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KVH and Microsoft to Bring Broadband Connectivity and MSN TV Service to Mobile Customers

KVH to create Mobile Internet Receiver with MSN TV service for Internet access on the move in cars, boats and RVs.

LAS VEGAS — Jan. 5, 2006 — Microsoft Corp. and KVH Industries, Inc., today announced an agreement to bring the MSN[®] TV service to consumers traveling in cars, trucks, RVs and boats throughout the United States. 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[®] Windows Media[®] Player, MSN Mail and MSN Messenger, digital photo viewing, MSN Video, and MSN Radio with two-way connections made possible by broadband EVDO cellular services. The result will be the first in-motion product to offer consumers easy-to-use, high-speed Internet access on the television screens already installed in cars and other vehicles today. KVH's Mobile Internet Receiver with MSN TV service will also include Wi-Fi output to provide Internet connectivity to a wide range of Wi-Fi-enabled products.

“Today's consumers expect to be able to stay connected while they're on the go in their vehicles,” 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 wherever their travels may take them.”

“There is clearly a demand 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. “With more than 20 million automobiles expected to be equipped with video screens by 2011 and color TVs as standard equipment aboard boats and RVs for many years, these screens 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 consumers an affordable, reliable source of two-way, in-motion Internet access.”

Consumers 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. EVDO service is available in more than 170 markets nationwide, with new markets being added on an ongoing basis. 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. 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 Wi-Fi output, the vehicle or vessel is turned into a “mobile hot spot.” Passengers will be able to connect to other Internet services using Wi-Fi-enabled laptop computers, PDAs and other devices using an Internet browser, e-mail application or instant messaging tool.

Demonstration units of the Mobile Internet Receiver with MSN TV service are on display in multiple KVH vehicles at the 2006 International Consumer Electronics Show (CES) in Las Vegas.

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.

About MSN TV

Based in Mountain View, Calif., 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, 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[™], 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 Nov. 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. (Nasdaq “KVHI”), is a leading provider of in-motion satellite TV and communication systems, having designed, manufactured, and sold nearly 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, 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 (Nasdaq “MSFT”) is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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For more information, press only:

Chris Watson, KVH Industries, (401) 845-8138, cwatson@kvh.com

Jeff Rutherford, Trylon Communications for MSN TV, (413) 369-4128,
jeffru@tryloncommunications.com

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