



KVH Receives \$17 Million Contract For Military Navigation Systems

June 19, 2000

MIDDLETOWN, R.I.--(BUSINESS WIRE)--June 19, 2000--KVH Industries, Inc., (NASDAQ:KVHI) has received a contract valued at more than \$17 million from the U.S. Army for a variety of TACNAV(TM) systems and components that will be installed in Army, U.S. Marine Corps and foreign combat vehicles. The new five-year contract for a range of tactical navigation equipment includes options that can be exercised over the term of the agreement, and it is similar to a recently completed \$13 million multi-year agreement between KVH and the U.S. Army.

"Navigation and pointing capabilities have become a necessity rather than an option for mobile combat troops," said Martin Kits van Heyningen, KVH president and CEO. "As a result, demand for our TACNAV tactical navigation systems is increasing to keep pace with military fleet modernization in the U.S. and other countries. We expect the demand for all TACNAV products to continue escalating as military upgrades gather momentum."

Unlike military forces that use only Global Positioning System (GPS) data for position information, units with TACNAV systems are not susceptible to data losses if terrestrial interference or hostile activity causes GPS signal interruptions. TACNAV systems overcome signal interruptions by integrating their heading and position data with information from the GPS, ensuring that critical data is available 100 percent of the time and offering a greater degree of accuracy than GPS systems alone. KVH offers a range of TACNAV systems to meet virtually every military motorized need, from support vehicles to the most sophisticated tanks. TACNAV's relatively low cost means military customers can afford to provide critical navigation capabilities throughout their forces.

TACNAV Light was designed to meet a need the military had for tactical navigation capabilities on non-turreted vehicles, and the systems are ideal for support vehicles such as ambulances and supply trucks that need to quickly and accurately locate armored vehicles in the field. The U.S. Marine Corps has selected the company's TACNAV Light navigation system to be retrofitted on its fleet of AAV 7s (amphibious assault vehicles).

TACNAV TLS is a digital compass-based tactical navigation system designed to bring together all of the data needed by an armored vehicle crew. Information from each of the vehicle's sensors, including the GPS, laser rangefinder, turret angle encoder and odometer, and precise heading data is clearly presented in bold graphics on driver's and commander's displays.

In the U.S., TACNAV TLS systems are widely used by the Army and Army National Guard, and they are being tested as a key component in the U.S. Army's Task Force XXI Battle Command Brigade and Below (FBCB2) program that is developing a digital battlefield system. TACNAV TLS provides critical position, velocity, time and target location information to field commanders through a computer and radio that are the key elements of the digital battlefield system. Data provided by TACNAV is transmitted automatically throughout the digital battlefield system to provide field commanders with information that is critical for directing the course of battle.

KVH also offers a system that features the company's highly precise fiber optic gyro (FOG). In addition to positional information, TACNAV FOG provides precision pointing for navigation and turrets aboard main battle tanks and other heavy armored vehicles. TACNAV FOG was recently selected by Delfin Systems of California for vehicle-mounted signal intelligence equipment that Delfin is developing for the U.S. Army.

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 facilities in Illinois, Florida and Denmark.

CONTACT: KVH Industries, Inc.

Alice Andrews

401-847-9927