



KVH Industries Wins Department of Defense Outstanding Quality Award

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Department of Defense Cites KVH's Commitment to Providing Military With Best Products Possible

On June 6, 2002, KVH Industries (Nasdaq: KVHI) was recognized by the Defense Contract Management Agency (DCMA) for the company's superior quality procedures. The award, which follows more than three years of on-site DCMA observation and assessment of KVH's quality and manufacturing system, was presented by Captain Barbette Lowndes, U.S. Navy, and commander of DCMA- Boston, an agency of the U.S. Department of Defense (DoD).

"This achievement places KVH in a select group of DCMA contractors and also signifies KVH Industries' dedication to the quality of its products and commitment to providing our military with the best products possible," said Captain Lowndes.

Accepting the award on behalf of KVH Industries was Chief Operating Officer Joe Bookataub, who remarked "We are gratified that DCMA has publicly recognized the results of KVH's efforts on behalf of the U.S. military. KVH's focus on its process management and quality systems has enabled the company to consistently please our customers, including the Department of Defense. The quality standards that we apply to our defense-related products are representative of the process and standards applied to all of our product lines, including military, fiber optic, and satellite communication."

KVH had previously been recognized by the U.S. military for its outstanding performance when, in 1998, the company received the first-ever "Outstanding Partner Award" from the U.S. Army Tank and Automotive Command (TACOM).

Among the defense-related products manufactured at KVH's Rhode Island facility is the TACNAV family of systems. These proven tactical navigation products are designed to operate in a wide variety of environments, including harsh desert or mountainous terrain. Early systems were used on U.S. Marine Corps vehicles during the Gulf War, and latest-generation equipment is fielded on U.S. Army vehicles as well as British vehicles serving in Kosovo and Bosnia. KVH digital compasses are also used extensively by the U.S. Navy, which has approved them for use in place of traditional Navy binnacle compasses on all ships and landing craft.

KVH fiber optic technology is also playing a key role in other defense-related applications. In May 2002, the company announced that its gyros had been selected by the U.S. military to provide motion tracking, visual stabilization, and image synchronization for the Stinger and Improved Target Acquisition System (ITAS) training simulators. These orders marked the most recent selection of KVH gyros for defense-related, virtual reality simulators following an order in November 2000 to supply FOGs for the Javelin Basic Skills Trainer.

The recent introduction of the company's DSP-5000 FOG, which uses digital signal processing, has equipped the company for the first time with a rate gyro family suitable for use in drone and unmanned aerial vehicle navigation, land vehicle navigation, and missile and smart munitions guidance. As announced in the company's most recent earnings conference call, KVH is now using the DSP-5000 as an integral component in the development of a low-cost, precision inertial measurement unit (IMU) suitable for these high-priority applications.

The Defense Contract Management Agency is the DoD component that works directly with suppliers to help ensure that DoD, Federal, and allied government supplies and services are delivered on time, at projected cost, and meet all performance requirements.

KVH Industries, Inc., designs and manufactures products that enable mobile communication, defense 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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