



KVH Industries Awarded \$3.9 Million Order to Supply TACNAV FOG Systems for U.S. Military

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MIDDLETOWN, R.I.--(BUSINESS WIRE)--Nov. 9, 2001--KVH Industries (Nasdaq: KVHI) today announced that it has received a \$3.9 million order from a prime contractor to procure KVH's TACNAV(TM) FOG tactical navigation system for use aboard U.S. military vehicles.

"The selection of TACNAV FOG is further confirmation that the TACNAV family of products offers benefits critical to the success of the modern mobile military," said Martin Kits van Heyningen, president and chief executive officer. "The 100 percent availability of precision navigation and heading data offered by TACNAV FOG will ensure that these vehicles have the information they require to carry out their mission as effectively as possible, without interruption."

TACNAV FOG is a tactical navigation and targeting system designed for heavy forces. The system offers a range of capabilities, including Global Positioning System (GPS) backup and enhancement, vehicle position, hull and turret azimuth, steer-to/cross-track error displays, and far target location. In addition, the system includes a fiber optic gyro (FOG) that delivers dynamic northpointing and improves GPS accuracy by up to 60 percent. When linked to a digital Battle Management System (BMS), TACNAV FOG can provide the force commander with continuous, jam-proof position data, improving operational effectiveness. With its versatile displays, BMS interface, and gyro precision, TACNAV FOG brings a new level of flexibility and performance to armored vehicle navigation.

"In 1997, KVH made a significant investment in fiber optics in the belief that fiber optic gyro technology would both enhance the capabilities of our existing products and allow us to expand our product line to meet emerging needs," continued Kits van Heyningen. "Winning this contract, one of the first major orders for our TACNAV FOG product, was possible thanks to our proprietary FOG technology and is a clear indication that we are beginning to see a significant return on our investment."

If all options are exercised, this multi-year contract has a total value of \$3.9 million. Additional details are unavailable at this time in deference to the Defense Department's recent request that defense contractors refrain from providing detailed information regarding new purchases and expansions on existing contracts.

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.

Statements in this press release regarding future plans, events, performance, and profitability levels are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially. The following are important factors, among others, that should be considered in evaluating any forward-looking statements: the company's actual revenue, sales order levels, overhead rates, expense levels, and audit adjustments during future quarters, general economic conditions, the level of government funding for defense programs, cancellation of weapons programs, delays in contract awards, the introduction of new products by, and pricing practices of, the company's competitors, and other risks identified in the company's SEC filings. Actual results may differ materially.

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