



KVH Receives \$1.6 Million Order to Upgrade U.K. Army Vehicles for Precision Navigation

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Order Follows Additional Contracts from U.S. Marine Corps and the Ministries of Defense for Saudi Arabia & Oman Worth \$750,000

MIDDLETOWN, R.I., Jan. 7 /PRNewswire-FirstCall/-- KVH Industries (Nasdaq: KVHI) announced today that it has received an order on behalf of the United Kingdom to upgrade the U.K. Army's existing KVH TACNAV(R) tactical navigation systems with the company's fiber optic gyro (FOG) technology. The enhanced TACNAV FOG systems, which use KVH's patented Digital Signal Processing (DSP) technology, offer expanded capabilities and provide even greater accuracy than the original digital compass-based TACNAV systems already serving aboard U.K. Army vehicles. This upgrade order is valued at approximately \$1.6 million. At the same time, KVH also received new orders for TACNAV systems from the U.S. Marine Corps and the Ministries of Defense for both Saudi Arabia and Oman. The total value of these three contracts is roughly \$750,000. The Marine Corps order shipped at the end of December 2002, and the company anticipates that it will ship the three remaining orders during the first half of 2003.

"TACNAV systems have been aboard U.K. Army vehicles since 2001 and have proven their value in peacekeeping and counter-terrorism operations conducted in Bosnia, Kosovo, and Afghanistan," remarked Martin Kits van Heyningen, KVH president and chief executive officer. "We are gratified that the U.K. Army recognizes the value and tactical advantages offered as a result of the upgrade to TACNAV FOG."

KVH's TACNAV and fiber optic gyro products offer every vehicle and every force commander - whether in a command, support, or combat vehicle - 100% availability of position and other tactical data, even if the signals from Global Positioning System (GPS) satellites are disrupted or jammed.

"We continue to pursue exciting new opportunities to field TACNAV with U.S. forces and their allies, both through expansion of existing contracts and in new business," continued Kits van Heyningen. "For example, the new U.S. Marine Corps order is the latest in a series stemming from an ongoing program. However, the orders from Saudi Arabia and Oman represent new business, and we believe that there is the potential for significant follow-on orders from each of these customers in the future."

The TACNAV product family has been chosen by many NATO countries, including the United States, Canada, Sweden, Britain, Spain, and Italy, as well as allied countries around the globe, making TACNAV the most widely fielded tactical navigation system in the industry. Most recently, the U.S. Army Special Operations Command selected TACNAV in October 2002 to be the navigation system for the U.S. Army Special Forces vehicle fleet.

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, navigation, and precision pointing 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 Tinley Park, 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 shipping schedule for these orders 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 and procurement funding. 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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