



Press release

Nyköping 12 September 2014

## CTT ANNOUNCES STRATEGIC MARKETING AGREEMENT WITH B/E AEROSPACE, INC. AND GIVES NOTICES TO ATTEND AN EXTRAORDINARY SHAREHOLDERS MEETING TO APPROVE A DIRECTED SHARE ISSUE OF APPROX. 30 MSEK

**CTT SYSTEMS AB ("CTT"), the market leader for non-condensation systems in commercial aircraft structures and a provider of humidification products for cockpit, crew rest and cabin areas, today announces 1) the signing of an Exclusive Marketing Agreement ("EMA") with B/E AEROSPACE, INC. ("B/E"), a leading manufacturer and provider of aircraft cabin interior products for commercial airliners and business jets; and 2) that the board of directors in CTT gives notice to attend an extraordinary shareholders meeting for approval of the Board's resolution of a directed share issue to B/E.**

In accordance with the terms and conditions of the EMA, B/E will promote and market CTT's Zonal Drying™ and Cair™ products. B/E has also entered into a Shareholders' Agreement ("SHA") with the two largest shareholders in CTT, Trulscom Förvaltning AB ("Trulscom") and Volito AB ("Volito"), according to which Volito and Trulscom Förvaltning, *inter alia*, have undertaken to vote for a directed share issue to B/E Aerospace and to vote for the appointment of a B/E designee to CTT's board of directors. B/E will own less than 10% of the shares of CTT.

"CTT is enthusiastically convinced that B/E, with its strong brand, skilled sales team and impressive customer footprint in the cabin interior market will leverage our OEM sole-source supplier position for CAIR™ into the broad retrofit market," comments Torbjörn Johansson, CEO of CTT. "This, combined with the strong B/E commitment in driving the market for CTT's Zonal Drying™ and Cair™ products and providing access to new segments, such as business jets, will give greater visibility to our products and has the potential to significantly grow our installed base."

"We are pleased to offer CTT's complementary and unique products to our customers in an effort to boost airline awareness, increase market penetration and drive sales growth," said Amin Khouri, Chairman and CEO of B/E Aerospace, Inc. "Many airlines are looking to improve their premium cabin class passenger experience and humidification is a key differentiator."

An Extraordinary General Meeting ("EGM") is scheduled for 8 October, 2014 (see separate Notice for more detailed information). The proposed EGM agenda includes two items: 1) the approval of the Board's resolution dated 11 September 2014 to issue 1,138,005 common shares to B/E with an issue price of SEK 26.63 per share equaling an issued amount of approx. 30 MSEK, the proceeds of which will be reinvested by CTT in research and development and manufacturing capacity and LEAN improvements; and 2) the appointment of a B/E designee to CTT's board of directors. Under the SHA, shareholders representing 23 percent of all outstanding CTT shares prior to this issue have agreed to vote in favor of the Board's resolution at the EGM to approve the directed share issue and the appointment of a B/E designee to CTT's board of directors.

"Instantly CTT will get access to a well-established, world class sales team with frequent direct contacts with airlines top-management and decision makers," says Tomas Torlöf, Chairman of the board of CTT. "To build up our own sales organization to scale our business on a stand-alone-basis would have taken much longer with far more risk involved and it is always challenging for a niche-product provider - such as CTT - to gain access to the right people within the airlines on a regular basis. We are pleased to have B/E on-board and look forward to the value B/E brings to our business and eventually enhancing value for CTT shareholders."

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#### **About B/E Aerospace, Inc.**

B/E Aerospace is a leading manufacturer of aircraft cabin interior products and a leading provider of aerospace fasteners, consumables and logistics services. B/E Aerospace designs, develops and manufactures a broad range of products for both commercial aircraft and business jets. B/E Aerospace manufactured products include aircraft cabin seating, lighting systems, oxygen systems, food and beverage preparation and storage equipment, galley systems, and modular lavatory systems. The Company provides aerospace fasteners, consumables and logistics services as well as oilfield services and associated rental equipment. B/E Aerospace sells and supports its products through its own global direct sales and product support organization. For more information, visit the B/E Aerospace website at [www.be aerospace.com](http://www.be aerospace.com)

#### **About CTT SYSTEMS AB (publ)**

CTT is the de-facto standard for non-condensation systems preventing condensate water to accumulate, creating excess weight, in commercial aircraft structures and the leading provider of humidification products for cockpit, crew rest and cabin areas. CTTs products Zonal Drying™, Cair™, Flight Deck and Crew Humidifiers are standard or optional equipment on the Boeing 787, Airbus A350 and the A380 aircraft. CTT has more than 450 retrofitted systems installed with more than 30 airlines worldwide. CTT has 20 years of in-service experience for the Zonal Drying™ system and 14 years for Cair™ and Crew Rest Humidifier systems. IATA's report on fuel-saving measures is now including Zonal Drying™ as one of the few available fuel-saving systems for retrofitting. Also visit: [www.ctt.se](http://www.ctt.se)

#### **For additional information:**

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This information is disclosed by CTT Systems AB in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements. The information was submitted for publication on 12th of September 2014 at 08:30 (CET).

#### **About CTT products**

- Zonal Drying™ - non-condensation – Basic equipment for B787 and BFE for B737
- CAIR™ - Cabin Humidification – SFE on A350 and retrofit products for B777, A330 and A380
- Crew Rest Humidification – Basic Equipment on the 787-CRC SFE and SFE on A380/A350

Some *dry facts* on long-haul traveling:

- The only humidity contribution in an aircraft is from passengers and crew;
- The cabin with the least seat density and with the highest cost per seat is ironically the one with the lowest humidity!;
- The Relative Humidity (RH) is lower than 5% in First Class and 7-10% in Business Class;
- Crew Rest Compartments typically encompass a RH well below 5%;
- The extremely dry air in the cabin can cause human discomfort, such as cold and allergy symptoms, sleeping difficulties, dry skin and eyes and general fatigue; and
- Medical studies prove that even a slight RH-increase from extremely low levels, is beneficial to health, as the increased humidity improves tear film stability and nasal patency. It also reduces headaches and ocular, nasal and dermal dryness symptoms.

CAIR™ - Cabin Humidification a landmark in premium traveling:

- Airlines no longer are limited by the extreme-dry-air-law-of-nature cabin environment;
- Passengers will benefit from all cabin interior investments such as seating – feeling more at ease and comfortable;
- Passengers and crew gain from improvements in well-being, rest and over-all experience;
- Flavors will be more accessible to the palate and healthier too, with no need to over use anything such as salt or sugar; and





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- Increased humidity is an 'enabling ingredient' for more variety, new spices, flavors and combinations in the sky,

Zonal Drying™ - elimination of fuselage condensation lowering operational and maintenance costs by:

- Lowered fuel consumption (i.e., lower aircraft weight – up to 200-300 kg on A320/B737 due to elimination of accumulated water);
- Improved operational reliability (i.e., less corrective maintenance);
- Consistent insulation performance (i.e., water reduces insulation performance);
- Reduced fuel burn also has a positive impact on the environment; and finally
- Condensation issues are increasingly important to airlines as fuel comprises approximately 40% of operating expense.

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