

## Completion of A\$10m+ capital investment in Bankstown to support defence exports

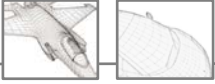
**Sydney, 02 March 2017** – Quickstep Holdings (ASX:QHL), the manufacturer of advanced carbon fibre composites, announced that the company has completed the planned A\$10 million capital expansion of its Aerospace Manufacturing facilities in Bankstown, including a capital investment program for the expansion of JSF production and the commissioning of an automated robot drilling cell for C-130J production. This takes the total investment at the Bankstown site to around A\$30 million and provides Quickstep with further production capacity to take on additional manufacturing work at the facility.

Jeff Babione, Lockheed Martin's Executive Vice President and General Manager of the F-35 Program, who is visiting Australia this week with a number of Lockheed Martin executives for the Australian International Airshow and Aerospace & Defence Exposition, said: "Quickstep is a key supplier to the JSF program and has made substantial investments in its Bankstown manufacturing facilities. I am pleased to see that Quickstep has made itself ready, in preparation for the JSF volume growth that is about to commence".

David Marino, the CEO and Managing Director of Quickstep said: "We are delighted to announce that we have completed the capital expansion of our Bankstown facilities where we manufacture advanced composite components and complex assemblies for export to our global customers - Lockheed Martin, Northrop Grumman and BAE Systems. We have recently invested in additional capital equipment at the Bankstown site to support contracted growth with our existing customers, and we now have production capacity to take on additional growth opportunities, which will improve our performance and profitability."

Quickstep's Aerospace Manufacturing activities in Bankstown provide the company with a solid platform for future growth. Quickstep recently completed a capital investment program in robotic drilling for manufacture of wing flaps for the C-130J which has now entered production. The company is the global supplier of this complex assembly to Lockheed Martin; the current C-130J contract is over 5 years to 2019, and there is a strong expectation that this will be extended in line with Lockheed Martin's orders from the U.S. Government. The C-130J contract is now producing 24 ship sets per annum plus spares.

The company has also completed over A\$5 million of capital investment to increase capacity for the manufacture of major composite parts for the JSF Program for Northrop Grumman under a contract valued at A\$700m over the life of the program. 558 JSF parts were manufactured for Northrop in FY16, and the program is now ramping up, with Quickstep on track to triple the volume. Peak volumes are still a few years away with full rate production continuing well into the 2030s.



Quickstep has also completed qualification and initial production of the composite parts for the JSF Vertical Tail program and is supplying vertical tail spars, skins and fairings to Marand Precision Engineering for assembly and supply to BAE Systems in the UK under a contract valued at A\$139m sales over the life of the program. Quickstep supplied 32 vertical tail parts in FY16 and this volume is expected to grow in line with JSF production increases. The JSF growth will see an increase of about 80 direct staff at the Bankstown site by 2019.

**-ENDS-**

#### **Background on Quickstep Holdings Limited**

Quickstep Holdings Limited (ASX: QHL) is an Australian publicly listed company, at the forefront of advanced composites manufacturing and technology development. Quickstep is the largest independent aerospace-grade advanced composite manufacturer in Australia, partnering with some of the world's largest Aerospace/Defence organisations including: Lockheed Martin, Northrop Grumman, BAE Systems and Airbus.

Quickstep operates from state-of-the-art aerospace manufacturing facilities at Bankstown Airport in Sydney, NSW; a newly established production site for automotive parts manufacturing and R&D/ process development centre in Waurin Ponds, Victoria; and a development and customer support operation in Munich, Germany.

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 in excess of US\$300 billion worldwide. The company has also been selected by Lockheed Martin as the sole supplier of composite wing flaps for the C-130J "Super Hercules" military transport aircraft.

Quickstep has developed significant capabilities and expertise in the production of automotive and aerospace grade, advanced composite components, using both conventional autoclave-based manufacturing and leading out-of-autoclave production technologies (developed in-house and patented).

#### **For further information:**

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