

QUICKSTEP COMMENCES AIRCRAFT PARTS MANUFACTURING AT AUSTRALIAN HEADQUARTERS

- Quickstep commences manufacturing of aircraft parts at its Fremantle headquarters, representing the first aircraft parts to be produced by the Company in Australia.
- New, state-of-the-art manufacturing equipment currently being installed at the Fremantle facility to underpin international aerospace manufacturing contracts.
- Three senior production staff recruited to Quickstep's Australian team from Airbus, providing significant additional aerospace expertise.

International advanced composites group Quickstep Holdings Limited (**ASX: QHL** – “Quickstep”) has hit the ground running in 2008, today announcing the commencement of **aircraft parts manufacturing** at its Australian headquarters located in Fremantle, Western Australia – marking the first stage in establishing the site as a **fully equipped, world-class aerospace manufacturing facility**.

Quickstep said today (**Thursday**) that, while specific details of the manufacturing contract are confidential, the Company has responsibility for all aspects of the production engineering, tooling, manufacture and inspection of the composite aircraft components. It is expected that the parts will be certificated by Australia’s Civil Aviation Safety Authority (CASA) in the first half of the 2008 calendar year, and will be installed and flying shortly afterward.

The parts will be manufactured using AGATE qualified carbon/epoxy materials from Toray Composites (America) Inc. and Rohacell foam cores from Evonik Röhm GmbH.

Quickstep’s Managing Director, Mr Nick Noble, said the commencement of aircraft parts manufacturing in Australia was a watershed event for the Company.

“Our Fremantle headquarters are being re-engineered into a world-class aerospace manufacturing facility and we are now officially open for business – representing a major achievement for the Company,” he said. “It has necessarily been a lengthy procedure to prepare Quickstep for aerospace manufacturing, so we are delighted to have our first production contract underway in Australia, and will now look towards further enhancing our Fremantle facility to build a full scale aerospace manufacturing operation before the end of 2008.”

Recent \$17M Capital Raising Underpins Aerospace Drive

As part of the Company’s efforts to prepare the Fremantle site for aerospace parts manufacturing, Quickstep has utilised part of the funds raised through the \$17 million (\$AU) capital raising completed in November 2007, to purchase a range of new state-of-the-art manufacturing equipment that will position the site as a world-class aerospace manufacturing facility.

The hub of the Fremantle site’s capability is a new CATIA Computer Aided Design (CAD) system, which allows direct data transfer to and from customers, and which has been fully integrated into Quickstep’s production engineering and inspection systems. The CATIA system is used by aerospace giants including Boeing, Airbus and Eurocopter, as well as many automotive companies.

In addition, a Leica Laser Tracker was delivered to the facility last week from Switzerland, providing Quickstep with the latest technology to measure and inspect patterns, tooling and manufactured parts and compare them against the CAD master geometry.

A number of additional items are currently on order, including three autoclaves, a Breton five axis machining centre, and a range of other smaller pieces of plant and equipment.

The autoclaves will be used to complement the Quickstep Process, and will include two 10m long x 3m diameter vessels used for manufacturing a combination of carbon composite tooling and production parts. A

smaller 5m long x 2.4m diameter unit will be used to manufacture specialised silicon diaphragms for the Quickstep Process and advanced composite manufacture. The autoclaves are due to be delivered in June 2008.

The Breton five axis machining centre will have a working envelope of 4.5m x 2.5m x 1.5m, and is believed to be one of the most accurate of its kind in Western Australia. It will enable in-house manufacture of patterns and tooling vital to composite manufacture and provide the capability to machine highly complex geometries demanded by aerospace and automotive applications. This machine will be delivered to Quickstep in the third quarter of 2008.

"This new machinery will cement Quickstep's Fremantle headquarters as a fully equipped, world class aerospace manufacturing centre," Mr Noble said.

Key New Appointments Announced from Airbus UK

To underpin the commencement of aerospace manufacturing, Quickstep has recently appointed three senior production staff members, all recruited from Airbus in the UK.

Mr **Keith Brand** has been appointed Clean Room Team Leader and Mr **Sean Scammell** has been appointed as his assistant. Together, they have over 50 years' experience in aerospace composites manufacturing. Both Mr Brand and Mr Scammell have spent the last 10 years with Airbus, focused on the development of new technologies for the manufacture of composite wing structures.

Mr Brand and Mr Scammell will join Quickstep from the beginning of February 2008.

A third representative from Airbus has been recruited to the role of Senior Production Manager, and will join the Quickstep team in March. He has extensive experience in aerospace manufacture, jig and tool design, and process management and played a key role in implementing technology into the emerging markets of China and Eastern Europe. His initial focus will be to implement the stringent processes and controls required for aerospace manufacturing.

Mr Noble said that these appointments will provide significant additional depth to the Company's aerospace expertise, and provide invaluable manufacturing know-how as the Company targets further manufacturing contracts for its Australian facility.

"These new team members bring significant experience in the application of composites technologies in the aerospace sector," he said. "I am delighted to welcome them to Quickstep at this exciting time for the Group, and I look forward to their significant contribution as we ramp up our aerospace manufacturing activities."

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Background on Quickstep Holdings Limited - www.quickstep.com.au

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 six 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 North West Composites Centre (NWCC) in Manchester, England in conjunction with the University of Manchester; a fifth in the US at Dayton, Ohio, the birthplace of the aviation industry; and a sixth machine located inside the European Aeronautic Defence & Space Company (EADS) group facilities in Munich, Germany, 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 Evonik Industries AG (formerly Degussa AG), alongside R&D and Applications Development Agreements with groups such as VCAMM and the Australian National University.

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.

In November 2007, Macquarie Funds Management, one of Australia's largest investment institutions, announced its intention to acquire a 6% stake in Quickstep, citing strong support for the Company's long term business model.

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