

QUICKSTEP RECEIVES FIRST PURCHASE ORDER FOR F-35 Lightning II FIGHTER PARTS

- **First Purchase Order** received for F-35 Lightning II fighter components, covering Group 1 F-35 composite parts.
- **Purchase Order** follows successfully gaining Qualified Producers List “QPL” status from Northrop Grumman Corporation (NYSE: NOC), by successfully demonstrating production readiness for Group 1 F-35 manufactured parts.
- **QPL** achieved ahead of schedule agreed in November 09 MoU signed with Lockheed Martin and Northrop Grumman and as per the terms and conditions of the Long Term Agreement (LTA) signed in February 2011.

Australian advanced materials company Quickstep Holdings Limited (ASX: QHL – “Quickstep” or “the Company”) is pleased to advise that it has received its first **Purchase Order to manufacture parts for the international F-35 Lightning II, Joint Strike Fighter** military aircraft, marking the first contract in what is expected to be a 20 year plus manufacturing program.

The Purchase Order covers production of Group 1 components for the F-35 over the next 12 months, as scheduled under the Long Term Agreement (LTA) Quickstep signed with principal F-35 subcontractor Northrop Grumman, in February 2011. The value and scope of the manufacturing contract will remain confidential.

The contract was awarded after Quickstep successfully passed its Tollgate review set by Northrop Grumman, which required Quickstep to successfully demonstrate production readiness for F-35 Group 1 part manufacturing. This included the completion of all qualification requirements and the manufacture of a demonstration part using Quickstep operated facilities, tools, systems, staff and business processes.

Managing Director of Quickstep, Mr Philippe Odouard, said the receipt of the first Purchase Order was a landmark occasion for the Company, and represented an outstanding effort by the Quickstep team in successfully passing QPL .

“This order for the F-35 components represents Quickstep’s first aerospace global supply chain manufacturing contract – a huge achievement for the Company following a long and arduous qualification process,” Mr Odouard said. “Quickstep’s LTA to manufacture Group 1 parts contemplates a 20 year production timeline, representing a long term income stream for the Company.”

“It is of particular importance as this milestone was reached a few days ahead of the schedule set in October 2009. This was made possible by the excellent level of cooperation between Northrop Grumman and Quickstep and the focused and hard work of the Quickstep team.” he said.

Under the framework established in the LTA, Quickstep is set to deliver the first F-35 Lightning II parts in 2012. The Company will supply a variety of F-35 components, including a large number of composite doors and panels.

In parallel with Group 1 part manufacturing, which is expected to commence shortly, Quickstep is also undertaking the qualification process to enable the Company to manufacture Group 2 and Group 3 F-35 components.

Philippe Odouard said participation in the F-35 manufacturing program would transform the Company.

“This is the first step in what is expected to be a major long term manufacturing opportunity for Quickstep,” he said. “We have successfully passed all hurdles to manufacture Group 1 parts, and are now ready to receive annual Purchase Orders for Group 1 parts over the life of the JSF program. We are now working to secure LTA’s for Group 2 and Group 3 parts, to fulfil the 2009 MoU objectives, with work in relation to achieving this goal proceeding well.”

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Background on Quickstep Holdings Limited

Quickstep is an Australian-based company at the forefront of advanced materials manufacturing and technology transfer for the global aerospace and defence industries.

The use of advanced composites is rapidly growing with carbon material usage planned to increase at an average rate of 20% per annum for the next 10 years, underwritten by the emergence of high-use carbon fibre commercial aircraft such as the Boeing 787 and Airbus A350. Light weighting of vehicles is the prime driver with commercial aircraft and military equipment leading the charge.

Quickstep has significant capabilities and expertise in the production of aerospace-grade composite components using both conventional autoclave-based manufacturing and leading edge out-of-autoclave production technologies, including its proprietary Quickstep Process. Quickstep is set to generate revenue using three distinct business models:

1. Technology transfer through the provision of the proprietary Quickstep Process and production equipment;
2. Manufacture of composite components, out of its Australian facility; and
3. Conducting paid or self-funded Research & Development on new composite structures.

Quickstep signed two Memorandums of Understanding (MOU’s) in 2009 in relation to manufacturing contracts for the international F-35 Joint Strike Fighter (JSF) program - the largest military aerospace program in the world, currently valued at in excess of US\$300 billion worldwide. The first was signed with global aerospace companies, Lockheed Martin and Northrop Grumman, for around \$700 million of potential contracts. The second MOU was signed with Melbourne-based Marand Precision Engineering for up to \$50 million of contracts to manufacture Vertical Tail skins for the JSF.

Quickstep signed a Long Term Agreement with Northrop Grumman in relation to the first parts we have been allocated under the JSF program in February 2011, with a start date for JSF part delivery set for early 2012. Further contracts for additional parts are expected progressively during 2012.

The Company has a fully-commissioned aerospace-grade manufacturing facility located in North Coogee, Western Australia, and recently announced plans to relocate its manufacturing operations to the former Boeing facility at Bankstown, New South Wales, which offers the scale, resources and utilities necessary to undertake large-scale, long term aerospace manufacturing contracts.

In addition to its Australian operations, Quickstep also has facilities in strategic global locations including North America, Europe and the UK.

The Company is currently partnering with some of the world’s largest aerospace/defence companies, including the US Department of Defense, Lockheed Martin, Northrop Grumman, BA Systems, Boeing, Airbus and EADS.

Quickstep is also developing a unique patented process that can deliver high surface finish, low cost fast processing of carbon fibre composite particularly adapted to the automotive industry.

For further information, visit: www.quickstep.com.au

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