MIDDLETOWN, RI – July 3, 2014 – KVH Industries, Inc., (Nasdaq: KVHI) today announced that it has acquired Videotel, a producer of high-quality training films and e-Learning services for the commercial maritime industry. Servicing over 11,000 vessels, Videotel is a market leader in the provision of maritime training services, offering video, animation, e-Learning computer-based training (CBT), and interactive distance learning courses.

“The acquisition of Videotel is an important addition to our portfolio of services targeting the needs of commercial seafarers and supports our strategic vision of extending our maritime broadband service to include delivering premium content to vessels,” said Martin Kits van Heyningen, KVH’s chief executive officer. “We already offer maritime companies crew connectivity through our mini-VSAT Broadband network, including Internet café, Voice over IP phone calls, and crew entertainment services via our IP-MobileCast service. With this acquisition, we will now also offer an extensive library of seafarer training courses and related training services.”

“Videotel operates in a growing sector of the e-Learning market where increasing levels of regulation and a shortage of trained and experienced seafarers drive the need for comprehensive training solutions,” Mr. Kits van Heyningen added. “We anticipate that Videotel’s training services and the ability to test and certify seafarer training will support the new employment services we’re rolling out on our Crewtoo social media site.”

Speaking of the acquisition and the opportunities ahead, Nigel Cleave, CEO of Videotel, remarked, “Advances in maritime broadband services are creating truly exciting opportunities to bring a whole new generation of computer-based e-Learning and distance learning courses to seafarers, which will help our customers meet the large number of new regulations and associated challenges that will come into effect over the next few years. In our discussions with KVH, we quickly saw how the innovative mini-VSAT Broadband network and especially the new KVH IP-MobileCast content delivery service could really be leveraged to deliver our new training materials more efficiently and provide the affordable connectivity needed for our new distance learning services. We’re excited to be part of the KVH family to propel the company forward on both the technological and delivery front, as well as to work with our new colleagues in developing the next generation of seafarer training.”
The £28.7 million ($48.9 million) transaction is anticipated to be accretive to KVH earnings per share in 2014. The company financed the transaction from its cash on hand and proceeds from a new credit facility.

The audited financial statements of the acquired Videotel group companies showed annual combined revenues in 2013 of £14.0 million, of which approximately 93% was derived from multi-year subscription-based services. During 2013, Videotel’s combined gross profit margin was approximately 73%.

Mr. Kits van Heyningen concluded, “We recognized that our commercial maritime customers face significant challenges training and certifying the qualifications of their vessels’ crews and that advances in communications technology will be a key enabler in the delivery of the e-Learning and distance learning services and cloud-based training management systems that Videotel offers. In Videotel we found a team of smart, energetic people with a real passion for their products and services, and going forward I believe the combined efforts of our new, larger team will make our joint vision of extensively improved seafarer training a reality.”

Akin Gump Strauss Hauer & Feld LLP acted as legal counsel to KVH.

Visit minivsat.com for more information about KVH’s mini-VSAT Broadband satellite communications solution and videotel.com for more details regarding Videotel.

**About KVH Industries, Inc.**

KVH Industries is a leading manufacturer of solutions that provide global high-speed Internet, television, and voice services via satellite to mobile users at sea, on land, and in the air, and is a leading news, music, and entertainment content provider to many industries including maritime, retail, and leisure. KVH Industries is also a premier manufacturer of high-performance sensors and integrated inertial systems for defense and commercial guidance and stabilization applications. KVH is based in Middletown, RI, U.S.A., with facilities in Illinois, Denmark, Norway, the U.K., Singapore, Hong Kong, the Philippines, Cyprus, and Japan.

**About Videotel**

Based in London, Videotel has extensive experience in the maritime training business. Its training solutions are currently available onboard more than 11,000 vessels worldwide. In addition to an extensive portfolio of over 950 training films, Videotel’s platform includes a Learning Management System (LMS), as well as recording and reporting management software, enabling shipping companies to monitor and track training of their crews using cloud-based technology. Videotel has offices in Singapore and Hong Kong and an extensive sales network supporting the maritime industry.