



KVH Fiber Optic Gyros Selected for Two Military Turret Stabilization Applications

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Contracts Represent KVH Industries' First Production Orders for Turret-stabilizing Fiber Optic Gyros

MIDDLETOWN, R.I., May 31, 2002 /PRNewswire-FirstCall via COMTEX/ -- KVH Industries (Nasdaq: KVHI) entered the military turret stabilization market with today's announcement that it has begun shipping its KVH E-Core(R) 4000 fiber optic gyros (FOGs) for integration aboard several vehicles being constructed by two European systems integrators. These orders, with a total value of more than \$700,000, represent the first significant deployment of KVH gyros for use in turret stabilization applications.

"These orders are a milestone for KVH Industries, as entering the turret stabilization market has been a priority for KVH for some time," remarked Martin Kits van Heyningen, president and chief executive officer. "We have committed significant resources to our efforts to develop a gyro suitable for turret stabilization, and the E-Core 4000 has clearly achieved this goal. Turret stabilization is a large and growing market as military forces require greater accuracy and durability than offered by existing mechanical gyros. We see great potential for our E-Core 4000 FOGs within these applications, both as new equipment purchases and as upgrades to gyros that are already in the field."

Under the terms of the first of the two orders, KVH will supply single-axis E-Core 4000 gyros for use in an upgrade of turrets aboard main battle tanks. The second order includes dual-axis E-Core 4000 gyros for integration within a new turret designed for use aboard armored combat vehicles. In each case, the onboard FOG will stabilize the gun turret while the vehicle is aiming and firing.

The E-Core 4000 FOG enhances the capabilities of mobile forces on the battlefield by combining accurate positioning, firepower stabilization, and hardware durability. With low purchase and maintenance costs, the long-lasting E-Core 4000 gyros can be installed both as new equipment and as form, fit, and function-ready upgrades for existing, costly mechanical gyros. E-Core 4000 gyros, which include no moving components, are insensitive to the cross-axis motion and inertia that affect the accuracy and durability of mechanical gyros when subjected to extreme vibration, shock, or acceleration. With no parts to replace during the life of the system, this feature yields significant savings in addition to ensuring superior performance and extended product life.

"The durability and reliability of the E-Core 4000 FOG offer tremendous advantages over the mechanical gyros currently installed aboard military vehicles as feedback sensors in turrets," said Sid Bennett, vice president of FOG business development for KVH. "In recent discussions with U.S. Marine Corps and Army engineers, we confirmed that the failure rate of mechanical gyros fielded on light armored vehicle turrets has been very problematic, both during routine overhauls and in the field. As a form, fit, and function replacement for mechanical gyros, the E-Core 4000 gyro offers a mean-time-between-failure (MTBF) rate of 65,000 hours, an order of magnitude greater than that of mechanical gyros. This tremendous MTBF improvement ensures that vehicles remain combat-capable and significantly reduces the product costs over each vehicle's lifetime."

KVH Industries, Inc., designs and manufactures products that enable mobile communication, military land navigation, and direction sensing through the use of its proprietary mobile satellite antenna and fiber optic technologies. 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.

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