



KVH Fiber Optic Gyros Guide New U.S. Army Ground Prophet Signal Intelligence System

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\$1 Million Order Expands Use of TACNAV FOG Aboard Ground Prophet; System Playing Key Role in Counter-terrorism Efforts

MIDDLETOWN, R.I., Sep 16, 2002 /PRNewswire-FirstCall via COMTEX/ -- KVH Industries (Nasdaq: KVHI) announced today that it has received its latest order for more than \$1 million worth of TACNAV FOG navigation systems for use aboard the U.S. Army's new Ground Prophet signal intelligence vehicles. Unveiled in June 2002, Ground Prophet is the latest step in the U.S. Army's transformation into a more agile, mobile, and responsive force. Each Ground Prophet vehicle is equipped with a TACNAV FOG system and provides military units with the ability to intercept radio signals, perform signal direction finding, and develop field intelligence from intercepted voice and communications data. This purchase is the most recent installment of an order potentially worth \$3.9 million that KVH announced in November 2001 and comes as the U.S. Army is accelerating the deployment of the entire Ground Prophet system.

"The Ground Prophet intelligence gathering system has already proven to be an invaluable tool in our military's ongoing counter-terrorism and homeland defense operations and will be a critical component in the deployment of the Interim Brigade Combat Team," declared Martin Kits van Heyningen. "We are very proud that KVH's TACNAV FOG offers the precision pointing and reliability required to perform as an integral part of this system and support the U.S. Army's signal intelligence efforts."

The Prophet System, developed and managed by the Program Executive Office for Intelligence, Electronic Warfare, and Sensors, is a next-generation signals intelligence (SIGINT) and electronic warfare (EW) system. It includes a signal intercept system mounted on a High Mobility Multipurpose Wheeled Vehicle (HMMWV). While many of its capabilities remain classified, Ground Prophet was designed to replace legacy systems developed more than 30 years ago. It provides digital triangulation, requires two minutes to raise the 20-foot mast and be operational, and covers 10 times as many radio frequencies as older systems.

The system uses the KVH TACNAV FOG, which is equipped with a KVH fiber optic gyro (FOG) to provide precision bearing and position data, even if the Global Positioning System (GPS) is jammed or unavailable. Ground Prophet will be fielded as part of the new Interim Brigade Combat Team, the Army's lighter, faster transitional force and a key element in the effort to develop a military force capable of handling the changing demands and global deployment needs of the 21st century military.

During the system's formal June 12, 2002, unveiling in Washington, D.C., Edward Bair, program executive officer for Intelligence, Electronic Warfare, and Sensors, declared "The (Army) Chief of Staff's vision of the future is to see first, act first, kill first. The Prophet is truly transformational in that it supports the first part of the Army's vision. To see first, we must have persistent and pervasive intelligence-gathering capabilities."

According to Lt. General Robert Noonan, deputy chief of staff, G2, who was the keynote speaker at the Capitol Hill unveiling ceremony, the Ground Prophet system has already been proven in the field. "We won't get into too much detail, but it has been used in Afghanistan -- in operations over there -- successfully," he said.

Complete information regarding KVH's TACNAV FOG and other defense-related systems can be found on the company's web site, www.kvh.com.

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.

Except for historical facts, the statements in this press release are forward-looking statements that involve risks and uncertainties. For example, the discussion of the potential value of contract awards is a forward-looking statement. Forward-looking statements are merely our current predictions of future events. The statements are inherently uncertain, and actual results realized by the company could differ materially from the statements made herein. Important factors that might cause such differences include: the level of government funding for defense programs, cancellation of weapons programs, and delays in contract awards. Additional factors that could affect future events are discussed in the company's 2001 Form 10-K filed with the Securities and Exchange Commission on March 20, 2002. Copies are available through the company's Investor Relations department and web site, www.kvh.com. KVH assumes no obligation to update its forward-looking statements to reflect new information and developments.

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