



KVH Receives \$1.25 Million in New Orders for Tactical Navigation and Fiber Optic Products

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MIDDLETOWN, R.I.--(BUSINESS WIRE)--Aug. 18, 2004--KVH Industries, Inc., (Nasdaq: KVHI) announced today that it has received four new defense-related orders for the company's TACNAV tactical navigation systems and its fiber optic products from U.S. and allied militaries. Together, these orders are valued at more than \$1.25 million and are scheduled to ship over the course of the next several quarters.

The orders included a contract from the U.S. Tank-Automotive and Armaments Command (TACOM) for KVH's TACNAV TLS navigation system. TACOM also provided new funding to integrate KVH's TACNAV M100 Ground Mobility Enhanced Navigation System (GMENS) aboard the Family of Medium Tactical Vehicles (FMTV), and potentially expanding the deployment of the TACNAV M100 GMENS into a previously unsupported class of vehicles. More than 18,000 FMTV trucks and companion trailers have been produced since 1991 and now support a diverse array of applications within the U.S. military. In addition to the TACOM orders, KVH also received contracts from foreign military customers for the TACNAV II navigation system and KVH's fiber optic gyros (FOGs) for motion tracking and stabilization of anti-armor training simulators.

"U.S. and allied military forces continue to show strong interest in our navigation, guidance, and pointing systems due to the versatility, reliability, and capabilities our defense-related products offer," remarked Dan Conway, KVH's vice president of business development. "We have the ability to support such diverse applications as vehicle navigation, integration with digital battlefield management systems, and precision stabilization and pointing, all in demanding military environments. These recent orders for our field-tested and battle-proven technology on both existing and new vehicles and applications are helping us build our defense backlog, stabilize our defense business, and enable our military products to make a steadier contribution to our overall revenue growth and profits in the future."

KVH TACNAV navigation systems were most recently used during Operation Iraqi Freedom. While TACNAV complements the Global Positioning System (GPS), it operates independently of GPS thanks to the use of KVH's digital compass and FOG technology as well as proprietary software algorithms. As a result, TACNAV continues to provide navigation, position, and heading data to the digital battlefield system, even if GPS is blocked, jammed, or is otherwise unavailable. TACNAV systems have been sold for use aboard U.S. Army, Marine Corps, and Navy vehicles as well as to many allied countries, including Canada, Sweden, Britain, Germany, Spain, Australia, New Zealand, Saudi Arabia, Taiwan, Malaysia, and Italy. KVH FOGs are used in diverse applications including inertial measurement units for torpedoes, precision tactical navigation systems for military vehicles, and image stabilization and synchronization for shoulder- or tripod-mounted weapon simulators.

Complete details regarding KVH's defense navigation and guidance products are available at <http://www.kvh.com/Military>.

Note to editors: high-resolution images of KVH defense navigation and guidance systems are available for download and editorial use at <http://www.kvh.com/press>.

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-certified company, KVH has headquarters in Middletown, Rhode Island, with a fiber optic and military navigation product manufacturing facility in Tinley Park, Illinois, and a European sales, marketing, and support office in Kokkedal, Denmark.

This release may contain certain forward-looking statements that involve risks and uncertainties. Forward-looking statements include, for example, the company's financial goals for 2004 and beyond; the functionality, characteristics, quality and performance of KVH's products and technology; anticipated innovation and product development; and customer preferences, requirements and expectations. The actual results could differ. Factors that may cause such differences include, among others, those discussed in KVH's most recent Form 10-Q filed with the SEC. KVH assumes no obligation to update its forward-looking statements to reflect new information or developments.

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