



KVH Industries Completes Private Placement

April 18, 2001

MIDDLETOWN, R.I.--(BUSINESS WIRE)--April 18, 2001--KVH Industries (Nasdaq: KVHI) announced today the completion of a private placement of 1,538,461 common shares priced at \$6.50 per share, for a total of \$10 million, to two institutional investors. These sales will bring the total additional equity raised by the company since year-end to \$15 million. The proceeds of the placement will be used to finance the company's Photonic Fiber and Mobile Broadband R&D projects. KVH intends to register the shares by filing a Form S-3 during the second quarter ending June 30, 2001. Needham & Company acted as placement agent for the financing. The company's board has approved the sale of an additional \$5 million of common stock priced at no less than \$6.50 per share, which would complete its current financing plan.

"This additional funding allows KVH to accelerate the development of our two exciting projects - Photonic Fiber and Mobile Broadband. As stated previously, supplementary capital was necessary for KVH to take full advantage of these opportunities. We are extremely pleased that we were able to raise funds at attractive terms in such a difficult market," said Martin Kits van Heyningen, president & CEO.

The Photonic Fiber project is focused on developing a new class of products for high-speed optical networking applications. These products will combine the company's proprietary D-fiber with newly developed electro-optic polymers. If successful, the resulting photonic fiber technology would offer significant improvements in speed and cost for the \$8.1 billion optical component market. Currently, fiber optic products from KVH are used to meet the growing demand for highly precise, cost-effective sensors in robotics, electrical current sensors, and other OEM applications.

The Mobile Broadband project being pursued by KVH seeks to develop solutions to allow automobiles to receive satellite television and high-speed Internet while in motion. Leveraging its expertise as a leading provider of mobile communications systems, KVH is developing ultra-low profile antennas practical for these applications. These antennas would allow automobiles to receive services via satellite, and would take advantage of the growing market for video entertainment, especially in minivans and sports utility vehicles.

KVH Industries, Inc. is a leading provider of innovative high-bandwidth communications 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 Illinois, and a European sales, marketing and support office in Hoersholm, Denmark.

This press release may contain 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: failure to develop and market fiber optic products; lack of reliable vendors, service providers and outside products; continued poor military sales cycles; unforeseen changes in competing technologies and products; worldwide economic variances; and poor or delayed research and development results. Additional factors are discussed in the company's Annual Report on Form 10K filed with the Securities and Exchange Commission on February 8, 2001. Copies are available through the company's Investor Relations Department or web site.

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