

QUICKSTEP SECURES SUPPORT OF FUNDS MANAGER AS MAJOR SHAREHOLDER

- **\$6M share placement to Macquarie Funds Management, giving it a 6.0 % fully diluted stake.**
- **Investment follows Macquarie's visit to Quickstep's German and UK facilities to meet key staff members and customers, and review operations.**
- **Funds will be used to accelerate aerospace development, focusing on already identified contracts.**

Quickstep Holdings Limited (ASX: QHL – “Quickstep”) today announced a **A\$6 million share placement with** Macquarie Funds Management (“Macquarie”), securing them as a major shareholder. The advanced composites manufacturer indicated it would deploy the funds to accelerate the commercialisation of its proprietary composites manufacturing technology in the global aerospace industry.

The placement – comprising 10 million shares at A\$0.60 per share – will give Macquarie a fully diluted 6.0% stake in Quickstep. The funds are in addition to Quickstep's recently completed A\$11 million capital placement and Share Purchase Plan (SPP).

“This is a very positive development for Quickstep. It represents a strong endorsement of our total business model of securing direct or joint venture manufacturing contracts with major aerospace groups and their Tier One supply chains, utilising our proprietary technology” commented Quickstep's Managing Director, Mr Nick Noble.

“Securing the involvement of one of the world's most dynamic and successful investment banks and diversified financial services groups completes what has been a very productive and successful year for Quickstep,” Mr Noble commented.

“This investment will enable Quickstep to develop production-ready concepts and technologies for the manufacture of specific aerospace components,” he added. “We are very pleased to have Macquarie Funds Management on board as an investment partner, and we look forward to working with them to accelerate the Company's long term growth.”

Mr Neil Carter, Portfolio Manager of Macquarie Funds Management's Small Companies Portfolio, said the decision to invest in Quickstep was made following an extensive due diligence process, which included visiting Quickstep's facilities in Germany and the UK.

“We have researched the aerospace and carbon fibre industries in detail, meeting with industry participants in Australia, Europe and North America. We believe that the shift to the next generation of light weight, fuel-efficient aircraft marks a paradigm shift for the aerospace industry and one that the traditional autoclave technology is incapable of satisfying. Following discussions with key players – including Airbus's German and UK divisions, and Eurocopter – we believe there is an excellent opportunity to participate in the strong growth in ‘out-of-autoclave’ solutions.”

In October, Quickstep completed another major link in its international network of showcase sites, with the official opening of a new testing and manufacturing facility in Germany. The facility is operated by Quickstep's wholly owned subsidiary, Quickstep GmbH, and will be used to conduct manufacturing trials and development work for European aerospace groups including Eurocopter and Airbus.

The Centre was officially opened by Australia's Ambassador to Germany, HE Mr Ian Kemish AM, at a function held on site at the EADS group facilities in Munich. A Quickstep QS20 composites production machine was successfully commissioned at the site in August.

The first projects to be conducted at the site will involve development work carried out under the landmark Cooperation & Development Agreement (CDA) with Eurocopter, the world's largest helicopter supplier, announced in May; as well as the manufacture of prototype parts for Airbus Deutschland GmbH - Site Laupheim, a wholly owned subsidiary of the global aerospace company, Airbus, announced in August. Both Eurocopter and Airbus are part of the EADS group, a global leader in aerospace, defence and related services, which in 2006 generated revenues of over €39 billion.

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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 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 two machines at 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 has now been commissioned in Germany at the European Aeronautic Defence & Space Company (EADS) group facilities in Munich to support a Cooperation & Development Agreement with Eurocopter, the world's largest helicopter manufacturer, 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 self-manufacture, joint venture manufacturing arrangements and co-branding and co-marketing agreements with leading composites manufacturers, Original Equipment Manufacturers (OEM's), Tier One suppliers and alliance partners utilising the Quickstep Process.

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