



NEWS RELEASE

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AUSTRALIAN QUICKSTEP TECHNOLOGIES ESTABLISHES NORTH AMERICAN QUICKSTEP CENTER OF EXCELLENCE AT NATIONAL COMPOSITE CENTER'S NEW DAYTON CAMPUS

DAYTON, Ohio (October 16, 2006) –During a special press conference today, Governor Bob Taft announced that Quickstep Technologies Pty Ltd (a subsidiary of Quickstep Holdings Limited) has established its North American Quickstep Center of Excellence at the National Composite Center's (NCC) new Dayton Campus for Advanced Materials Technologies (DC-AMT). The international technology's Dayton debut is a significant milestone for the Third Frontier Program. The Dayton Campus will serve as Quickstep's demonstration site for US aerospace and automotive manufacturers.

A QS20 composites production machine, the heart of Quickstep's unique molding technology, has been purchased with a portion of an NCC Third Frontier Project grant totaling \$1,800,000. NCC received the grant in May for nano-enhanced sheet molding compound (SMC) scale-up, equipment that will also be operated and housed at DC-AMT. The City of Dayton also contributed \$475,000 to the purchase and support of the Quickstep equipment. Montgomery County, City of Dayton, Citywide Development Corp., Dayton Development Coalition and Liteflex LLC teamed with NCC to contribute funds for building improvements totaling more than \$1,000,000.

In addition to Governor Taft, the press event featured Australian Trade Commissioner - Chicago & The Midwest, Ian Smith, with additional comments by Lou Luedtke, President and CEO of

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NCC, and Nick Noble, CEO of Quickstep. "The Australia-United States Free Trade Agreement has opened exciting opportunities for companies on both sides of the Pacific. Technical collaboration such as that being undertaken by Quickstep and the National Composite Center makes manufacturers in both countries more competitive and leads to increased jobs for states such as Ohio and Western Australia," said Smith.

The Quickstep process is a unique fluid-filled, balanced pressure, heated floating mold technology for the curing, partial curing and joining of composite materials. The process can use thermoset and certain thermoplastic prepregs as well as wet resin/dry fiber to produce superior composite parts that feature improved strength, stiffness, surface finish and appearance while achieving aerospace grade void contents of less than two percent.

The establishment of the North American Quickstep Center is based on a three-year formal collaboration agreement between Quickstep Technologies and NCC. The Center represents the third facility of its kind to be established by Quickstep in alliance with a major international partner in the global composites industry. In addition to the North American Center in Ohio, Quickstep has centers in Manchester, UK (in collaboration with the Northwest Composites Center – "NWCC") and in Geelong, Australia at the Victorian Centre for Advanced Materials Manufacturing – "VCAMM".

"The opening of the North American showcase center – located in the heart of the US manufacturing industry – represents a landmark step in the ongoing commercialization of the Company's patented process for composites manufacture," said Noble. "North America is a key target market for Quickstep, being home to many of the world's largest aerospace, automotive, marine and infrastructure manufacturers and their Tier One suppliers. NCC has a long and very successful history of introducing new and innovative advanced materials technologies to the American market, and the strong partnership we have forged with them represents a very important component of Quickstep's long-term growth and global expansion plans."

According to Noble, Quickstep had already received strong interest from local businesses, with letters of support for the Center received from a range of companies including Boeing, General Motors, Huntsman Chemical, Applied Sciences and Vermont Composites. “This demonstration site will allow Quickstep to work directly with these and other local companies to develop and present specific solutions based on their manufacturing needs,” he added.

Quickstep’s US-based Chief Operating Officer, Dale Brosius said “NCC and its new Dayton Campus are well positioned geographically with respect to the US automotive and aerospace industries. In addition, the Dayton Campus and its parent company NCC, offer a number of complementary composite manufacturing technologies, including comprehensive closed molding, rapid fiber preforming, design optimization, and Long Fiber Reinforced Thermoplastics (LFT), all of which have the potential to be significantly enhanced by Quickstep’s rapid curing process.”

NCC President Lou Luedtke sees Quickstep’s investment in the Dayton region as an example of how strong partnerships can provide the infrastructure to support the solutions required by a dynamic marketplace. “As a commercialization agent and manufacturing accelerator, we understand the practical value of equipping manufacturers with the advanced technologies they need to compete,” he said. “The ability to team with a company the caliber of Quickstep allows us to make global resources available to companies both on a regional and national level.”

Commissioning for the QS20 composites production machine is underway and initial production of test parts is expected before the end of 2006. Quickstep has named Benjamin Luedtke, formerly of Applied Materials Inc., as the Technical Manager of the Quickstep Center. Luedtke will manage the day-to-day operations of the Quickstep facility, including specific OEM and Tier One projects. Phil Mowry, Vice-President for NCC, will serve in the dual role as Chief Operating Officer for DC-AMT.

Quickstep Holdings Limited (ASX Code: **QHL**) is an advanced materials company listed on the Australian Stock Exchange and focused on the worldwide commercialization of an innovative,

proven Australian composites manufacturing technology with application in the multi-billion dollar aerospace and automotive industries as well as other mid-tier market segments.

Composites combine high strength with light weight and are key materials in aerospace, automotive, marine, defense, 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 unique and patented Quickstep Process is an innovative 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 fully automated Quickstep pilot production facilities operating at four separate locations with one in Japan, a second at the Victorian Centre for Advanced Materials Manufacturing (VCAMM) in Geelong Australia, a third at the Northwest Composites Centre (NWCC) in Manchester, England in conjunction with the University of Manchester, and a fourth at the National Composites Center (NCC) in Ohio in the US.

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 to generate multiple revenue streams from turn-key solution provision to major aerospace, automotive and marine manufacturers; joint venture arrangements and 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 utilizing the Quickstep Process.

Since 1996, the National Composite Center has built its reputation on pioneering the development and application of composite materials to the aerospace and defense, automotive, commercial and infrastructure markets. Today NCC is recognized as a premier commercialization agent for advanced materials technology in regional, national and international markets. Over the last decade, the Center has used its engineering expertise and in-house knowledge to grow a comprehensive resource of capabilities that include design optimization, Rapid Fiber and Large Scale Preforming, closed molding, Long Fiber Reinforced Thermoplastics, Litecast® and nanocomposite technology. As a manufacturing accelerator, NCC helps companies link the right composite materials and processes and dramatically shortens the time it takes to move from the concept stage to production ready parts. NCC has also established a full-scale pilot production facility where companies can develop large-scale manufacturing methods and establish new industry standards. The Center's unique economic development model provides critical incubation services and helps launch new businesses. NCC's nearby satellite facility – the Dayton Campus for Advanced Materials Technologies (DC-AMT), expands the range of technology and support services available to companies that want to harness the advantages of composites. As a gatekeeper for the composite age, NCC remains committed to the exploration of advanced manufacturing technologies to provide industry and consumers alike with high performance materials that last longer and cost less. By teaming with industry, universities and government, NCC continues to bridge the gap between science and practicality to provide dynamic solutions that strengthen commerce in Ohio and equip manufacturers in the United States to compete in a global marketplace.

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