



KVH Optical Modulator Draws on Company's 20 Years of Fiber Optic Experience; All-optical, ActiveFiber Modulator Represents Breakthrough in Optical Networking Speed and Construction

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MIDDLETOWN, R.I.--(BUSINESS WIRE)--March 19, 2001--Today at the Optical Fiber Communications (OFC) Conference in Anaheim, California, KVH Industries (Nasdaq:KVHI) revealed the preliminary specifications for the company's new 40 gigabit per second photonic fiber optical modulator. This breakthrough all-optical modulator uses KVH's ActiveFiber technology and is the latest in a series of fiber optic product and technological advances brought forth by the Rhode Island-based optical fiber and systems manufacturer. These new products, including a fiber optic high-voltage current sensor, build on the company's more than 20 years of fiber optic research, development, and manufacturing experience.

KVH formally entered the fiber optic marketplace in 1997 when it purchased Andrew Corporation's fiber optic assets, acquiring a talented and experienced team of optical fiber researchers and a wealth of intellectual property. Since that time, KVH has completed the development of its patented D-fiber and an array of fiber optic products, including E-Core(R) Polarization Maintaining Fiber and the E-Core(TM) line of fiber optic gyros (FOGs), and has successfully brought them to market. With a fully operational, 23,000 foot optical fiber and component manufacturing facility in Tinley Park, IL, the company is well-positioned to play a significant role in the optical fiber market in the coming years.

"We recognized the value fiber optics would have both as components within KVH's satellite communications and navigation products and as standalone products," explained Martin Kits van Heyningen, KVH president and CEO. "With more than two decades of experience and in excess of 70 patents, we have proven our ability to develop and bring to market outstanding, high-quality fiber optic systems for a variety of applications. We are one of the few companies that produces both optical fiber and key fiber components, allowing us to have outstanding quality and performance control over our optical fiber and our fiber optic products."

KVH is already using its proprietary FOG technology to enhance the precision and durability of future generations of the company's TracVision(R) satellite television systems as well as the TACNAV(TM) tactical navigation product family. At the same time, the company's fiber optic products are being employed in a variety of applications, including autonomous vehicle navigation, military stabilization, platform stabilization, and simulators.

In addition to the photonic fiber optical modulator presented at OFC, KVH is preparing to market a high-voltage fiber optic current sensor to the electrical power industry. The optical current sensor employs the same proven fiber optic solutions used in the company's FOGs. The sensor measures the phase difference created in optical signals by the current in a high-voltage power line. The resulting current sensor is more accurate, faster, smaller, and more cost-effective, and is an ideal replacement for current transformers. The current sensor has already undergone extensive field testing, and KVH is working with an industry leader to further refine the product and bring it to market in the coming year.

Additional details regarding KVH's ActiveFiber technology and the preliminary specifications of the optical modulator are available at www.photonicfiber.com.

KVH Industries, Inc. is a leading provider of innovative high-bandwidth communications products, navigation systems, and fiber optic products. Using proprietary fiber-optic and satellite antenna technology, the company is developing next-generation systems with greater precision, durability, and versatility for communications, navigation, and industrial applications. An ISO 9001-registered company, KVH has headquarters in Middletown, Rhode Island, with a fiber optic manufacturing facility in Tinley Park, Illinois, and a European sales, marketing and support office in Hoersholm, Denmark.

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