



KVH and Microsoft Introduce Affordable High-speed Internet and MSN TV Service for Boats

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KVH Developing Mobile Internet Receiver with MSN TV Service for Internet Access aboard Vessels Cruising in U.S. Waters

"On the boat" doesn't have to mean "out of touch" ever again as affordable, high-speed Internet access and MSN(R) TV service on boats will soon be a reality thanks to KVH Industries, Inc. (Nasdaq: KVHI), and Microsoft Corporation's (Nasdaq: MSFT) MSN TV division. KVH's Mobile Internet Receiver with MSN TV service, a customized version of the MSN TV 2 Internet & Media Player, will provide in-motion access to web browsing, Microsoft(R) Windows Media(R) player, MSN Mail and MSN Messenger, digital photo viewing, MSN Video, and MSN Radio. A wireless keyboard offers complete control of the system while broadband EVDO data services, with data rates ranging from 400 Kbps to 2.4 Mbps, and a marinized, amplified antenna for extended range provide two-way, mobile connections. The result will be the first in-motion product to offer mariners easy-to-use, high-speed Internet access on the television screens already installed on boats. KVH's Mobile Internet Receiver with MSN TV service will also include WiFi output to provide Internet connectivity to any WiFi-enabled laptop or other product.

"Today's consumers expect to be able to stay connected while they're on the go in their vessels," said Sam Klepper, general manager for the MSN TV division at Microsoft. "With the availability of MSN TV service on KVH's Mobile Internet Receiver, consumers will now be able to communicate, access information, and enjoy digital entertainment where their travels take them."

"There is clearly a demand in the marine industry for mobile access to live media ranging from satellite TV to broadband Internet," said Martin Kits van Heyningen, KVH's president and chief executive officer. "High-speed, mobile Internet access will enable mariners to access a huge array of valuable resources, including online charts, weather reports, Coast Guard updates, and information about local marinas or the local fishing spots. Plus, e-mail and instant messaging will permit everyone onboard to stay in touch with family, friends, and co-workers on shore. The color TV screens already found on most boats longer than 25 feet provide an excellent platform not only for live satellite TV and gaming, but also for an integrated Internet solution. KVH looks forward to working with Microsoft on the Mobile Internet Receiver with MSN TV service that will leverage these screens and MSN TV technology to offer boaters an affordable, reliable source of two-way, in-motion Internet access."

Boat owners and passengers will be able to enjoy in-motion connections to a variety of MSN communication, information and entertainment services. The high-speed connection, offered by an EVDO (Evolution Data Optimized) data modem that KVH is integrating into the Mobile Internet Receiver, will leverage existing broadband data services offered by several major cellular companies. Connection speeds for EVDO service are similar to residential DSL broadband service, with a maximum speed of 2.4 Mbps and typical speeds of 400 Kbps to 700 Kbps. A marinized, amplified antenna will provide extended range for vessels cruising farther offshore. When EVDO is unavailable, the system will automatically switch to standard 1xRTT data service, which is available in most cellular coverage areas. 1xRTT has a maximum upload and download speed of 144 Kbps, and typical speeds of 50 Kbps to 80 Kbps.

By using EVDO services for connectivity along with built-in WiFi output, the vessel is turned into a floating, mobile hot spot. As a result, boaters will be able to surf the web while relaxing on deck or anywhere onboard using WiFi-enabled laptop computers, PDAs and other devices using an Internet browser, e-mail application or instant messaging tool. For boaters traveling outside the range of EVDO service, KVH also offers a full line of TracPhone(R) satellite communication systems that deliver satellite-based broadband Internet service from Inmarsat virtually worldwide.

The hardware and service are expected to be available for purchase in mid-2006. Pricing for the Mobile Internet Receiver with MSN TV service will be announced at a later date.

Additional details regarding KVH's mobile Internet solutions are available online at <http://www.kvh.com/kvhinternet/>.

Note to Editors: High-resolution, press-ready images of KVH's mobile Internet solutions are available for download and editorial use at <http://press.kvh.com>.

About MSN TV

Based in Mountain View, CA, MSN TV is a product group within Microsoft's MSN division that develops easy-to-use technology services for people to get connected and stay connected to the people around them. By connecting to a television and existing phone line or broadband connection, MSN TV service subscribers can surf the web, send and receive e-mail, create instant messages, view digital photos and enjoy streaming media using world-class MSN services such as MSN Messenger and MSN

Search.

Formerly WebTV(R), MSN TV service was acquired by Microsoft in 1997 and renamed in July 2001 to better reflect the natural synergies between the WebTV service and the vast array of Microsoft and MSN resources. In October 2004, MSN TV unveiled the MSN TV 2 Internet & Media Player. More information on MSN TV and the MSN TV service offerings can be found at <http://www.msntv.com>.

About MSN and Windows Live

MSN attracts more than 440 million unique users worldwide per month. With localized versions available globally in 42 markets and 21 languages, MSN is a world leader in delivering compelling programmed content experiences to consumers and online advertising opportunities to businesses worldwide. Windows Live(TM), a new set of personal Internet services and software, is designed to bring together in one place all the relationships, information and interests people care about most, with enhanced safety and security features across their PC, devices and the web. MSN and Windows Live will be offered alongside each other as complementary services. Some Windows Live services entered an early beta phase on November 1, 2005; these and future beta updates can be found at <http://ideas.live.com>. MSN is located on the web at <http://www.msn.com>. MSN worldwide sites are located at <http://www.msn.com/worldwide.ashx>.

About KVH Industries, Inc.

Middletown, RI-based KVH Industries, Inc., is a leading provider of in-motion satellite TV and communication systems, having designed, manufactured, and sold more than 100,000 mobile satellite antennas for applications on boats, RVs, trucks, buses, and automobiles. Winner of the prestigious General Motors Innovative Design Award, CES Innovation Award, 21 National Marine Electronics Association "Best Product" awards, and a finalist for the Automotive News PACE Award, KVH's mission is to connect mobile customers with the same digital television entertainment, communications, and Internet services that they enjoy in their home and offices. Complete information about KVH's mobile satellite TV, communications, and Internet systems is available at <http://www.kvh.com>.

About Microsoft

Founded in 1975, Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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 the proposed 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 degree of consumer acceptance of mobile Internet services, as well as those risk factors discussed in the parties' most recent quarterly reports filed with the SEC. The parties assume no obligation to update their forward-looking statements to reflect new information or developments.

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