

ASX/Media Release 20 February 2017

Quickstep secures AMGC Grant for development of Automotive Carbon Fibre Front Fender

Sydney, 20 February 2017 – Quickstep Holdings (ASX:QHL), the manufacturer of advanced carbon fibre composites, is pleased to announce that its Automotive Division has been successful in securing an Advanced Manufacturing Growth Centre (AMGC) grant of \$250,000 for a new project to develop a ‘Low cost carbon composite fender for the European automotive market’ with the potential to generate export revenue of \$25 million.

Compared to steel, carbon fibre composites provide significant reduction in weight, improved mechanical performance, and excellent corrosion resistance. However, the high production cost has been the main obstacle limiting the adoption rate of composite materials in the automotive industry. This is particularly the case for geometrically complex parts such as fenders. Currently, carbon fibre fenders are produced using a labour-intensive process where the layup is carried out manually due to the complexity of the design. In addition, the long cure cycle required to cure parts inside the autoclave contributes to the high cost of these parts.

David Marino, the CEO and Managing Director of Quickstep said, “We are very pleased to receive this AMGC grant. The outcomes from this project will overcome some of the major impediments in the uptake of carbon fibre parts by reducing cycle time, optimising material system selection and utilising smart designs as part of a new composite fabrication process.”

Phase one of the AMGC project will run for a period of six months in cooperation with Deakin University’s Carbon Nexus Research Centre for carbon fibre and composites, who will provide expertise in materials development and process simulation and validation to the AMGC project. Quickstep will bring to the project its capabilities in developing advanced composite solutions, providing its advanced composites technologies to manufacture composite parts using its patented Qure and RST processes.

Dr Jens Goennemann, the Managing Director of the Advanced Manufacturing Growth Centre said, “this investment directly reflects how a local manufacturer and their collaborators, uses their technology leadership to provide a point of difference in the global marketplace. We are very honoured to be able to play a role in getting this high-value project off the ground which can make a direct impact to our economy. This is the second substantial investment into Geelong carbon fibre expertise in past six months by the AMGC.”

Based on discussions with a number of leading European automakers, the development of a more automated and rate flexible process to produce low cost fenders is of significant interest. Beyond the targeted customer for this demonstrator fender part, Quickstep believes there is considerable potential for the development of additional composite automotive parts with similar levels of complexity when the development of the fender component is complete.

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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).

About Advanced Manufacturing Growth Centre (AMGC)

The Advanced Manufacturing Growth Centre is a not-for-profit company established through the Australian Government's Industry Growth Centres initiative. The vision for the Advanced Manufacturing Growth Centre is to develop an internationally competitive, dynamic and thriving Australian advanced manufacturing sector that is critical to the long-term health of the economy and the nation.

<http://www.amgc.org.au>

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