



New Mobile Satellite Service Report Finds KVH is the VSAT Market Share Leader

May 16, 2012

Just Published -- Northern Sky Research (NSR) Study Confirms Earlier Euroconsult Report That KVH is the Most Widely Used Maritime VSAT Service

MIDDLETOWN, R.I., May 16, 2012 (GLOBE NEWSWIRE) -- For the second time in as many months, the mini-VSAT Broadband service from KVH Industries, Inc., (Nasdaq:KVHI) has been recognized as the most widely used maritime VSAT (Very Small Aperture Terminal) service in the world. This conclusion was made in the 8th edition of the "Mobile Satellite Services" report just published by leading international research and analysis firm, Northern Sky Research (NSR).

"With an estimated count of nearly 30% of the units in the market, KVH has taken the low-ARPU/high-volume market by storm," reported NSR analyst Claude Rousseau, referring to the Ku-band maritime VSAT market. "It has gained sizable orders from shipping companies, U.S. Government agencies, and fleet owners with a near-global coverage that was extended to South America and to oil and gas offshore platform markets off the coast of Brazil. With an order in March 2012 for mini-VSAT Broadband systems for V.Ships, a ship manager with over 1,000 vessels, KVH is set to become a standard in the maritime communications market."

According to the new NSR report, KVH's mini-VSAT Broadband service accounted for nearly 30% of all Ku-band maritime VSAT units and more than 20% of all activated maritime VSAT units of all frequencies. In late March, the internationally recognized research firm Euroconsult also concluded that KVH had more users than any other maritime VSAT provider. In a crowded market with more than 70 competitors, KVH's meteoric rise to the top of the market only four years after launching its new mini-VSAT Broadband service is a textbook case of leveraging new technology to compete with entrenched competitors.

Maritime VSAT services are a relatively new form of satellite communications that use powerful FSS (Fixed Satellite Service) C-, Ku-, and Ka-band satellites to provide two-way voice and data connectivity to ships at sea. Prior to the introduction of VSAT into the maritime markets, vessels were limited to MSS (Mobile Satellite Service) L-band satellites, which used lower frequencies that could be received by relatively small and low-priced onboard terminals, but had prohibitively expensive airtime service that could cost customers \$20 per megabyte or more to transmit. Early maritime VSATs offered faster, higher quality service that was a small fraction of the cost of MSS services, but required large and complex antennas to precisely aim at closely spaced satellites originally designed to provide service to stationary locations on land.

In 2007, KVH leveraged its maritime satellite antenna expertise and a new form of spread spectrum modem designed specifically for mobile use by its technology partner, ViaSat (Nasdaq:VSAT), to develop the mini-VSAT Broadband service and the ultra-compact TracPhone® V7 onboard terminal. The advantage of ViaSat's ArcLight® spread spectrum technology is that it enables economical multimegabit FSS transmissions to be received and transmitted by revolutionarily small and affordable antennas. Thus, KVH and ViaSat created a new category of satellite communications service that offers maritime customers the speed and economy of FSS maritime VSAT service with equipment that is compact and cost-effective, like MSS services.

Over the past 4 years, KVH has taken advantage of new commercial satellite coverage over the oceans to create a seamless web of multimegabit service. Fourteen Ku-band satellite transponders are already online, creating one of the widest Ku-band networks in the industry. The company's TracPhone V3, with a 37 cm antenna, and its enterprise-grade TracPhone V7, which uses a 60 cm antenna, provide service throughout the Ku-band portion of the network. Earlier this year, KVH announced that three global C-band transponders will be added this summer, providing an overlay on the Ku-band service. With the C-band overlay, the mini-VSAT Broadband network will cover 95% of the earth, including all of the world's major shipping lanes, popular fishing regions, and offshore oil fields. The company's new TracPhone V11 dual-mode system will be able to seamlessly switch between C- and Ku-band service. To date, KVH has shipped more than 2,000 TracPhone terminals for the mini-VSAT Broadband network.

"Our strategy from the launch of the mini-VSAT Broadband service four-and-a-half years ago has been to create a single, global satellite communications network that delivers very fast, very high quality, reasonably priced broadband service to all types of vessels, using onboard terminals that are small and easy to install," commented Martin Kits van Heyningen, KVH's CEO. "Our initial market research clearly showed that customers using traditional maritime L-band services felt the costs were prohibitively expensive or data speeds too slow for their networking requirements. We've leveraged a new generation of spread spectrum technology to bring our customers the best of all worlds – fast, high quality, global multimegabit service delivered to small, affordable onboard terminals. It's exciting both to have accelerating sales and to be acknowledged as being in the leadership position in the growing maritime VSAT market."

KVH is the only maritime VSAT provider to manufacture its own fully integrated onboard terminal, own and operate a global VSAT network, and provide worldwide 24/7/365 after-sale support. In 2010, the company acquired the Norwegian maritime network

management company Virtek, and has incorporated its CommBox™ ship/shore network manager into the end-to-end TracPhone solution for the mini-VSAT Broadband service. KVH's mini-VSAT Broadband service delivered more than 100 terabytes of data in 2011 and more than two million voice calls, and had a network uptime of 99.5%, which is among the best in the industry.

Please visit www.minivsat.com/one for full details about the KVH mini-VSAT Broadband service and the TracPhone V-series product line.

Complete details on the Northern Sky Research report, "Mobile Satellite Services, 8th Edition" are available at www.nsr.com.

Note to Editors: High-resolution, press-ready images of the mini-VSAT Broadband coverage map and the TracPhone V-series product line are available at <http://press.kvh.com> for download and editorial use.

About KVH Industries, Inc.

KVH Industries, Inc., is the leading provider of in-motion satellite television 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. The company is based in Middletown, RI, with facilities in Illinois, Denmark, Norway, and Singapore.

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, those discussed in KVH's most recent Form 10-K filed with the SEC. KVH does not assume any obligation to update its forward-looking statements to reflect new information or developments.

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

CONTACT: Nicole Mongillo
KVH Industries, Inc.
401-845-2443 ☐
nmongillo@kvh.com

Image: KVH Logo

KVH Industries, Inc.