

## QUICKSTEP COMMENCES PROCESS CAPABILITY WORK WITH MAJOR U.S. AEROSPACE FIRMS

- North American Quickstep Centre of Excellence fully commissioned and ready to commence demonstrations of Quickstep Process for manufacture of aerospace parts and thermoplastic composite materials.
- American companies GE Aviation and Sikorsky Aircraft Corporation commence projects with the Quickstep Centre to evaluate the process for aerospace component fabrication.

International advanced composites group Quickstep Holdings Limited (ASX: QHL – “Quickstep”) has achieved a further key milestone in entering the North American aerospace market, today announcing the commencement of key initial manufacturing trials with North American aerospace giants **GE Aviation** and **Sikorsky Aircraft Corporation** at its newly established North American Quickstep Centre of Excellence (NAQCE).

Quickstep said today (**Friday**) that it has completed commissioning of its QS20 composites production machine at NAQCE, located in the heart of the North American aerospace industry in Dayton, Ohio. Initial demonstration programs will immediately commence with these major US-based aerospace companies, which have already expressed strong interest in Quickstep’s composites manufacturing technology.

The QS20 machine at the NAQCE is the first deployment of Quickstep’s patented technology in North America – the world’s largest market for advanced composites materials – and is consistent with the Company’s strategy of establishing demonstration facilities near target markets to enable it to work more closely with potential customers.

Several North American companies have already committed to evaluation projects with Quickstep through the NAQCE, including leading advanced technology companies GE Aviation – one of the world’s leading producers of jet engines for commercial and military aircraft; and Sikorsky Aircraft Corporation – a world leader in the design, manufacture and service of military and commercial helicopters and fixed wing aircraft. Both companies are exploring the potential of the Quickstep Process as a viable and effective alternative to autoclave-based manufacturing.

“Production rates are significantly increasing, given the success of our new GENx engine,” said Stephen Mitchell of GE Aviation’s Technology Transition & Productivity Programs. “We have a great interest in exploring the limits and benefits of the Quickstep process as it relates to materials and specific components in addressing our production requirements.”

Quickstep Managing Director, Mr Nick Noble, said the new centre would enable potential North American customers to effectively ‘test’ the Quickstep Process and evaluate the specific benefits it could provide for their individual manufacturing needs.

“Through the NAQCE we can conduct curing trials using a wide variety of materials and components so each customer can accurately compare the Quickstep Process with their current manufacturing methods,” Mr Noble said. “We have already had strong interest in North America and we look forward to now inviting these companies to Dayton to see the Quickstep Process in action.”

The NAQCE, located at the National Composite Centre’s (NCC’s) Dayton Campus for Advanced Materials Technologies in Dayton, Ohio, is Quickstep’s third operational showcase site, with similar facilities already operating in Australia and the UK. A fourth facility is currently being commissioned in Germany.

The Company's strategy of establishing international demonstration centres has already proved successful in delivering new business, with Quickstep recently securing a manufacturing contract with a European aerospace Original Equipment Manufacturer (OEM), and last week announcing a landmark Cooperation & Development Agreement with Eurocopter, the world's largest helicopter supplier. Both contracts were secured through initial work at Quickstep's European Centre of Excellence in the UK.

Mr Noble said the completion of the NAQCE was a key element in the Company's long term growth strategy.

"As the world's largest composites market, North America is a key focus for Quickstep and a primary component of our long term growth plan," he said. "We have already had a very positive response from our discussions with potential North American customers, and the NAQCE will enable us to work closely with these companies to fully qualify the benefits of the Quickstep Process for them."

Professor Andrew Walker, a leading consultant to global aerospace companies and the Chairman of Quickstep's Technology Advisory Board, said: "Quickstep's Technology Advisory Board estimates that by 2011, Boeing and Airbus will each need to manufacture an additional 840 tonnes of carbon fibre materials each month in order to satisfy demand for new twin-aisle and replacement single-aisle aircraft that are necessary to meet the world's rapidly increasing appetite for air travel. This additional production – amounting to almost 1,700 tonnes of carbon fibre per month – must be sourced from a manufacturing industry already operating close to capacity, making new and more efficient processing techniques an absolute necessity."

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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 commercialization 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, 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 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, aside from its 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. A sixth machine is currently being commissioned in Germany at the European Aeronautic Defence & Space Company (EADS) group facilities in Ottobrun to support a Cooperation & Development Agreement with Eurocopter, the world's largest helicopter supplier, signed in May 2007.

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 license sales to major aerospace, automotive and marine manufacturers; joint venture arrangements, co-branding and co-marketing agreements with leading composites manufacturers, Original Equipment Manufacturers (OEMs), Tier One suppliers and alliance partners; and contract and in-house manufacturing operations and sales utilizing the Quickstep Process.

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