



KVH to Acquire Virtek Communications AS

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Accelerates KVH's Initiatives to Offer Significant Value-Added Networking and Data Management Capabilities for Maritime Satcom Customers Worldwide

MIDDLETOWN, R.I., Sep 8, 2010 (GlobeNewswire via COMTEX) --

KVH Industries, Inc., (Nasdaq:KVHI) and Virtek Communications AS today announced that they have entered into an agreement for KVH to acquire the software company. Virtek specializes in the development and deployment of software known as "middleware" that helps commercial fleets and vessel owners manage the data transmitted to and from their vessels over different satellite communications services, such as KVH's own mini-VSAT Broadband(SM) or Inmarsat FleetBroadband.

"Virtek, its talented team of software engineers, and its proven middleware applications are an excellent fit with KVH and our rapidly expanding satellite communication business, most notably in the commercial marine market," explains Martin Kits van Heyningen, KVH's chief executive officer. "The capabilities offered by Virtek's CommBox(TM) technology complement and expand the comprehensive satellite communication concept that is at the heart of the TracPhone V7 and mini-VSAT Broadband solution. The integration of this powerful middleware technology will strengthen our competitive position in the maritime broadband marketplace, enable us to offer a wide range of value-added functionality to customers, and provide a path to enhance the efficiency and versatility of our mini-VSAT Broadband data communications network."

Founded in 2000, Norway-based Virtek has sold its CommBox system to more than 700 vessels owned by 50 different shipping companies primarily based in Scandinavia and Northern Europe. Currently, Virtek anticipates 2010 revenues to be in the range of \$2 to \$3 million.

Speaking of the acquisition and the opportunities ahead, Morten Aasen, Virtek's managing director, says, "We are excited to become part of KVH, the fastest growing maritime VSAT provider. Our experience illustrates that commercial organizations need the same data on the move that they rely upon in the office. The combination of the CommBox technology with the mini-VSAT Broadband service creates a versatile end-to-end solution for mariners with powerful integration capabilities that reduce total communication cost while maintaining high flexibility and improve ship-shore and shore-ship communication. We will also be able to provide easy control of least cost routing among multiple communication options, improve crew welfare and morale by offering private voice, e-mail and web browsing, and enable remote support for our customers' IT departments. Together with the speed, reliability, and affordability of KVH's mini-VSAT Broadband network, we are preparing to offer a versatile solution ideal for virtually any commercial or leisure mariner in need of satellite communications and broadband access."

Virtek's CommBox technology provides these functions through an array of features that include automated switching between satellite services for redundancy, geographic coverage, and cost control; onboard firewall and virus protection; optimized data transmissions; mobile communications tools such as mail servers and web servers; and communications tools to facilitate file transfers and remote access to onboard equipment. As a result, KVH anticipates being able to support a significantly larger population of users with its existing satellite capacity as well as offer value-added services like Internet cafes, advanced crew calling services, and premium content services like chart and software updates, digital newspapers, weather reports, and Internet Protocol television (IPTV).

"While the acquisition is expected to be only modestly accretive in the near-term, excluding transaction costs, we believe that the true value of this acquisition will be the synergistic effect that Virtek's technology will have on our ability to sell and expand our mini-VSAT Broadband service within the maritime market. To help ensure the success of this effort, Virtek's current management and team will continue to operate as a discrete unit while also integrating the CommBox, future technology, and other development and sales efforts into KVH's overall strategic initiatives. We are pleased to welcome Virtek to the KVH family and look forward to making their expertise and technology an integral component in what is already the fastest growing maritime VSAT network available," concludes Mr. Kits van Heyningen.

The \$6.5 million all-cash acquisition is subject to normal closing procedures and adjustments and is expected to be concluded in the next few weeks.

Visit www.minivsat.com for more information about KVH's mini-VSAT Broadband satellite communication solution and www.virtek.no for more details regarding Virtek Communications AS.

About KVH Industries, Inc.

Middletown, RI-based KVH Industries, Inc., and its wholly owned subsidiary, KVH Europe A/S, are leading providers of in-motion satellite TV and communications systems, having designed, manufactured, and sold more than 150,000 mobile satellite antennas for applications on vessels, vehicles, and aircraft. KVH's mission is to connect mobile customers around the globe with the same digital television entertainment, communications, and Internet services that they enjoy in their homes and offices.

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 materially. Factors that may cause such differences include, among others, the challenges and potential near-term costs associated with the acquisition and integration of a new company, as well as those discussed in KVH's most recent Form 10-Q filed with the SEC. KVH does not assume any obligation to update its forward-looking statements to reflect

new information or developments.

KVH and TracPhone are registered trademarks of KVH Industries, Inc. "mini-VSAT Broadband" is a service mark of KVH Industries, Inc. CommBox is a trademark of Virtek Communications AS. All other trademarks are the property of their respective companies.

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