

QUICKSTEP ADVANCES KEY AEROSPACE OPPORTUNITY

- **New Quickstep testing and manufacturing facility to be established in Munich, Germany.**
- **Technology Advisory Board established to accelerate commercialisation of Quickstep Process, to be headed by leading aerospace and composites expert and former senior Airbus executive, Professor Andrew Walker.**
- **Discussions proceeding well towards Cooperation and Development Agreement with a leading European-based aircraft manufacturer, expected to be announced in May 2007.**
- **First large-scale application of the Quickstep Process to aerospace parts manufacture targeted for mid-2008.**

International advanced composites group Quickstep Holdings Limited (**ASX: QHL – “Quickstep”**) has taken a major step towards securing its first significant opportunity in the global aerospace sector, today announcing the establishment of a new testing and manufacturing facility in Germany and a Technology Advisory Board to facilitate the commercialisation of its composites manufacturing process.

The establishment of the Technology Advisory Board – to be headed by one of the world’s foremost experts in composites and aerospace technology, Professor Andrew Walker, a former Chief Manufacturing Engineer for Airbus on its A380 project – represents a significant endorsement of Quickstep’s technology and signals a significant acceleration of its global commercialisation.

Quickstep today confirmed that discussions were proceeding with a leading European-based aircraft manufacturer towards the conclusion of a landmark Cooperation and Development Agreement, with a formal announcement expected in May 2007.

“These important developments demonstrate that our planned entry to the global aerospace sector is on track and progressing well,” said Quickstep’s Managing Director, Mr Nick Noble. “The Technology Advisory Board – comprising some of the world’s foremost experts in composites manufacturing and aerospace technology – will oversee our global Research & Development programme and promote the Quickstep Process to key decision-makers as the preferred out-of-autoclave curing process for composite manufacturing.”

Professor Walker is a leading consultant to global aerospace companies and a long-term advocate of composites technology. Based at the University of Manchester in the UK, he is the Director of a UK Research Initiative to develop future civil aircraft and works to bring key academics together with industrial partners and aviation authorities. He previously worked for Airbus as Chief Manufacturing Engineer on the A380 and designed the US\$1 billion A380 wing factory at Broughton, UK.

“Professor Walker has been a strong advocate for Quickstep since its inception and has offered invaluable support to help us establish the credibility of the Quickstep Process within the strategic planning groups of leading aerospace companies,” he said. “With the Quickstep Process now in the process of achieving aerospace certification, and advanced discussions with aerospace manufacturers underway, we both believe the timing is now right to formally establish the Technology Advisory Board.”

In accepting the position as Chairman, Professor Walker commented: “I have been a keen and active supporter of Quickstep for many years. Fundamentally, their patented liquid-based composite curing process is superior to traditional autoclave curing for a range of manufacturing opportunities. My focus will be to assist Quickstep in convincing global aerospace manufacturers that, based on a considerable body of test data, the Quickstep Process can achieve a superior result at a demonstrably lower capital and operating cost.”

“Based on research conducted by my teams and presented to groups such as Airbus and Boeing, the projected increase in aircraft production simply requires them to adopt alternatives to the traditional autoclave composite curing process. In my opinion, the Quickstep Process is a leading contender for this role,” he added.

Joining Professor Walker on the Technology Advisory Board will be leading international composites experts, Dr Bronwyn Fox and Mr Louis Luedtke.

Mr Noble said the new German facility, to be operated by a wholly-owned subsidiary company, Quickstep GmbH i.G., would initially operate one QS20 composites production machine, which will be commissioned in Perth by the end of March and installed in Munich during May 2007.

“This machine will be committed exclusively to the testing and product development for a select group of European customers,” Mr Noble commented. “We have already hired our first two employees, who will manage the German operations, both of whom have already completed a 3-month induction course in Perth.”

Dr Jens Schlimbach has been appointed CEO of Quickstep GmbH i.G., and has six years of experience in advanced composite manufacturing technologies, including design and development of carbon fibre reinforced polymer (CFRP) structures as an alternative to steel and aluminium. Dr Schlimbach has provided consultancy services to a number of aerospace companies, including Eurocopter, the world’s largest helicopter supplier.

“We are in advanced discussions with a leading European aerospace manufacturer regarding the establishment of a framework cooperation and development agreement intended to achieve certification for aerospace components for the Quickstep Process, a forerunner to actual aerospace components manufacture,” he said.

“Both Quickstep and its potential cooperation and development partner believe the establishment of Quickstep Germany will allow Quickstep to work more closely with European-based aerospace manufacturers to achieve this necessary certification.”

Mr Noble said he expected a positive conclusion to the negotiations and a formal announcement in May 2007, with the first large-scale application of the Quickstep Process to aerospace parts manufacture targeted for mid-2008.

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Background on Quickstep Holdings Limited

Western Australian -based **Quickstep Holdings Limited** ASX Code: **QHL** is an advanced materials company which owns a scalable platform for the energy efficient manufacture of performance efficient composite materials.

Listed on the Australian Stock Exchange in 2005 following a successful IPO, Quickstep initially raised A\$6 million to underpin the worldwide commercialisation of its innovative and proven technology with application in the multi-billion dollar aerospace, automotive, mass transit and renewable energy sectors.

Composites combine high strength with light weight and are key materials in aerospace, automotive, marine, defence, public transport and industrial applications. The global composites parts market is growing strongly, reflecting a shift towards the greater use of composites as an increasingly desirable replacement for metals in many applications because of their high strength and reduced weight.

Quickstep's proprietary process is based around a fluid-based curing technology that significantly reduces the cost and time involved in the production of composites compared with conventional processes. Quickstep has been at the leading edge of the growing need to reduce part costs since the early 1990s, with a significant investment in the development of the Quickstep Process over the past decade.

Quickstep already has automated Quickstep pilot production facilities operating at three separate locations with one in Japan; a second at the Victorian Centre for Advanced Materials Manufacturing (VCAMM) in Geelong; a third at the Northern Aerospace Technology Exploitation Centre (NATEC) in Manchester, England in conjunction with the University of Manchester; and a fourth in the US at Dayton, Ohio, the birthplace of the aviation industry.

Global alliances are also in place with major international advanced materials suppliers such as Toray Composites (in the USA and Japan) and German-based industrial chemicals and performance materials giant Degussa AG, alongside R&D and Applications Development Agreements with groups such as VCAMM.

Quickstep's business model is a mix of equipment and licence sales to major aerospace, automotive and marine manufacturers; joint venture arrangements, co-branding and co-marketing agreements with leading composites manufacturers, Original Equipment Manufacturers (OEM's), Tier One suppliers and alliance partners; and contract and in-house manufacturing operations and sales utilising the Quickstep Process.

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