

QUICKSTEP TAKES NEXT STEP TOWARDS \$700M JSF MANUFACTURING CONTRACT

MANUFACTURING LICENSE AGREEMENT SIGNED WITH NORTHROP GRUMMAN

- Quickstep signs Manufacturing License Agreement (MLA) with Northrop Grumman to support Memorandum of Understanding for potential F-35 manufacturing contracts.
- The MLA initiates and authorises the transfer of technical data from Northrop Grumman to allow Quickstep to conduct necessary planning and preparations prior to signing Long Term Agreement (LTA).
- Preparations for the start of manufacturing are proceeding on schedule as per the timetable agreed with Northrop Grumman.

Australian advanced materials company Quickstep Holdings Limited (ASX:QHL) has taken another key step towards securing manufacturing contracts under the international Joint Strike Fighter (JSF) program, today announcing that it has signed a Manufacturing License Agreement (MLA) with global security company Northrop Grumman Corporation (NYSE: NOC), a subcontractor to Lockheed Martin Corporation (NYSE: LMT) in the design and manufacture of the centre fuselage for the F-35 Lightning II aircraft.

Quickstep signed a Memorandum of Understanding (MOU) with Lockheed Martin and Northrop Grumman in November 2009 to finalise a Long Term Agreement (LTA) for the manufacture of up to A\$700 million worth of contracts for JSF.

The signing of this MLA provides Northrop Grumman with export approval from the U.S Department of State to begin transferring to Quickstep technical information necessary for the manufacture of the parts to be produced under the MOU.

Under the terms of the MOU, Quickstep would supply 21 different F-35 components. The parts would then be exported to the United States for incorporation into F-35s globally. The manufacturing program is planned to last between 20 and 30 years and generate annual turnover of up to \$50 million by 2015.

Preparations for the start of manufacturing are progressing in line with the timetable agreed to with Northrop Grumman, with Quickstep proceeding well with the employment of new key staff members and the acquisition of necessary equipment to be able to commence production as planned in 2012. Preparation for parts and process qualification prior to production is also proceeding on schedule.

Commenting on the announcement, Quickstep Chief Executive Philippe Odouard said: "The signing of this Manufacturing License Agreement will establish an essential transfer of data between Quickstep and Northrop Grumman to enable Quickstep to complete the final preparations for the planned signing of the Long Term Agreement for F-35 manufacturing in the second quarter of 2010. This is a key step for Quickstep along the road to aerospace manufacturing."

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About Quickstep Holdings Limited (ASX: QHL)

Quickstep is an Australian-based company which is 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.

In early 2009 the Company commissioned a A\$10 million manufacturing facility located in North Coogee, Western Australia giving it the second largest aerospace composite production capacity in the nation.

Quickstep has established strong working relationships with several major aerospace groups and Tier One Original Equipment Manufacturers (OEM's) to the aerospace and defence sectors, and is also pursuing a range of commercial opportunities through its global network of subsidiaries (located in Dayton, Ohio; and Munich, Germany), as well as through Alliances with Universities (Manchester, UK and Geelong, Victoria, Australia) and a number of Teaming Arrangements.

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

Brief Background on Lockheed Martin Corporation and F35 Program

Lockheed Martin (NYSE: LMT), a US-based security company engaged in research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. Headquartered in Bethesda, Md., Lockheed Martin employs about 140,000 people worldwide. The Corporation reported 2008 sales of \$42.7 billion.

Lockheed Martin is the manufacturer of the U-2 reconnaissance aircraft, the C-5 Galaxy, the Hercules C-130, the P-3 Orion maritime patrol aircraft, the F-16 Fighting Falcon, the F-22 Raptor, the F-117 Nighthawk and the F-35 Lightning II Joint Strike Fighter.

Background on the F-35 Joint Strike Fighter Program

The F-35 Lightning II is a 5th generation fighter, combining advanced stealth with fighter speed and agility, fully fused sensor information, network-enabled operations, and lower operational and support costs. Lockheed Martin is developing the F-35 with its principal industrial partners, Northrop Grumman and BAE Systems. Two separate, interchangeable F-35 engines are under development: the Pratt & Whitney F135 and the GE Rolls-Royce Fighter Engine Team F136. Three variants of the F-35 are being produced - the Conventional Takeoff and Landing (CTOL) - the version Australia may buy; the Short Takeoff Vertical Landing (STOVL); and the Carrier Variant (CV).

Development of the F-35 is being principally funded by the United States, with the United Kingdom and other partner governments providing additional funding. Partner Countries include, Italy, the Netherlands, Canada, Turkey, Australia, Norway and Denmark. Demonstrator aircraft flew in 2000, with the first F-35 flight on 15 December 2006.

Background on Northrop Grumman Corporation

Northrop Grumman Corporation (NYSE: NOC) is a leading global security company whose 120,000 employees provide innovative systems, products, and solutions in aerospace, electronics, information systems, shipbuilding and technical services to government and commercial customers worldwide.

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