



KVH Receives \$1.2M in Fiber Optic Gyro Orders for Military Antenna Stabilization Applications

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MIDDLETOWN, R.I.--(BUSINESS WIRE)--April 19, 2000--Two major defense companies have placed orders totaling nearly \$1.2 million with KVH Industries, Inc. (NASDAQ:KVHI) for fiber optic gyroscopes (FOGs) that will be used for pointing and stabilizing military antennas. General Dynamics Armament Systems is using KVH FOGs for stabilizing the Aegis MK82 Gun and Guided Missile Director that is part of a system designed to provide ships self defense. Contract Assembly, Inc., acting as a subcontractor for Raytheon, is using the FOG sensors as a critical component in a system that stabilizes satellite communications antennas. Both contracts include significant potential for additional FOG orders as U.S. military implementation rates accelerate.

Contract Assembly is using its initial FOG order of \$672,000 for shipboard antennas, and expects future gyro orders will be for shore installations and submarines. The new systems with KVH FOGs offer faster and more accurate performance than the equipment they are replacing.

General Dynamics is using FOGs for the MK81 Director Group missile guidance aboard the Arleigh Burke Class Aegis Destroyers, replacing more costly and less durable mechanical gyros. KVH designed a specialized dual-axis FOG configuration to meet the specifications of General Dynamics and the military, which have conducted extensive tests and qualified the new sensors. The General Dynamics FOG order is valued at \$474,500.

"We are delighted that our fiber optic gyros have met the stringent performance requirements of two key defense companies responsible for bringing the military up to prime combat readiness for conflicts in the new century," said Martin Kits van Heyningen, KVH president and CEO. "Military requirements for precise, cost-effective pointing and stabilization capabilities are strong and growing every day as pressures increase to modernize all battle forces. The selection of KVH's gyros for military stabilization applications strongly validates our fiber optic technology, and our own drive to incorporate FOGs into the high bandwidth antennas we are designing for two-way Internet and other advanced communications features."

Stabilizing in-motion antenna dishes is a prerequisite to achieving the precise pointing that the military requires for maintaining communications, aiming missiles, and other applications. The data that determines where a communications antenna is pointed or how a missile is aimed can be accurate only if there is a sensor constantly measuring and compensating for movement of each particular platform (ship, submarine or land vehicle). The KVH FOG sensor continually detects platform pitch, roll and yaw, and the system computes how each movement changes the relative position of an identified target, such as an attacking aircraft. With this constant data feed, missile coordinates and/or target location can be as accurate as possible before, during, and after missile firing. The more precise the sensor, the more accurate the data that maintains fire direction or antenna pointing for communications.

"Our fiber optic gyros allow General Dynamics and Contract Assembly to provide the military with highly precise aiming capabilities that are critical to dominating the battlefield," said Jim Dodez, vice president of marketing. "With a new generation of ship- and vehicular-mounted stabilization equipment that incorporates FOGs, military forces have a significant edge in identifying and counteracting hostile attacks. We added fiber optics to our stable of core technologies several years ago, and now are seeing the benefits of that decision in both a broader military market presence and enhanced communications products."

KVH uses its proprietary autocalibration, sensor and fiber optic technologies to develop and market a range of products, from mobile satellite communications systems for land and sea to navigation systems for military and commercial applications. The company has its headquarters in Middletown, RI, and additional offices in Illinois, Florida and Denmark.

CONTACT: KVH
Alice Andrews
401-847-3327 □