



KVH Industries' CEO Expects Substantial Revenue Growth in 2002

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Speaking at the Needham & Co. Growth Conference, CEO Martin Kits van Heyningen also Presents Optimistic View of 2001 Revenues

MIDDLETOWN, R.I., Jan 8, 2002 (BUSINESS WIRE) -- Speaking today at the Fourth Annual Needham & Company Growth Conference, KVH Industries (Nasdaq: KVHI) president and chief executive officer Martin Kits van Heyningen said that preliminary results show the company posted record quarterly revenues of approximately \$9 million while KVH's fourth quarter loss is expected to be less than Wall Street estimates. During his presentation to investors, Mr. Kits van Heyningen also indicated that he expects that KVH's 2001 revenues will be approximately \$33 million, a 10 percent increase over 2000.

"KVH achieved steady growth through 2001 while investing heavily in research and development for longer-term growth in the coming years," Mr. Kits van Heyningen told conference attendees. "We now enter 2002 with booked military orders equal to last year's total military shipments. If our military customers follow through with their current procurement schedules, we would expect that the company's defense-related revenues could double in 2002 and that the company could reach profitability as early as mid-year."

Mr. Kits van Heyningen also cited the October 2001 announcement of KVH's exclusive mobile, high-speed Internet service, and the ongoing development of an ultra low-profile automotive satellite TV antenna and photonic fiber modulators as key elements in the company's anticipated growth in the next year.

"I believe that 2002 will be a significant year for KVH," he remarked. "Our new products, technology, and the markets are all converging, and we should begin to see a return on the research and development expenses of the past year. At the same time, KVH's diverse product and market approach continues to provide stability during fluctuating economic conditions. Subject to the timely completion of our product development efforts and an acceleration in defense-related orders, our goal is to achieve revenue growth of 30 to 40 percent in 2002."

KVH Industries' complete Needham Growth Conference presentation can be viewed at the company's investor relations web site, <http://www.kvh.com/InvRelations/index.asp>. The Fourth Annual Needham & Company Growth Conference for analysts and investors is presented by Needham & Company, Inc., a securities firm.

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; delays in military procurement schedules; and 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 and web site, www.kvh.com.

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