



Company Overview

NAPCO Security Technologies, Inc. is one of the world's most diversified manufacturers of security products, encompassing intrusion, fire alarms and video systems, building access control systems and electronic locking devices. Sold and installed by tens-of-thousands of security professionals, products from the NAPCO Group of Companies protect millions of homes, businesses, institutions and people around the globe. Since its founding in 1969, NAPCO has been known in the professional security community for advanced technology and high quality. This reputation is shared by the NAPCO Group of Companies, enabling NAPCO to build many of the professional security industry's best-known brand names, such as NAPCO, ALARM LOCK, CONTINENTAL INSTRUMENTS and MARKS USA. Throughout its history, NAPCO has made four strategic acquisitions that have been successfully integrated into the NAPCO Group of Companies.

The constant barrage of crime in the media continues to drive and shape the growing security industry with the overall market of security-related sales expected to reach more than \$30 billion. NAPCO answers these increasing market demands by developing innovative solutions designed to protect people, property and profits through technology. Today, the NAPCO Group of Companies is well-positioned to capture a greater share of the multi-billion dollar global security marketplace, estimated to be growing at an average annual rate of approximately 6% and accelerating.

Investment Highlights

- Global need for security products
- Broad product array addressing multi-billion dollar security marketplace
- New state of the art products with recurring revenue streams
- History of successful strategic accretive acquisitions
- Opportunities for growth, margin expansion and enhanced profitability
- Starlink 2 Wireless & iBridge join iSee Video products to add recurring revenue
- Shift business from cyclical to major cash flow model
- Due to relatively fixed costs, a change in revenue results in a larger change in operating income
- Historically \$20M revenue yields \$1.4M net income
- Reduced debt by half in last three years
- No shareholder dilution since IPO
- Share count increased due to nine stock split/dividends issued
- 38.5% insider ownership
- More than 35 patents

Market Opportunity

- \$115B Department of Homeland Security budget
- \$1.2B network camera and video server market
- NAPCO sells to 15,000 security dealers, integrators, locksmiths and contractors in 40+ countries

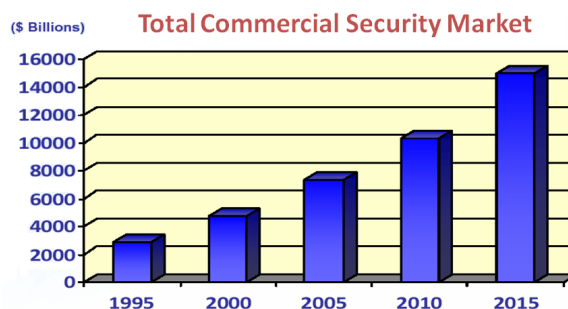
Competitive Advantages

- **Only 1-stop shop in security:**
 - ♦ NAPCO is the only publicly traded company that manufactures for all three security categories:
 - △ Intrusion & Fire
 - △ Door Locking Devices
 - △ Access Control
 - ♦ A unique "pure play" security company

Select Financials and Facts

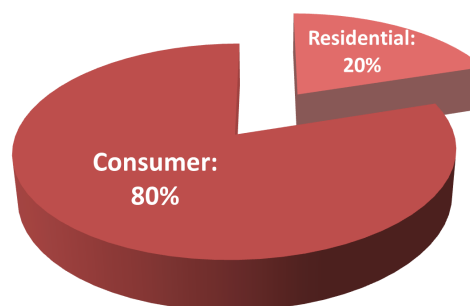
Nasdaq Ticker:	NSSC
Closing Price at 2/28/12:	\$2.66
52-Week Range:	\$1.80-3.02
Shares Outstanding (diluted):	19.1 million
Est. Public Float:	12.3 million
Market Capitalization (2/28/12):	\$50.79 million
Enterprise Value (2/28/12):	\$70.53 million
FY '11 Revenue:	\$71.4 million
Total Cash (12/31/11):	\$2.2 million
Cash per share (12/31/11):	\$0.12
Insider Ownership:	38.5%
Institutional Ownership:	27.5%
Fiscal Year-end:	June 30

Large & Growing Commercial Security Market

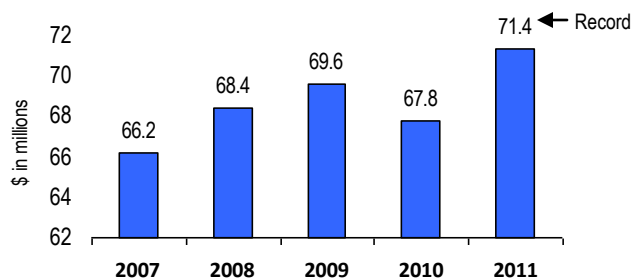


Source: Freedonia Group: Electronic Security Systems 2010 - 2015

The NAPCO Group of Companies



Annual Revenues



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NAPCO Security Technologies, Inc.

Richard L. Soloway, Chairman & President

Kevin S. Buchel, Sr. VP of Operations & Finance

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Website: www.napcosecurity.com (631) 842-9400 ext. 120

NAPCO's Product Lines

 <p>Intrusion, Fire and Video Alarm</p>   	 <p>Electronic Locking</p>   	 <p>Access Control</p>   	 <p>Door Locking Technologies</p>   
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Intrusion & Fire Are Big Businesses

- Budget reductions and cuts in Police/Fire causing greater need for more security/alarm products
- Access control is fastest growing segment of the security industry (per Freedonia Group Inc. study)
- Annually, there are an estimated 2.2M burglaries and 1.3M fires reported, or one occurring every 14.3 and 23.4 seconds, respectively.
- These fires caused more than 3,000 civilian deaths and in excess of 17,000 civilian injuries.
- Victims of burglary offenses and fires suffered annual estimates of \$4.6B and \$12.5B in lost property, respectively.
- Burglary accounted for 23.6% of the estimated number of property crimes committed.

Fully Integrated Security Solutions

NAPCO's Newest

iSeeVideo™

- iSee Video equipment
- Recurring monthly service revenue typically up to \$3 monthly, per account.

Products Target Recurring Revenues

iBridge™ Remote Services

- A suite of recurring revenue services allowing consumers to remotely control their security systems, video cameras, thermostats and lighting remotely from any smartphone or PC.



- NAPCO's next generation two-way, uploading/downloading GSM communicator; huge RMR potential. Approx. \$6/mo.

Additional Revenue Opportunities

- NAPCO Commercial 24V Combo Burglary & Fire
- iRemote
- Marks USA's new 'Triple Play' of BHMA certified:
 - Mortise, cylindrical, anti-ligature locks
 - Grade 1 door closers
 - Grade 1 & 2 exit devices

Intrusion, Fire, Video, Wireless Security



Senior Management

Richard Soloway, Chairman and CEO

Chairman of the Board of Directors since October 1981; President since 1998; and Secretary since 1975; Founder, 30+ years security, electronics experience.

Kevin Buchel, Senior Vice President of Operations and Finance

Senior Vice President of Operations and Finance since April 1995; Treasurer since May 1998; 20+ years with NAPCO, previously Coopers & Lybrand, CPA.

Jorge Hevia, Senior Vice President of Corporate Sales and Marketing

Senior Vice President of Corporate Sales and Marketing since May 1999; Vice President of Corporate Sales and Marketing since October 1998; 10+ years with NAPCO, previously Colgate Palmolive, Unilever, American Home Products.

Michael Carrieri, Senior Vice President of Engineering

Senior Vice President of Engineering Development since May 2000; Vice President of Engineering Development from September 1999 to May 2000; 10+ years with NAPCO, previously Hazeltine, NCR/AT&T, Boundless Technologies, Chyron.

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