



## **KVH Receives \$2.25 Million Order for TACNAV Military Navigation Systems**

December 28, 2004

MIDDLETOWN, R.I.--(BUSINESS WIRE)--Dec. 28, 2004--KVH Industries, Inc., (Nasdaq: KVHI) announced today that it has received an order valued at roughly \$2.25 million for its TACNAV(R) vehicle navigation systems and related program management services. The order, placed by a major defense prime contractor on behalf of a foreign customer, has a potential total value of \$2.85 million if optional engineering support orders are placed. The majority of the contract revenue is expected to be recognized during the first half of 2005.

"International military sales have long been a key element in our overall defense business," explained Dan Conway, KVH's vice president of business development. "Both our new and long-standing foreign military customers recognize the benefits offered by KVH's TACNAV systems, including unjammable navigation and pointing capabilities, connections to digital battlefield systems, and a supplement to and backup for the Global Positioning System (GPS). This new order contributes to our defense backlog, a foundation that we anticipate will allow our military products to make a steadier contribution to our overall revenue growth and profits in the future."

Due to contractual restrictions, additional details regarding the prime contractor and foreign customer cannot be disclosed.

KVH's TACNAV military vehicle navigation systems employ KVH's digital compass and fiber optic gyro (FOG) technology as well as proprietary software algorithms to provide uninterrupted navigation, heading, and pointing data for vehicle drivers, crews, and commanders. While TACNAV complements GPS, its self-contained sensors operate independently of GPS. As a result, TACNAV continues to provide mission-critical data for troops in the vehicle as well as to the digital battlefield system, even if GPS is blocked, jammed, or is otherwise unavailable. TACNAV can also serve as a link between each vehicle and the overall digital battlefield, making each unit a node in a secure military network that consolidates a wide range of tactical data to provide detailed information to individual units and military commanders.

KVH TACNAV navigation systems are currently in use on U.S. and allied vehicles participating in ongoing operations in Iraq. 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.

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

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/mediasupport>.

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 press release may contain certain forward-looking statements that involve risks and uncertainties. For example, the statements regarding the company's financial goals for 2005 are forward-looking statements. The actual results realized by the company could differ materially from the statements made herein. Factors that might cause such differences include, but are not limited to: lack of reliable vendors, service providers, and outside products; uneven military sales cycles and changes in procurement priorities; unforeseen changes in competing technologies and products; and worldwide economic variances. Additional factors are discussed in the company's most recent Form 10-Q filed with the SEC. Copies are available through the company's Investor Relations department and web site, [www.kvh.com](http://www.kvh.com). KVH assumes no obligation to update its forward-looking statements to reflect new information and developments.

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