



KVH Industries Introduces DirecPC -R- Satellite-based Internet Service for Mobile Customers

October 24, 2001

Access to High-speed Internet Service Available to Mobile Customers throughout the United States for the First Time

MIDDLETOWN, R.I., Oct 24, 2001 (BUSINESS WIRE) -- Enhancing its position as the leader in mobile satellite services, KVH Industries (Nasdaq: KVHI) today introduced high-speed DirecPC(R) broadband Internet service for mobile customers. For the first time, true broadband access to the Internet will be available aboard moving vehicles and vessels throughout the continental United States. Internet content will be delivered to customers at speeds reaching 400 kilobits per second (Kbps), 7 times faster than the 56 Kbps dial-up connections found in most homes, and almost 30 times faster than typical mobile data connections.

"Bringing mobile, high-speed Internet service to the American consumer has been a goal for KVH from the time we entered the satellite TV marketplace," explained Martin Kits van Heyningen, president and chief executive officer. "Now, the same Internet resources that consumers rely upon at home and in the work place will be available to them while they are traveling in vehicles and vessels equipped with KVH TracVision(R) antennas. Being the first company to introduce true broadband Internet service to mobile customers is an exciting milestone in our efforts to become the conduit for digital entertainment and information in automobiles and boats."

As the exclusive mobile reseller, KVH is the only company licensed to promote the high-powered mobile DirecPC service, accept subscriptions, and activate accounts for mobile customers in the United States. The DirecPC service is being offered by Bell ExpressVu, a Canadian satellite service provider, through arrangement with Hughes Network Systems. Broadcast using Bell ExpressVu's high-powered Digital Video Broadcast (DVB) satellite, the DirecPC signal will be accessible using any of KVH's 18- and 24-inch DVB-compatible TracVision(R) satellite antennas mounted on boats and vehicles anywhere within the continental United States and as far as 100 miles off the coast.

"True mobile broadband Internet access will be a tremendous resource for both business and recreational consumers," explained Kits van Heyningen. "Business people on the road will be able to access their company's web site and critical information directly through the Internet, eliminating the need for proprietary networks and equipment. The emerging telematic industry will be able to use Internet-based data to provide valuable information to travelers, such as real-time traffic maps, while consumers will have the ability to communicate via the web with friends and relatives, research their destinations, and access the complete, full-featured Internet they depend on."

KVH has also introduced its new TracNet(TM) Mobile Internet Server, which brings together all of the tools necessary to access satellite Internet broadcasts, including cellular and satellite modems, wireless connections to laptops or other computers, and a high-volume hard drive for caching data broadcasts. With TracNet and mobile DirecPC, consumers will be able to surf the entire World Wide Web from virtually anywhere aboard ship or within the vehicle. To request data or send e-mail, mobile DirecPC customers will have two return link options: a land-line connection for use while parked or dockside, and a satellite/cellular system for use while on the move. In each case, the return link will run at moderate speeds compared to the satellite download delivering data. This arrangement parallels the asynchronous nature of the Internet, which allows a significant amount of data (e.g., streaming video, full-featured web sites, images, audio files, etc.) to be requested using only a few keystrokes (e.g., a URL or a mouse click).

Ian Palmer, KVH's vice president of satellite sales, commented on the technical capabilities that make KVH the ideal conduit for this valuable new service, "The key to receiving satellite Internet will be the antenna's ability to track the proper satellite. Most KVH products offer integrated DVB compatibility, which enables our antennas to decode the satellite's digital data directly and correctly identify it. In addition, DVB compatibility permits TracVision antennas to shift from one satellite to another on command. This allows consumers to switch to and from their favorite satellite TV entertainment, offered by such services as DIRECTV(R), the DISH Network(TM), and ExpressVu, to full-featured, broadband Internet service via DirecPC. These features will be available immediately to our entire line of latest-generation marine TracVision satellite TV antennas as well as our premier land-mobile system, the TracVision L3, all of which are DVB-compatible. We are examining future enhancements that would make the service available to our non-DVB-compatible TracVision satellite antennas later in 2002."

The high-powered mobile DirecPC service will be sold to mobile users through KVH Industries' extensive distribution network, which includes more than 3,000 dealers nationwide. KVH is the world's leading provider of in-motion satellite communications to consumers in both the marine and land-mobile markets. Platforms using TracVision satellite television antennas include a wide variety of marine craft, recreational vehicles, motor coaches, and long-haul trucks. The company is also pursuing the development of ultra-low profile antennas suitable for use aboard automobiles, mini-vans, and sport utility vehicles.

KVH Industries, Inc., is an international leader in developing and manufacturing innovative, mobile, high-bandwidth satellite

communications systems, tactical navigation products, and fiber optic products. The company is based in Middletown, Rhode Island, and has a fiber optic research and manufacturing facility in Tinley Park, Illinois, and a European sales office in Hoersholm, Denmark.

CONTACT:

KVH Industries Contact:

Jim Dodez

401-847-3327

or

Investor Relations Contact:

Morgen-Walke Associates

Kristian Svindland or Jolinda Taylor

617-747-3600

or

Financial Media Contact:

Morgen-Walke Associates

Ron Heckmann, 415-296-7383