KVH, Crossbow Partner on Fiber Optic Project Gyros for Next-Generation Inertial System Valued at $1 Million

July 5, 2000

MIDDLETOWN, R.I.--(BUSINESS WIRE)--July 5, 2000--KVH Industries, Inc. (NASDAQ:KVHI) and Crossbow Technology, Inc., are collaborating on a project that will combine KVH's high-accuracy fiber optic gyros (FOGs) with Crossbow's dynamic measurement unit (DMU) technology to create next-generation systems for the communications, navigation and defense industries. An initial FOG order from Crossbow has a potential value to KVH of $1 million, with completion of the order contingent upon a new design meeting certain performance criteria. The next-generation inertial system is being designed to replace mechanical gyro systems. KVH and Crossbow also have enacted a Memorandum of Understanding (MOU) that will enhance the marketing of each company's products.

"Consistent precision performance, durability and cost were the criteria against which we measured the KVH FOGs that we have tested to date, and they were winners in all categories," said Mike Horton, president of Crossbow. "We believe the FOG that KVH is developing for us will be ideal for further enhancing our product performance and ensuring that we meet the exacting standards of all our customers."

Under the terms of the agreement, KVH and Crossbow will collaborate on selected large-scale projects or mutual product development with significant potential to revolutionize the inertial navigation market and achieve sales in their respective markets. Crossbow, a leading producer of embedded measurement sensor and control subsystems, selected the KVH FOG for the superior performance it provided in Crossbow's inertial measurement units. KVH FOGs significantly improve accuracy in dynamically measuring angular rates. In each DMU, three FOGs are integrated with three axes of Crossbow's accelerometers. The combination of rate and acceleration data results in a highly accurate, six degrees of freedom measurement sensor.

"Crossbow is the leading producer of embedded measurement sensor and control subsystems, and we are pleased that our fiber optic gyro has met their stringent standards," said Martin Kits van Heyningen, KVH president and CEO. "We believe that our collaboration in integrating KVH FOGs into their systems will result in a superior product and further enhance the reputation each company has established for quality and reliability."

KVH offers a FOG product line for a range of commercial and military applications, with select systems designed to meet or exceed rigorous military standards. In addition to Crossbow's DMU applications in antenna stabilization, precision farming, UAV/ROV in-flight control, vehicle testing, flight control and smart munitions, KVH FOGs are used in autonomous vehicles, various stabilization systems, and turret stabilization.

Crossbow integrates silicon micro-electro-mechanical systems technology with its digital signal processing software architecture to create unique, low-cost acceleration and motion-sensing products for the heavy equipment, aerospace, medical, and commercial industries. The company was founded in 1995 and is based in San Jose, California.

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.

This press release contains certain forward-looking statements that involve risks and uncertainties. The actual results realized by the Company could differ materially from the statements made herein. Factors that might cause such differences include, but are not limited to, a failure to develop fiber optic gyros that meet performance criteria, declining demand for inertial navigation systems, non-completion of the contract and the emergence of competing products and technologies. This release should be read in conjunction with the company's Annual Report on Form 10K dated March 27, 2000, which is available from the company's Corporate Communications Department.

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