

Quickstep signs second Joint Strike Fighter MoU

- Quickstep signs Memorandum of Understanding (MoU) to supply Marand with composite Vertical Tail skins for the Joint Strike Fighter (“JSF”)
- MoU could lead to a Long Term Agreement (LTA) to build up to \$50 million worth of composite Vertical Tail skins for the JSF over 20-plus years.
- LTA expected to be signed in the first quarter of calendar 2010
- The Marand MoU comes just a week after Quickstep signed an MoU with Lockheed Martin and Northrop Grumman and further builds upon the potential overall work for Quickstep on the JSF program

Australian advanced materials company Quickstep Holdings Limited (ASX:QHL) is pleased to announce that it today signed an MoU that could lead to a contract worth up to \$50 million to supply composite Vertical Tail (VT) skins for the new multi-nation Joint Strike Fighter.

The MoU is with Melbourne-based Marand Precision Engineering (“Marand”), which has in turn signed an MoU with BAE Systems and Lockheed Martin Corporation (“Lockheed”), the global aerospace group co-ordinating the JSF program.

The Marand MoU is the second major MoU signed by Quickstep this month. On November 4, Quickstep announced it had signed an MoU with Lockheed and fellow global aerospace company Northrop Grumman Systems Corporation (“Northrop”) which is intended to secure around \$700 million worth of contracts to manufacture doors and panels for the JSF.

The JSF is an advanced composite 5th generation fighter, which represents a quantum leap in technology and capability. The Australian Federal Government is planning to acquire up to 100 of the aircraft.

The Marand MoU would involve Quickstep manufacturing VT skins utilising advanced composites, which are both light and strong. These skins would be supplied to the non-US partners in the JSF program, including Australia, the UK and Canada. This is currently expected to account for over 700 pairs of Vertical Tails.

The earlier MoU signed between Quickstep, Lockheed and Northrop paves the way for the parties to work together to finalise the LTA for 19,325 composite doors and access panels. These parts will all be exported to the United States for incorporation into the JSF globally. Quickstep hopes to finalise both Long Term Agreements with by the end of March 2010.

Quickstep Managing Director Philippe Odouard said the Marand MoU was another potentially valuable opportunity for Quickstep.

“The opportunity to manufacture doors and panels for Lockheed would be a company-transforming deal in itself,” Mr Odouard said. “It would also give Quickstep the scale and know-how to best provide these VT skins to Marand, BAE Systems and Lockheed,” Mr Odouard said.

“Creating a critical mass of advanced composite manufacturing know-how and capability greatly strengthens our chances of establishing a world class competitive industry here in Australia.”

Marand's CEO Rohan Stocker said "we welcome the opportunity to work with Quickstep on the JSF program. Both companies are driven by innovation, technology and vision for an industry in Australia"

As announced on 4 November 2009, the potential JSF contract with Lockheed would create about 156 high-end jobs, including technicians, engineers, machine operators and quality assurance experts and may create a further 620 support industry jobs.

Mr Odouard said Quickstep was in discussions with other parties concerning further possible JSF-related contracts.

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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 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 (LM) 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 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 and 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 the United Kingdom, Italy, the Netherlands, Canada, Turkey, Australia, Norway and Denmark. Demonstrator aircraft flew in 2000, with the first CTOL flight on 15 December 2006.

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