, forecasts, plans, predicts, targets, projects, could, may, should or expressions that convey the uncertainty of future events or outcomes. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in this prospectus, any prospectus supplement and the documents we have incorporated by reference.

Forward-looking statements may include, but are not limited to, statements that relate to (or statements that are subject to risks, contingencies or uncertainties that relate to): levels of revenues, gross margins, income from operations, net income or earnings per share; levels of capital, exploration, environmental or maintenance expenditures; the success or timing of completion of ongoing or anticipated capital, exploration or maintenance projects; volumes of production, sales, throughput or shipments of liquid hydrocarbons, natural gas and refined products; levels of worldwide prices of liquid hydrocarbons, natural gas and refined products; levels of proved reserves, of liquid hydrocarbons and natural gas; the acquisition or divestiture of assets; the effect of restructuring or reorganization of business components; the potential effect of judicial proceedings on our business and financial condition; and the anticipated effects of actions of third parties such as competitors, or federal, foreign, state or local regulatory authorities.

The forward-looking statements are not guarantees of future performance, and we caution you not to rely unduly on them. We have based many of these forward-looking statements on expectations and assumptions about future events that may prove to be inaccurate. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control.

Table of Contents**Use of Proceeds**

Unless we inform you otherwise in the prospectus supplement, the net proceeds from the sale of the securities will be used for general corporate purposes, including repayment or refinancing of debt and funding for acquisitions, working capital requirements, capital expenditures and repurchases and redemptions of securities. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

Ratios of Earnings to Fixed Charges and Earnings to**Combined Fixed Charges and Preferred Stock Dividends**

Our ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for each of the periods indicated, in each case determined on a total enterprise basis are as follows:

	Years ended December 31,					Three Months
	2002	2003	2004	2005	2006	Ended March 31, 2007
Ratio of earnings to fixed charges	3.63	6.47	7.57	11.84	24.10	13.30

We had no preferred stock outstanding for any period presented in the table above, and, accordingly, our ratio of earnings to combined fixed charges and preferred stock dividends is the same as our ratio of earnings to fixed charges.

The term "earnings" is the amount resulting from adding the following items:

pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees;

fixed charges;

amortization of capitalized interest;

	31,481	
Accrued pension obligations	2,936	2,855
Accrued postretirement obligations	10,667	10,576
Minority interest	862	574
Shareholders' Equity:		
Common stock, authorized 12,000,000 shares, \$.01 par value, issued 6,887,757 shares at September 30, 2007 and July 1, 2007		
	69	69
Capital in excess of par value	78,436	78,122

Edgar Filing: MARATHON OIL CORP - Form 424B3

Retained earnings	164,259	165,928
Accumulated other comprehensive loss	(14,416)	(14,341)
Less: treasury stock, at cost (3,368,464 shares at September 30, 2007 and 3,368,619 shares at July 1, 2007)	(126,815)	(126,818)
Total shareholders' equity	101,533	102,960
	\$ 147,399	\$ 148,446

The accompanying notes are an integral part of these condensed consolidated balance sheets.

STRATTEC SECURITY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Three Months Ended	
	September 30, 2007	October 1, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 2,419	\$ 741
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	(61)	-
Depreciation	1,738	1,749
Stock-based compensation expense	313	193
Change in operating assets and liabilities:		
Receivables	1,234	5,254
Inventories	(2,366)	1,028
Other assets	(2,381)	(1,336)
Accounts payable and accrued liabilities	94	(4,812)
Other, net	(218)	99
Net cash provided by operating activities	772	2,916
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,746)	(915)
Proceeds received on sale of property, plant and equipment	--	21
Net cash used in investing activities	(1,746)	(894)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	-	(3,326)
Dividends paid	(4,050)	-
Exercise of stock options and employee stock purchases	7	9
Contribution from minority interest	349	--
Net cash used in financing activities	(3,694)	(3,317)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,668)	(1,295)
CASH AND CASH EQUIVALENTS		
Beginning of period	65,491	65,712
End of period	\$ 60,823	\$ 64,417
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income taxes paid	\$ 188	\$ 891
Interest paid	--	--

The accompanying notes are an integral part of these condensed consolidated statements of cash flows.

STRATTEC SECURITY CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Basis of Financial Statements

STRATTEC SECURITY CORPORATION designs, develops, manufactures and markets mechanical locks and keys, electronically enhanced locks and keys, steering column and instrument panel ignition lock housings, latches, door handles and related access control products for North American automotive customers, and for global automotive manufacturers through the VAST Alliance in which we participate with WITTE Automotive of Velbert, Germany and ADAC Plastics, Inc. of Grand Rapids, Michigan. STRATTEC's history in the automotive business spans nearly 100 years. The accompanying financial statements reflect the consolidated results of STRATTEC SECURITY CORPORATION, its wholly owned Mexican subsidiaries, STRATTEC de Mexico and STRATTEC Componentes Automotrices, and its majority owned subsidiary, ADAC-STRATTEC de Mexico, LLC. STRATTEC SECURITY CORPORATION is located in Milwaukee, Wisconsin. STRATTEC de Mexico and STRATTEC Componentes Automotrices are located in Juarez, Mexico. ADAC-STRATTEC de MEXICO, LLC has operations in El Paso, Texas and Juarez, Mexico. Equity investments for which we exercise significant influence but do not control and are not the primary beneficiary are accounted for using the equity method.

In the opinion of management, the accompanying condensed consolidated balance sheet as of July 1, 2007, which has been derived from our audited financial statements, and the related unaudited interim condensed consolidated financial statements contain all adjustments, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany transactions have been eliminated.

Interim financial results are not necessarily indicative of operating results for an entire year. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis and the financial statements and notes thereto included in the STRATTEC SECURITY CORPORATION 2007 Annual Report, which was filed with the Securities and Exchange Commission as an exhibit to our Form 10-K on August 30, 2007.

Certain reclassifications have been made to the 2007 interim financial statements to conform to the 2008 presentation.

Income Taxes

We or one of our subsidiaries files income tax returns in the United States (Federal), Wisconsin (state), Michigan (state) and various other state and foreign jurisdictions. We are not currently subject to income tax examinations in any of our significant tax jurisdictions. Tax years open to examination by tax authorities under the statute of limitations include fiscal 2004 through 2007 for Federal, fiscal 2003 through 2007 for most states and calendar 2002 through 2006 for foreign jurisdictions.

We adopted the provisions for FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, on July 2, 2007. As a result of the implementation of FIN 48, we did not recognize a significant change in the liability for unrecognized tax benefits. The total liability for unrecognized tax benefits was \$1.1 million as of July 2, 2007. This liability includes approximately \$87,000 of accrued interest. The liability does not include an amount for accrued penalties. The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is approximately \$760,000. We recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes. We do not expect a significant increase or decrease to the total amounts of unrecognized tax benefits within the next 12 months. There was no material change in the amount of unrecognized tax benefits during the first three months ended September 30, 2007.

Earnings Per Share (EPS)

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and restricted stock awards. A reconciliation of the components of the basic and diluted per-share computations follows (in thousands, except per share amounts):

	Three Months Ended					
	September 30, 2007			October 1, 2006		
	Net Income	Weighted Average Shares	Per-Share Amount	Net Income	Weighted Average Shares	Per-Share Amount
Basic Earnings Per Share	\$ 2,419	3,519	\$ 0.69	\$ 741	3,598	\$ 0.21
Stock-Based Compensation		6			2	
Diluted Earnings Per Share	\$ 2,419	3,525	\$ 0.69	\$ 741	3,600	\$ 0.21

As of September 30, 2007, options to purchase 182,680 shares of common stock at a weighted-average exercise price of \$59.29 were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. As of October 1, 2006, options to purchase 245,820 shares of common stock at a weighted-average exercise price of \$58.92 were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

Comprehensive Income

Comprehensive income is presented in the following table (in thousands):

	Three Months Ended	
	September 30, 2007	October 1, 2006
Net Income	\$ 2,419	\$ 741
Change in Cumulative Translation Adjustments, net	(75)	201
Total Comprehensive Income	\$ 2,344	\$ 942

Stock-based Compensation

We maintain an omnibus stock incentive plan. This plan provides for the granting of stock options, shares of restricted stock and stock appreciation rights. The Board of Directors has designated 1,700,000 shares of common stock available for the grant of awards under the plan. Remaining shares available to be granted under the plan as of September 30, 2007 were 390,463. Awards that expire or are canceled without delivery of shares become available for re-issuance under the plan. We issue new shares of common stock to satisfy stock option exercises.

Nonqualified and incentive stock options and shares of restricted stock have been granted to our officers and specified employees under our stock incentive plan. Stock options granted under the plan may not be issued with an exercise price less than the fair market value of the common stock on the date the option is granted. Stock options become exercisable as determined at the date of grant by the Compensation Committee of the Board of Directors. The options expire 5 to 10 years after the grant date unless an earlier expiration date is set at the time of grant. The options vest 1

to 3 years after the date of grant. Shares of restricted stock granted under the plan are subject to vesting criteria determined by the Compensation Committee of the Board of Directors at the time the shares are granted. Restricted shares granted have voting and dividend rights. The restricted stock granted vests 3 years after the date of grant.

We account for stock options and restricted stock issued under our stock incentive plan in accordance with Statement of Financial Accounting Standards ('SFAS') No. 123(R), "Share-based Payments". The fair value of each stock option grant was estimated as of the date of grant using the Black-Scholes pricing model. The resulting compensation cost for fixed awards with graded vesting schedules is amortized on a straight line basis over the vesting period for the entire award. The fair value of each restricted stock grant was based on the market price of the underlying common stock as of the date of grant. The resulting compensation cost is amortized on a straight line basis over the vesting period.

A summary of stock option activity under the plan for the three months ended September 30, 2007 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, July 1, 2007	235,420	\$ 58.71		
Granted	--	--		
Exercised	--	--		
Expired	(47,640)	\$ 58.59		
Forfeited	--	--		
Outstanding, September 30, 2007	187,780	\$ 58.74	4.1	\$ 39
Exercisable, September 30, 2007	143,440	\$ 58.16	4.3	\$ 39

The intrinsic value of stock options exercised and the fair value of stock options vesting during the three month periods presented is as follows (in thousands):

	Three Months Ended	
	September 30, 2007	October 1, 2006
Intrinsic Value of Options Exercised	\$ --	\$ --
Fair Value of Stock Options Vesting	\$ 197	\$ 658

A summary of restricted stock activity under the plan for the three months ended September 30, 2007 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested Balance, July 1, 2007	19,400	\$ 45.56
Granted	10,000	\$ 47.78
Vested	--	--
Forfeited	--	--
Nonvested Balance, September 30, 2007	29,400	\$ 46.32

As of September 30, 2007, there was \$82,000 of total unrecognized compensation cost related to stock options granted under the plan. This cost is expected to be recognized over a weighted average period of .4 years. As of September 30, 2007, there was \$730,000 of total unrecognized compensation cost related to restricted stock grants under the plan. This cost is expected to be recognized over a weighted average period of 1.2 years. Total unrecognized

compensation cost will be adjusted for any future changes in estimated and actual forfeitures.

8

Pension and Other Postretirement Benefits

We have a noncontributory defined benefit pension plan covering substantially all U.S. associates. Benefits are based on years of service and final average compensation. Our policy is to fund at least the minimum actuarially computed annual contribution required under the Employee Retirement Income Security Act of 1974 (ERISA). Plan assets consist primarily of listed equity and fixed income securities. We have a noncontributory supplemental executive retirement plan (SERP), which is a nonqualified defined benefit plan. The SERP will pay supplemental pension benefits to certain key employees upon retirement based upon the employees' years of service and compensation. The SERP is being funded through a rabbi trust with M&I Trust Company. We also sponsor a postretirement health care plan for all of our U.S. associates hired prior to June 2, 2001. The expected cost of retiree health care benefits is recognized during the years that the associates who are covered under the plan render service. The postretirement health care plan is unfunded.

The following table summarizes the net periodic benefit cost recognized for each of the periods indicated under these two plans (in thousands):

	Pension Benefits Three Months Ended		Postretirement Benefits Three Months Ended	
	September 30, 2007	October 1, 2006	September 30, 2007	October 1, 2006
Service cost	\$ 505	\$ 494	\$ 55	\$ 55
Interest cost	1,170	1,087	179	172
Expected return on plan assets	(1,553)	(1,337)	-	-
Amortization of prior service cost	16	16	(94)	(94)
Amortization of unrecognized net loss	161	118	176	160
Net periodic benefit cost	\$ 299	\$ 378	\$ 316	\$ 293

Voluntary contributions made to the qualified pension plan totaled \$1.5 million during the three months ended September 30, 2007 and during the three months ended October 1, 2006. Additional contributions of \$1.5 million were made subsequent to September 30, 2007. No additional contributions are anticipated to be made during the remainder of fiscal 2008.

Item 2

STRATTEC SECURITY CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis should be read in conjunction with STRATTEC SECURITY CORPORATION's accompanying Condensed Consolidated Financial Statements and Notes thereto and its 2007 Annual Report. Unless otherwise indicated, all references to years refer to fiscal years.

Analysis of Results of Operations

Three months ended September 30, 2007 compared to the three months ended October 1, 2006

Net sales for the three months ended September 30, 2007 were \$42.7 million compared to net sales of \$38.1 million for the three months ended October 1, 2006. Sales to our largest customers overall increased in the current quarter compared to the prior year quarter. Sales to General Motors Corporation were \$12.5 million in the current quarter compared to \$7.9 million in the prior year quarter. The increase is due to higher product content on certain General Motors' vehicles, the takeover of certain passenger car lockset production from another supplier and price adjustments received to partially recover raw material cost increases. Sales to Ford Motor Company increased to \$5.5 million in the current quarter from \$4.6 million in the prior year quarter due to higher product content and higher production on the vehicles we supply. Sales to Chrysler LLC decreased during the current quarter to \$10.6 million from \$12.5 million in the prior year quarter due to reduced component content. Sales to Delphi Corporation were \$4.0 million in the current quarter compared to \$4.5 million in the prior year quarter. This decrease is primarily due to reduced component content, which was partially offset by price adjustments received to partially recover raw material cost increases. Sales during the month of September were weaker than anticipated for the above four customers. Subsequent to the end of the quarter, these customers announced production cuts that will affect our second fiscal quarter ending December 30, 2007. Sales to our industrial products and aftermarket customers increased during the current quarter. The sales increase to these customers was primarily due to increased volumes and price adjustments received from some of these customers to partially recover raw material cost increases.

Gross profit as a percentage of net sales was 19.6 percent in the current quarter compared to 13.9 percent in the prior year quarter. The increase in gross profit margin was primarily attributed to raw material price adjustments received from some of our customers as discussed above in connection with our net sales, a more favorable sales content mix, higher levels of production as a result of increased orders from some of our customers and cost reduction activities. The primary raw materials used in our business are zinc and brass. Although the prices paid per pound for zinc and brass were relatively consistent between the current quarter and the prior year quarter, we have been experiencing higher costs for these raw materials over the past 24 months. We were able to receive price adjustments from some of our customers to partially recover these higher costs. The cost reduction activities include the move of our service products assembly operation from our Milwaukee, Wisconsin facility to our Juarez, Mexico facilities, which occurred in January 2007.

Engineering, selling and administrative expenses were \$5.8 million in the current quarter compared to \$5.1 million in the prior year quarter. This increased expense is primarily attributed to an increase in spending for new product development, an increase in salaries, benefits and related recruiting costs to support awarded customer programs, and higher stock-based compensation costs.

Income from operations increased to \$2.6 million in the current quarter from \$226,000 in the prior year quarter. This increase is primarily the result of an increase in sales and an increase in the gross profit margin as discussed above.

The effective income tax rate for the current quarter was 37.5 percent compared to 37.0 percent in the prior year quarter. The overall effective tax rate differs from the Federal statutory tax rate primarily due to the effects of state income taxes.

Liquidity and Capital Resources

Cash flow generated from operating activities was \$772,000 during the three months ended September 30, 2007 compared to \$2.9 million during the three months ended October 1, 2006. Operating cash flow results were impacted by increases in LIFO inventory balances in the current quarter as compared to a reduction in the prior year quarter and improved profitability in the current year period. LIFO inventory balances increased \$2.4 million in the current quarter and decreased \$1.0 million during the prior year quarter. The prior year quarter reduction was primarily due to reduced production resulting from reduced sales, while the current quarter increase is consistent with increased production associated with the increased sales. Contributions to the qualified pension fund totaled \$1.5 million in both the current and the prior year period.

Accounts receivable balances decreased \$1.2 million from the July 1, 2007 balance. This decrease is primarily the result of decreased sales during the current quarter as compared to the quarter ended July 1, 2007. We typically experience decreased sales during the first fiscal quarter due to scheduled customer plant shut-downs and new model changeovers. There was also a reduction in accounts payable balances of \$2.2 million and an increase in other current liabilities of \$1.7 million from the July 1, 2007 balance. The change in the accounts payable balances is based on the timing of payments to our suppliers in accordance with our normal payment terms. The change in other current liabilities is due to the amount and timing of income tax payments.

Capital expenditures during the three months ended September 30, 2007, were \$1.7 million compared to expenditures of \$915,000 during the three months ended October 1, 2006. We anticipate that capital expenditures will be approximately \$7 million to \$8 million in fiscal 2008, primarily relating to expenditures in support of requirements for new product programs and the upgrade and replacement of existing equipment.

Our Board of Directors has authorized a stock repurchase program to buy back outstanding shares of our common stock. Shares authorized for buy back under the program totaled 3,639,395 at September 30, 2007. A total of 3,384,700 shares have been repurchased as of September 30, 2007, at a cost of approximately \$127.1 million. During the three months ended September 30, 2007, no shares were repurchased. Funding for the repurchases was provided by cash flow from operations. Additional repurchases may occur from time to time and are expected to continue to be funded by cash flow from operations.

On August 21, 2007, our Board of Directors declared a quarterly cash dividend of \$0.15 per common share and a special one-time cash dividend of \$1.00 per common share, both payable on October 1, 2007 to shareholders of record as of September 14, 2007. The dividend totaled approximately \$4.1 million. The dividend was funded on September 28, 2007 from current cash balances.

We have a \$50.0 million unsecured line of credit (the "Line of Credit"), which expires October 31, 2008. There were no outstanding borrowings under the Line of Credit at September 30, 2007 or October 1, 2006. Interest on borrowings under the Line of Credit are at varying rates based on the London Interbank Offering Rate or the bank's prime rate. We believe that the Line of Credit is adequate, along with cash flow from operations, to meet our anticipated capital expenditure, working capital and operating expenditure requirements.

Up until the past 21 months, we have not been significantly impacted by general inflationary pressures over the last several years. However, in addition to rising health care costs, which have increased our cost of employee medical coverage, we have been impacted by increases in the market price of zinc, brass and magnesium over the past 21 months and inflation in Mexico, which impacts the U.S. dollar costs of our Mexican operations. We do not hedge against our Mexican peso exposure.

Joint Ventures

We participate in certain Alliance Agreements with WITTE Automotive (“WITTE”) and ADAC Automotive (“ADAC”). WITTE, of Velbert, Germany, is a privately held automotive supplier. WITTE designs, manufactures and markets components including locks and keys, hood latches, rear compartment latches, seat back latches, door handles and specialty fasteners. WITTE’s primary market for these products has been Europe. ADAC, of Grand Rapids, Michigan, is a privately held automotive supplier and manufactures engineered products, including door handles and other automotive trim parts, utilizing plastic injection molding, automated painting and various assembly processes.

The Alliance provides a set of cross-licensing agreements for the manufacture, distribution and sale of WITTE products by STRATTEC and ADAC in North America, and the manufacture, distribution and sale of STRATTEC and ADAC products by WITTE in Europe. Additionally, a joint venture company, Vehicle Access Systems Technology LLC (“VAST LLC”), in which WITTE, STRATTEC and ADAC each hold a one-third interest, exists to seek opportunities to manufacture and sell the companies’ products in areas of the world outside of North America and Europe.

VAST LLC participates in joint ventures in Brazil and China. VAST do Brasil, a joint venture between VAST LLC and Ifer do Brasil Ltda., was formed to service customers in South America. VAST Fuzhou and VAST Great Shanghai, joint ventures between VAST LLC, Fortitude Corporation and a unit of Elitech Technology Co. Ltd. of Taiwan, are the base of operations to service our automotive customers in the Asian market.

The VAST investments are accounted for using the equity method of accounting. The activities related to the joint ventures resulted in a gain to STRATTEC of approximately \$146,000 during the three months ended September 30, 2007 and a gain of approximately \$74,000 during the three months ended October 1, 2006.

In 2007, we entered into a joint venture with ADAC, in which STRATTEC holds a 50.1 percent interest and ADAC holds a 49.9 percent interest. The joint venture was created to establish injection molding and door handle assembly operations in Mexico. ADAC-STRATTEC de MEXICO, LLC (“ASdM”), a Delaware limited liability company, was formed on October 27, 2006. An additional Mexican entity, which is wholly owned by ASdM, was formed on February 21, 2007. ASdM production activities began in July 2007. ASdM’s financial results are consolidated with the financial results of STRATTEC and resulted in a net loss to STRATTEC of \$61,000 during the three months ended September 30, 2007.

Critical Accounting Policies

The Company believes the following represents its critical accounting policies:

Pension and Postretirement Health Benefits— Pension and postretirement health obligations and costs are developed from actuarial valuations. The determination of the obligation and expense for pension and postretirement health benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in the Notes to Financial Statements in our 2007 Annual Report and include, among others, the discount rate, expected long-term rate of return on plan assets, retirement age and rates of increase in compensation and health care costs. Actual results that differ from these assumptions are deferred and, under certain circumstances, amortized over future periods. While we believe that the assumptions used are appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect our pension and postretirement health obligations and future expense.

Other Reserves— We have reserves such as an environmental reserve, an incurred but not reported claim reserve for self-insured health plans, a workers’ compensation reserve, an allowance for doubtful accounts related to trade accounts receivable and a repair and maintenance supply parts reserve. These reserves require the use of estimates

and judgment with regard to risk exposure, ultimate liability and net realizable value. We believe such reserves are estimated using consistent and appropriate methods. However, changes to the assumptions could materially affect the recorded reserves.

Stock-Based Compensation— We account for stock-based compensation in accordance with SFAS No. 123(R), “Share-based Payments.” Under the fair value recognition provisions of this statement, share-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. Determining the fair value of share-based awards at the grant date requires judgment, including estimating future volatility of our stock, the amount of share-based awards that are expected to be forfeited and the expected term of awards granted. We estimate the fair value of stock options granted using the Black-Scholes option valuation model. We amortize the fair value of all awards on a straight-line basis over the vesting periods. The expected term of awards granted represents the period of time they are expected to be outstanding. We determine the expected term based on historical experience with similar awards, giving consideration to the contractual terms and vesting schedules. We estimate the expected volatility of our common stock at the date of grant based on the historical volatility of our common stock. The volatility factor used in the Black-Scholes option valuation model is based on our historical stock prices over the most recent period commensurate with the estimated expected term of the award. We base the risk-free interest rate used in the Black-Scholes option valuation model on the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term commensurate with the expected term of the award. We use historical data to estimate pre-vesting option forfeitures. We record stock-based compensation only for those awards that are expected to vest. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations could be materially impacted.

Risk Factors

We recognize we are subject to the following risk factors based on our operations and the nature of the automotive industry in which we operate:

Loss of Significant Customers, Vehicle Content, Vehicle Models and Market Share – Sales to General Motors Corporation, Ford Motor Company, Chrysler LLC and Delphi Corporation represent approximately 80 percent of our annual sales. The contracts with these customers provide for supplying the customer’s requirements for a particular model. The contracts do not specify a specific quantity of parts. The contracts typically cover the life of a model, which averages approximately four to five years. Components for certain customer models may also be “market tested” annually. Therefore, the loss of any one of these customers, the loss of a contract for a specific vehicle model, reduction in vehicle content, early cancellation of a specific vehicle model, technological changes or a significant reduction in demand for certain key models could have a material adverse effect on our existing and future revenues and net income.

Our major customers also have significant underfunded legacy liabilities related to pension and postretirement health care obligations. The future impact of these items along with a continuing loss in their North American automotive market share to the “New Domestic” automotive manufacturers (primarily the Japanese automotive manufacturers) may have a significant impact on our future sales and collectibility risks. For example, on October 8, 2005, Delphi Corporation filed for Chapter 11 bankruptcy protection. As a result, we wrote-off \$1.6 million of uncollectible pre-petition Chapter 11 accounts receivable due from Delphi Corporation. This directly reduced our pre-tax net income during fiscal 2006.

Cost Reduction – There is continuing pressure from our major customers to reduce the prices we charge for our products. This requires us to generate cost reductions, including reductions in the cost of components purchased from outside suppliers. If we are unable to generate sufficient production cost savings in the future to offset pre-programmed price reductions, our gross margin and profitability will be adversely affected.

Cyclicality and Seasonality in the Automotive Market – The automotive market is highly cyclical and is dependent on consumer spending and to a certain extent on customer sales incentives. Economic factors adversely affecting consumer demand for automobiles and automotive production, such as rising fuel costs, could adversely impact our net sales and net income. We typically experience decreased sales and operating income during the first fiscal quarter

of each year due to the impact of scheduled customer plant shut-downs in July and new model changeovers.

Foreign Operations – As discussed under Joint Ventures, we have joint venture investments in Mexico, Brazil and China. These operations are currently not material. However, as these operations expand, their success will depend, in part, on our and our partners’ ability to anticipate and effectively manage certain risks inherent in international operations including: enforcing agreements and collecting receivables through certain foreign legal systems, payment cycles of foreign customers, compliance with foreign tax laws, general economic and political conditions in these countries and compliance with foreign laws and regulations.

Currency Exchange Rate Fluctuations – We incur a portion of our expenses in Mexican pesos. Exchange rate fluctuations between the U.S. dollar and the Mexican peso could have an adverse effect on our financial results.

Sources of and Fluctuations in Market Prices of Raw Materials – Our primary raw materials are high-grade zinc, brass, magnesium, aluminum, steel and plastic resins. These materials are generally available from a number of suppliers, but we have chosen to concentrate our sourcing with one primary vendor for each commodity or purchased component. We believe our sources of raw materials are reliable and adequate for our needs. However, the development of future sourcing issues related to using alternative raw materials and to the availability of these materials as well as significant fluctuations in the market prices of these materials may have an adverse affect on our financial results if the increased raw material costs cannot be recovered from our customers.

Disruptions Due to Work Stoppages and Other Labor Matters – Our major customers and many of their suppliers have unionized work forces. Work stoppages or slow-downs experienced by our customers or their suppliers could result in slow-downs or closures of assembly plants where our products are included in assembled vehicles. For example, strikes by the United Auto Workers led to a shut-down of most of General Motors Corporation’s North American assembly plants in June and July of 1998. A material work stoppage experienced by one or more of our customers could have an adverse effect on our business and our financial results. In addition, all production associates at our Milwaukee facility are unionized. A sixteen-day strike by these associates in June 2001 resulted in increased costs as all salaried associates worked with additional outside resources to produce the components necessary to meet customer requirements. The current contract with the unionized associates is effective through June 29, 2008. We may encounter further labor disruption after the expiration date of this contract and may also encounter unionization efforts in our other plants or other types of labor conflicts, any of which could have an adverse effect on our business and our financial results.

Environmental and Safety Regulations – We are subject to federal, state, local and foreign laws and other legal requirements related to the generation, storage, transport, treatment and disposal of materials as a result of our manufacturing and assembly operations. These laws include the Resource Conservation and Recovery Act (as amended), the Clean Air Act (as amended) and the Comprehensive Environmental Response, Compensation and Liability Act (as amended). We have an environmental management system that is ISO-14001 certified. We believe that our existing environmental management system is adequate for current and anticipated operations and we have no current plans for substantial capital expenditures in the environmental area. An environmental reserve was established in 1995 for estimated costs to remediate a site at our Milwaukee facility. The site was contaminated by a former above-ground solvent storage tank, located on the east side of the facility. The contamination occurred in 1985. This is being monitored in accordance with federal, state and local requirements. We do not currently anticipate any material adverse impact on our results of operations, financial condition or competitive position as a result of compliance with federal, state, local and foreign environmental laws or other legal requirements. However, risk of environmental liability and changes associated with maintaining compliance with environmental laws is inherent in the nature of our business and there is no assurance that material liabilities or changes could not arise.

Highly Competitive Automotive Supply Industry – The automotive component supply industry is highly competitive. Some of our competitors are companies, or divisions or subsidiaries of companies, that are larger than STRATTEC and have greater financial and technology capabilities. Our products may not be able to compete successfully with the products of these other companies, which could result in loss of customers and, as a result, decreased sales and profitability. Some of our major customers have also announced that they will be reducing their supply base. This could potentially result in the loss of these customers and consolidation within the supply base. The loss of any of our major customers could have a material adverse effect on our existing and future net sales and net income.

In addition, our competitive position in the North American automotive component supply industry could be adversely affected in the event that we are unsuccessful in making strategic acquisitions, alliances or establishing joint ventures that would enable us to expand globally. We principally compete for new business at the beginning of the development of new models and upon the redesign of existing models by our major customers. New model development generally begins two to five years prior to the marketing of such new models to the public. The failure to obtain new business on new models or to retain or increase business on redesigned existing models could adversely affect our business and financial results. In addition, as a result of relatively long lead times for many of our components, it may be difficult in the short-term for us to obtain new sales to replace any unexpected decline in the sale of existing products. Finally, we may incur significant product development expense in preparing to meet anticipated customer requirements which may not be recovered.

Program Volume and Pricing Fluctuations – We incur costs and make capital expenditures for new program awards based upon certain estimates of production volumes over the anticipated program life for certain vehicles. While we attempt to establish the price of our products for variances in production volumes, if the actual production of certain vehicle models is significantly less than planned, our net sales and net income may be adversely affected. We cannot predict our customers' demands for the products we supply either in the aggregate or for particular reporting periods.

Investments in Customer Program Specific Assets – We make investments in machinery and equipment used exclusively to manufacture products for specific customer programs. This machinery and equipment is capitalized and depreciated over the expected useful life of each respective asset. Therefore, the loss of any one of our major customers, the loss of specific vehicle models or the early cancellation of a vehicle model could result in impairment in the value of these assets and may have a material adverse effect on our financial results.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is limited to foreign currency exchange rate risk associated with STRATTEC's foreign operations. We do not utilize financial instruments for trading purposes and hold no derivative financial instruments which would expose us to significant market risk. We have not had outstanding borrowings since December 1997. To the extent that we incur future borrowings under our line of credit, we would be subject to interest rate risk related to such borrowings. There is therefore no significant exposure to market risk for changes in interest rates. However, we are subject to foreign currency exchange rate exposure related to the U.S. dollar costs of our Mexican operations. A material increase in the value of the Mexican peso relative to the U.S. dollar would increase our expenses and therefore, could adversely affect our profitability.

Item 4 Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in reports that we file with or submit to the Securities and Exchange Commission. It should be noted that in designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have designed our disclosure controls and procedures to reach a level of reasonable assurance of achieving the desired control objectives and, based on the evaluation described above, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at reaching that level of reasonable assurance.

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II
Other Information

Item 1 Legal Proceedings

In the normal course of business, we may be involved in various legal proceedings from time to time. We do not believe we are currently involved in any claim or action the ultimate disposition of which would have a material adverse effect on our financial statements.

Item 1A. - Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A "Risk Factors," of our 2007 Annual Report on Form 10-K. Please refer to that section for disclosures regarding the risks and uncertainties relating to our business.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds –

Issuer Purchases of Equity Securities

Our Board of Directors authorized a stock repurchase program on October 16, 1996, and the program was publicly announced on October 17, 1996. The Board of Directors has periodically increased the number of shares authorized under the program. The program currently authorizes the repurchase of up to 3,639,395 shares of our common stock from time to time, directly or through brokers or agents, and has no expiration date. Over the life of the repurchase program through September 30, 2007, a total of 3,384,700 shares have been repurchased at a cost of approximately \$127.1 million.

No repurchases were made under the program during the quarter ended September 30, 2007.

Item 3 Defaults Upon Senior Securities - None

Item 4 Submission of Matters to a Vote of Security Holders – None

Item 5 Other Information - None

Item 6 Exhibits

(a) Exhibits

4.4 Promissory Note dated as of November 1, 2007 by and between the Company and M&I Bank

10.5 Amended STRATTEC SECURITY CORPORATION Economic Value
(1) Added Plan for Executive Officers and Senior Managers

10.6 Amended STRATTEC SECURITY CORPORATION Economic Value
(1) Added Plan for Non-employee Members of the Board of Directors

31.1 Rule 13a-14(a) Certification for Harold M. Stratton II, Chairman and Chief Executive Officer

31.2 Rule 13a-14(a) Certification for Patrick J. Hansen, Chief Financial Officer

32 18 U.S.C. Section 1350 Certifications

(2)

(1) Incorporated by reference from the July 1, 2007 Form 10-K filed on August 30, 2007.

(2) This certification is not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

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.

STRATTEC SECURITY CORPORATION (Registrant)

Date: November 6, 2007

By /s/ Patrick J. Hansen

Patrick J. Hansen

Senior Vice President,

Chief Financial Officer,

Treasurer and Secretary

(Principal Accounting and Financial Officer)