KVH Fiber Optic Gyros Make Automated Inventory Tracking Easy, Affordable

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Integrated Sensors Incorporates KVH's DSP-3000 FOG in its New RFID-aided Warehouse Vehicle Tracking System

MIDDLETOWN, R.I.--(BUSINESS WIRE)--March 31, 2005-- Fiber Optic Gyros (FOGs) manufactured by KVH Industries, Inc., (Nasdaq: KVHI) are playing a critical role in a tracking system designed to monitor inventory and increase efficiency in dynamic warehouse environments. Real-time location monitoring of forklifts operating in a one million square-foot facility requires a rugged, automatic and precise navigation and tracking system. To that end, Integrated Sensors, Inc., has developed a Radio Frequency Identification (RFID)-aided warehouse tracking system for forklifts and other vehicles. The system, already in use by a Fortune 50 company, tracks the position of each forklift, its unique cargo identification, and the pick-up and put-down location of the inventory. Within this system, the KVH FOGs help ensure that the forklifts transport inventory throughout the facility safely, quickly, and correctly. Integrated Sensors selected KVH's DSP-3000 FOG as a component in the navigation and tracking system because of its affordable combination of bias stability, precise output, consistent performance through a range of temperatures, and immunity to the distortions caused by metallic structures and items within the warehouse environment.

"KVH has made fiber optic gyros affordable to meet the unique requirements of industrial applications. The warehouse environment is similar to a military environment, in terms of the need for the FOGs to be very rugged and durable," said David A. Coker, Ph.D., vice president and general manager of Integrated Sensors. "We are very pleased with the KVH products. They really are devices that you install and forget about. Low maintenance is key for this type of application. We rely on mechanics, not technicians, so the device has to be fairly easy to understand. The KVH FOGs are so rugged and stable they have allowed us to do that."

The warehouse tracking system was originally developed for a Fortune 50 company looking for an automatic procedure to track the stocking and storage of inventory. The system uses RFID technology, which allows the automated forklift to scan the RFID tag on a product, identify the product and pinpoint its exact location in the facility. Additionally, unique RFID tags are buried in the warehouse floor, allowing them to be read by the RFID reader as the forklift passes over each tag. The system is able to track products that leave the warehouse and are placed on semi-trailers and rail cars. According to Ed McDermott, president of Integrated Sensors, the tracking system has improved the location accuracy to 99% compared to 85% for the previous manual system. The result has been an annual savings of $1 million on product shrinkage.

"KVH's FOG products provide the accuracy, durability, and affordability that make them the ideal component for commercial applications, as well as military applications," said Jay Napoli, director of FOG/OEM sales for KVH. "Having accurate information regarding the location and quantity of inventory is crucial in a dynamic warehouse environment. I think we could see more facilities adopt this type of tracking technology in the future."

With their all-fiber design and patented Digital Signal Processing (DSP), KVH's FOGs offer high reliability, superior accuracy and performance, and exceptional vibration, shock, and acceleration survivability at an affordable cost. KVH precision FOG products, such as the DSP-3000, DSP-4000, and TG-6000 Inertial Measurement Unit (IMU) are used in diverse commercial and defense-related applications requiring a high level of accuracy. Military applications include IMUs for torpedoes, precision tactical navigation systems for military vehicles, and image stabilization and synchronization for shoulder- or tripod-mounted weapon simulators. KVH FOGs have also been used in such commercial applications as train location control and track geometry measurement systems, industrial robotics, stabilization of TV cameras, and KVH's own TracVision(R) G8 mobile satellite TV antenna.

Integrated Sensors, Inc., (www.sensors.com) is a privately held engineering, research, and product development firm in upstate New York, providing competitive solutions addressing land vehicle navigation and analytical tools for motion analysis of video imagery in vehicle safety testing.

Note to editors - High-resolution photos of a KVH fiber optic gyro and the Integrated Sensors warehouse tracking system are available at http://www.kvh.com/mediasupport.

For complete details on all of KVH's fiber optic gyro products, please visit http://www.fiberopticgyro.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-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 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, the failure to further develop and successfully market fiber optic gyros for commercial applications as well as those factors discussed in KVH's most recent Form 10-K filed with the SEC on March 16, 2005. KVH assumes no obligation to update its forward-looking statements to reflect new information or developments.

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