



Quickstep

HOLDINGS LTD



DECEMBER 2009

Newsletter



Dear Shareholder,

Welcome to the December 2009 shareholder newsletter. As we look towards the New Year, I am delighted to report that 2010 is set to mark the start of a landmark era for Quickstep with the Company poised to secure our first large-scale aerospace manufacturing contracts.

In November Quickstep signed a Memorandum of Understanding (MOU) with global aerospace

companies Lockheed Martin and Northrop Grumman intended to secure in excess of \$700 million worth of potential contracts to manufacture components for the new multi-nation Joint Strike Fighter (JSF) program.

Quickstep is now working to finalise a Long Term Agreement for the Company to supply composite doors and access panels for the Joint Strike Fighter, which we hope to complete by March 2010.

Less than two weeks after signing this initial agreement, Quickstep signed a second MOU with Melbourne-based Marand Precision Engineering which could lead to a contract worth up to \$50 million to supply composite Vertical Tail skins for the JSF.

Long term shareholders will recognise that the signing of these MOU's represents the culmination of many years hard work by Quickstep to build the Company's reputation and standing amongst international aerospace manufacturers.

I am pleased to report that Quickstep is now very much on the radar of the international aerospace community, and we anticipate the MOU's will open the door not only to substantial JSF contracts, but also to other potential defence and aerospace contracts in the near future.

The agreements also validate the time and investment the Company has made over the past three years in preparing for aerospace grade manufacturing.

With the Company now on the cusp of commencing aerospace manufacturing, final preparations at our manufacturing headquarters in North Coogee, Western Australia, are now taking place. On 30 November Quickstep announced plans to undertake a capital raising to facilitate these final steps, comprising a share placement to institutional and sophisticated investors, and a Share Purchase Plan to existing investors to raise a total of \$17.7 million. This issue price under the placement and SPP will be 52 cents per share.

The funds will largely be used for the purchase of capital equipment and non recurring costs for the JSF MOU's outlined above, and for general working capital requirements.

The Share Purchase Plan (SPP) has been established to enable eligible shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of fully paid ordinary shares in Quickstep at an attractive price, free of all brokerage and commission.

Eligible shareholders can select one of four levels of participation:

Number of Shares applied for under SPP	Investment Amount
28,846	\$14,999.92
20,000	\$10,400
10,000	\$5,200
4,000	\$2,080

The SPP will be open to all eligible shareholders who are registered holders as at 4.00pm Perth time on 14 December 2009, and the Company anticipates the offer will close in early January 2010. Documents relating to the SPP are included with this newsletter.

continued on page 2...

Inside this issue...

- Quickstep Signs MOU to Advance to \$700m Joint Strike Fighter Manufacturing Contract
- Quickstep signs second JSF MOU with Marand Precision Engineering
- About the F-35 Joint Strike Fighter – Australia's Next Generation Air Power
- Join Quickstep's free investor email update service

Quickstep

Fully integrated suite of aerospace composite manufacturing solutions

continued from page 1...

Under the SPP, eligible shareholders can purchase shares at a price of 52 cents per share – representing an approximate 15% discount to the average closing price of the Company's shares over the 5 trading days prior to 20 November 2009.

If you would like to participate in this SPP, I encourage you to act quickly as the offer is scheduled to close in early January 2010.

I'm sure you will agree that the coming 12 months look to be a truly exciting era in Quickstep's growth, and I am greatly looking forward to sharing that with you all.

In the meantime, a very heartfelt best wishes for the festive season.

Yours faithfully,

Philippe Odouard
Chief Executive Officer

Quickstep Signs MOU to Advance to \$700m Joint Strike Fighter Manufacturing Contract



Joint Strike Fighter F-35. Image courtesy of Lockheed Martin

Quickstep has signed an MOU with global aerospace corporations Lockheed Martin Corporation and Northrop Grumman Systems Corporation intended to secure around \$700 million worth of potential contracts to manufacture components for the new multi-nation Joint Strike Fighter (JSF).

The MOU signed by Quickstep, Lockheed Martin and Northrop Grumman follows extensive discussions between the parties about the manufacture of components for the JSF utilising advanced composites. It paves the way for the parties to work together to finalise a Long Term Agreement (LTA) for Quickstep to supply 19,325 composite doors and access panels. These parts will all be exported to the United States for incorporation into the Joint Strike Fighters globally. Quickstep hopes to complete the LTA by March 2010.

Under the contract Quickstep may supply up to 21 different components. The parts include lower side skins, maintenance access panels, F2 fuel tank cover, lower skin and in-board weapons bay doors. The potential manufacturing contract under the LTA is planned to last between 20 and 30 years and could generate annual turnover of \$50 million by 2015.

The \$700m LTA is expected to create about 156 high-end jobs, including technicians, engineers, machine operators and quality assurance experts and may create a further 620 support industry jobs.

Quickstep was competing with global suppliers to win the manufacturing package, and was delighted to secure the MOU against highly respected multinational corporations. The LTA would be one of the largest awarded to Australian industry by the manufacturers of the JSF.



Signing Lockheed / Northrop doors and panels MOU. From left - Philippe Odouard (CEO of Quickstep), Ram Ramkumar (Director F-35 Industry Participation Plan Northrop), Bob Price (F-35 Program Manager Australia and Canada Lockheed)



Left to right - Ram Ramkumar (Director F-35 Industry Participation Plan Northrop), Rohan Stocker (Marand CEO), Chris Addison (Project Director F-35 BAE Systems), Bob Price (F-35 Program Manager Australia and Canada Lockheed), Philippe Odouard (CEO of Quickstep)



Quickstep Signs Second JSF MOU with Marand Precision Engineering

In mid-November Quickstep signed a second MOU that could lead to a contract worth up to \$50 million to supply composite Vertical Tail (VT) skins for the JSF.

The MOU is with Melbourne-based Marand Precision Engineering (“Marand”), which has in turn signed an MOU with BAE Systems and Lockheed Martin Corporation (“Lockheed”), the global aerospace group co-ordinating the JSF program.

The Marand MOU would involve Quickstep manufacturing VT skins utilising advanced composites, which are both light and strong. These skins would be supplied to the non-US partners in the JSF program, including Australia, the UK and Canada.

This is currently expected to account for over 700 pairs of Vertical Tails.

Coming hard on the heels of the deal with Lockheed and Northrop outlined on the previous page, the Marand MOU represents another potentially valuable opportunity for Quickstep. Creating a critical mass of advanced composite manufacturing know-how and capability would greatly strengthen the Company’s chances of establishing a world class competitive industry here in Australia.

Quickstep is in discussions with other parties concerning further possible JSF-related contracts.

About the F-35 Joint Strike Fighter – Australia’s Next Generation Air Power

The F-35 Lightning II – commonly referred to as the “Joint Strike Fighter” or “JSF” – is a 5th generation fighter, combining advanced stealth with fighter speed and agility, fully fused sensor information, network-enabled operations, and lower operational and support costs.

The JSF Program is the US Department of Defense’s focal point for defining affordable next generation strike aircraft weapon systems for the US Navy, Air Force and Marines and for US allies. The JSF Program is the largest military aerospace program in the world and will be worth in excess of US\$300 billion at current prices.

Lockheed Martin is developing the F-35 with its principal industrial partners, Northrop Grumman and BAE Systems.

Two separate, interchangeable F-35 engines are under development: the Pratt & Whitney F135 and the GE Rolls-Royce Fighter Engine Team F136. Three variants of the F-35 are being produced - the Conventional Takeoff and Landing (CTOL) - the version Australia has bought; the Short Takeoff and Vertical Landing (STOVL); and the Carrier Variant (CV).

Development of the F-35 is being principally funded by the United States, with the United Kingdom and other partner governments providing additional funding.

Partner countries include the United Kingdom, Italy, the Netherlands, Canada, Turkey, Australia, Norway and Denmark. Demonstrator aircraft flew in 2000, with the first CTOL flight on 15 December 2006.

Australia signed a Memorandum of Understanding (MOU) for the Production, Sustainment and Follow-on Development stages of the JSF Program in December 2006, providing a cooperative framework for the acquisition and support of the JSF, while providing large opportunities for Australian industries to participate. To date, 25 Australian companies have won approximately US\$200 million in the development and early production phase of the JSF.

The Australian Federal Government is planning to acquire up to 100 of the aircraft. On 25 November 2009 the Minister for Defence, Senator John Faulkner, announced that the Australian Government had approved acquisition of the first batch of JSF aircraft, comprising 14 CTOL JSFs and infrastructure and support required for initial training and testing, at an estimated cost of \$3.2 billion.

Outlook

Our Business

2010 is shaping up to be a major year for Quickstep, as we prepare to take the all-important step into aerospace manufacturing. Following the completion of the Company's capital raising in early January, our immediate focus will be on completing preparations at our Fremantle manufacturing facility, with a view to finalising a Long Term Agreement in relation to the Lockheed Martin and Northrop Grumman MOU by the end of Quarter One 2010.

In parallel with this, Quickstep will continue targeting additional MOUs and manufacturing contracts from across the aerospace industry.

As a new initiative to help keep shareholders up-to-date on the Company's activities, you can now tune in to hear interviews with Quickstep's CEO, Philippe Odouard, on Boardroom Radio – simply visit www.brr.com.au to hear the latest interview and subscribe to Quickstep podcasts.

The Company now has over 3,000 shareholders. We regularly release updates and press releases to the ASX. To join our email recipients list and receive timely updates and copies of Quickstep media articles, please email info@quickstep.com.au.

