

QUICKSTEP SECURES LANDMARK AGREEMENT WITH EUROCOPTER

- **Cooperation and Development Agreement (CDA) signed with Eurocopter, the world's largest helicopter supplier.**
- **Collaboration designed to optimise the manufacture of composites parts for Eurocopter.**
- **Positive results from initial testing of the Quickstep Process by Eurocopter indicate production cost reductions and improved performance across several products.**
- **Eurocopter is now aiming to be 'first-to-market' in the application of Quickstep's technology within the global aerospace sector.**
- **Industrialisation process expected to be ready for implementation in 2008.**

International advanced composites group, Quickstep Holdings Limited (**ASX: QHL – "Quickstep"**) has taken a major step towards the large-scale production of component parts for the global aerospace sector, today announcing that it has signed a **Cooperation and Development Agreement** ("CDA") with **Eurocopter**, the world's largest helicopter supplier.

The landmark agreement represents the most significant step to date in Quickstep's entry to the global aerospace sector at a number of levels. It establishes the framework for a long-term collaboration with Eurocopter to investigate, optimise and qualify the manufacture of composites parts for the helicopter giant. In time, the findings from this can be transferred to other members of its parent group EADS.

It also follows Quickstep's announcement in March this year of plans to establish a new testing and manufacturing facility in Germany through a new subsidiary, Quickstep GmbH. At the same time, the Company announced the establishment of a high-profile Technology Advisory Board to promote Quickstep's advanced 'out-of-autoclave' composites manufacturing process to the international aerospace industry.

The CDA with Eurocopter represents the first significant outcome of Quickstep's decision to set up a new global manufacturing and testing facility in Germany.

Subject to success with the initial optimisation phase, the agreement lays the foundations for an "industrialisation process" leading to the commencement of commercial production of aerospace components using the Quickstep Process for a number of helicopter programs during 2008. The CDA follows extensive successful preliminary testing by Eurocopter, which indicated that Quickstep's unique fluid-based composites manufacturing technology may improve performance and efficiency in the production of Eurocopter's structural composite parts.

Under the CDA, a new Quickstep-owned QS20 production machine will be deployed inside the EADS group facilities in Ottobrunn, Munich. It also covers a guarantee to supply further QS equipment for production during 2008 and beyond.

Quickstep's Managing Director, Mr Nick Noble, said the agreement with Eurocopter represented the Company's most significant step to date towards entering the global aerospace parts manufacturing sector, establishing a long-term partnership with one of the world's most significant aerospace companies.

"Preliminary testing by Eurocopter of the Quickstep Process for product performance and improved production efficiencies in aerospace grade components has been very successful, and Eurocopter has indicated its intention to quickly undertake further development work to bring this unique technology to market and become the first global aerospace group to do so," Mr Noble said.

"The collaboration will see the completion of a landmark test work program by Eurocopter which is expected to lead to either a direct manufacturing partnership between Quickstep and Eurocopter for the production of

aerospace components, and/or Quickstep's approval as a qualified manufacturing subcontractor to Eurocopter," Mr Noble said.

Dr Christian Weimer, Head of Production Technologies and Projects Eurocopter, said the new Quickstep Germany Project was designed to achieve technological readiness for the Quickstep Process.

"The target is to be ready to apply the Process on future aircraft and helicopter programs as soon as possible. After significant research we are convinced of the potential for the Quickstep Process to contribute to better performance in our products, and to a higher production efficiency as well as performance improvements" he said. "We intend to expand on the close cooperation with Quickstep to fast-track further basic development work to bring these innovations to the market as rapidly as possible. We want to be first to market with the application of Quickstep's technology, and we will be working hard to achieve this."

"Based on our own initial test programs, several projects are currently planned and funded. Working with a number of diverse partners, our aim is to further investigate and optimise the Quickstep Process in order to be ready to start the industrialisation in 2008," Dr Weimer added

In anticipation of a prompt start-up, senior management personnel, Dr Jens Schlimbach and Dr Amol Ogale, were recruited in January and have completed training in Perth. They returned to Germany during April and they will supervise day-to-day operations, carry out project work and provide expert advice on Eurocopter's production requirements and tooling specifications. They are also working on finalising the proposed site and preparing the infrastructure requirements for the arrival of the QS20 machine, expected before the end of May.

Western Australia's Industry and Enterprise Minister, Francis Logan, congratulated Quickstep on the Eurocopter agreement. He said the defence sector was one of four key areas identified by the WA Government as industries that grow and help diversify and strengthen the State's economy. "Quickstep is another example of how Western Australian people and companies have the skills and the capabilities to match it with the best in the World," Mr Logan said.

-ENDS-

Released by:
Nicholas Read/ Kate Bell
Read Corporate
Telephone: (+61-8) 9388 1474

On behalf of:
Mr Nick Noble
Managing Director
Quickstep Holdings Ltd
Telephone: (+61-8) 9432 3200

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 five separate locations with, apart from it's own plant in Fremantle, West Australia, one in Japan; a third at the Victorian Centre for Advanced Materials Manufacturing (VCAMM) in Geelong; a fourth at the Northern Aerospace Technology Exploitation Centre (NATEC) in Manchester, England in conjunction with the University of Manchester; and a fifth recently established 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 and the Australian National University (ANU).

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.

-ENDS-