

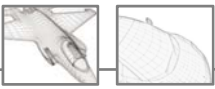
\$1 million Australian government grant

- \$1 million Australian government grant awarded to Quickstep through the Department of Defence's New Air Combat Capability Industry Support Program
- Funds qualification of the Quickstep Process for manufacturing Joint Strike Fighter spars
- Covers work with the JSF's BAE Systems and Lockheed Martin Aerospace over three years to start of production
- Opens up the wing spar aerospace market for Quickstep and its patented Quickstep Process

Sydney, 2 December 2013 – Quickstep Holdings Limited (ASX:QHL), the manufacturer of high-grade carbon-fibre composite components, today announced that it has been awarded a \$1 million grant from the Australian government through the Department of Defence's New Air Combat Capability Industry Support Program. The grant will finance qualification of the Quickstep Process for manufacturing F-35 Lightning II Joint Striker Fighter (JSF) vertical tail spars which provide stabilisation for aircraft in flight.

Through its agreement to manufacture parts for the JSF program, Quickstep expects to contribute to more than 700 JSF shipsets of tails over the next twenty years. While Quickstep makes spars using autoclave systems, Quickstep's patented liquid-based process offers a faster, more cost-effective way to manufacture parts in series. The grant will fund Quickstep's work over three years with the JSF's New Air Combat Capability, BAE Systems and Lockheed Martin Aerospace to develop the case for changing the JSF's spar-making technology from the autoclave to the Quickstep Process, produce demonstration parts including a first part qualification spar, qualify Quickstep's Bankstown Airport facilities to use the production method for JSF spars, and establish a path for the transfer.

Quickstep managing director Philippe Odouard said: "We are grateful to the Australian Government for its continued support which provides funding to take us through to production. The Quickstep Process offers a new efficient way to produce JSF components at reduced cost while improving quality. This could assist Lockheed Martin's affordability initiative program to reduce F-35 costs for the program's partner countries. If qualification is successful it should be accepted as an alternative to the JSF program's standard curing technology. This is exciting as it will showcase our capability for tail production and, as the program develops, the Quickstep Process' potential use to develop entire wing structures for next-generation commercial aircraft manufacturers."



The Quickstep Process involves surrounding raw carbon-fibre and resin with heated liquids which transfer heat 25 times faster than traditional autoclave (or 'oven-heated') methods, enabling composite components to be cured more efficiently and at a much lower cost.

The New Air Combat Capability Industry Support Program is a grants program intended to foster the development of new or improved Australian industry capabilities that directly support the JSF program. The grant awarded to Quickstep will be funded by the Department of Defence's Defence Materiel Organisation (DMO) and administered by AusIndustry, and is provided for development of a JSF technology capability that has multiple applications.

Quickstep will manufacture 21 different parts for the JSF program at its Bankstown Airport facility. The overall agreement to supply JSF parts to several different Original Equipment Manufacturers is valued at up to \$700 million to the company over two decades. At peak production rates, the company is expected to generate JSF revenue of approximately \$40 million per annum.

The F-35 Lightning II is a fifth generation fighter, combining advanced stealth with fighter speed and agility. The Joint Strike Fighter program is the world's largest defence contract, valued at over \$300 billion.

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Background on Quickstep Holdings Limited

Quickstep Holdings (ASX:QHL) is a manufacturer of advanced carbon fibre composites for the aerospace and defence and automotive industries. The company operates state-of-the-art manufacturing facilities at Bankstown Airport in Sydney, Australia, and has offices in Germany and the United States.

Quickstep is an approved supplier for the international F-35 Lightning II Joint Strike Fighter (JSF) program - the largest military aerospace program in the world, valued at in excess of US\$300 billion worldwide. To date more than 68 JSF aircraft have been delivered to the US Department of Defense, and this number is now expected to grow rapidly. The company has also been selected by Lockheed Martin as the sole supplier of composite wing flaps for the C-130J "Hercules" military transport aircraft. Quickstep is currently partnering with some of the world's largest aerospace/defence organisations, including the US Department of Defense, Lockheed Martin, Northrop Grumman, Airbus and EADS.

Quickstep is also developing patented manufacturing technologies to produce high-volume A-grade finished composite components for automotives and specialist thick parts such as spars and wing skins for large defence and commercial aircraft. The company is currently working with the US Department of Defence to qualify its patented Quickstep Process and Resin Spray Technology (RST) for JSF, and is also conducting a major research and development program with car maker Audi aimed at delivering high-quality finish, low cost, fast processing of carbon fibre composite, together with specialised resins, particularly adapted to the automotive industry.

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