

February 3, 2009



## **Arotech's FAAC Incorporated Receives USMC Operator Driving Simulator Contract Modification Valued at \$4.0M to Include Additional Key International Installations**

ANN ARBOR, MI -- (MARKET WIRE) -- 02/03/09 -- FAAC Incorporated, part of Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division, has received a contract modification valued at \$4.0M. The modification adds a dual-simulator mobile system for Marine Corp Air Station Iwakuni, Japan; three full-motion 6DOF simulators for Camp Hansen Okinawa, Japan; and 3 additional dual-simulator mobile systems for U.S.-based Marine Force Reserve sites.

This modification to FAAC's contract with the U.S. Marine Corps Systems Command, Program Manager for Training Systems (PM TRASYS), increases the total number of USMC ODS systems procured to 26 systems with a total of 51 simulators.

The USMC ODS originally employed in operations of M1114 Up-Armored HMMWV and MK-23 with Marine Armor System has been extended to include USMC Mine Resistance Ambush Protected fleet of vehicles: 4 x 4 Cougar Category I, 6 x 6 Cougar Category II, and 6 x 6 Buffalo Category III vehicle. "The advantage of this system is that it is a one-stop shop for commanders who can train their Marines on a range of tactical vehicles," said Capt. Garrett Hager, PM TRASYS USMC ODS Project Officer, quoted in the Show Daily during the recent Interservice/Industry Training, Simulation and Education Conference (I/ITSEC) in Orlando in December 2008.

### **About Arotech's Training and Simulation Division**

Arotech's Training and Simulation Division (ATSD) provides world-class simulation based training solutions. ATSD develops, manufactures, and markets advanced high-tech multimedia and interactive digital solutions for engineering, use-of-force, and driver training simulations for military, law enforcement, security, municipal and private industry personnel. The division's fully interactive driver-training systems feature state-of-the-art vehicle simulator technology enabling training in situation awareness, risk analysis and decision-making, emergency reaction and avoidance procedures, and conscientious equipment operation. The division's use-of-force training products and services allow organizations to train their personnel in safe, productive, and realistic environments. The division provides consulting and developmental support for engineering simulation solutions. The division also supplies pilot decision-making support software for the F-15, F-16, F-18, F-22, and F-35 aircraft, as well as simulation models for the ACMI/TACTS air combat training ranges.

Arotech's Training and Simulation Division consists of FAAC Incorporated ([www.faac.com](http://www.faac.com)), IES Interactive Training ([www.ies-usa.com](http://www.ies-usa.com)), and Realtime Technologies, Inc.

([www.simcreator.com](http://www.simcreator.com)).

## About Arotech Corporation

Arotech Corporation is a leading provider of quality defense and security products for the military, law enforcement and homeland security markets, including multimedia interactive simulators/trainers, lightweight armoring and advanced zinc-air and lithium batteries and chargers. Arotech operates through three major business divisions: Training and Simulation, Armor, and Battery and Power Systems.

Arotech is incorporated in Delaware, with corporate offices in Ann Arbor, Michigan, and research, development and production subsidiaries in Alabama, Michigan, and Israel. For more information on Arotech, please visit Arotech's website at [www.arotech.com](http://www.arotech.com).

Except for the historical information herein, the matters discussed in this news release include forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current knowledge, assumptions, judgment and expectations regarding future performance or events. Although management believes that the expectations reflected in such statements are reasonable, readers are cautioned not to place undue reliance on these forward-looking statements, as they are subject to various risks and uncertainties that may cause actual results to vary materially. These risks and uncertainties include, but are not limited to, risks relating to: product and technology development; the uncertainty of the market for Arotech's products; changing economic conditions; delay, cancellation or non-renewal, in whole or in part, of contracts or of purchase orders; dilution resulting from issuances of Arotech's common stock upon conversion or payment of its outstanding convertible debt, which would be increasingly dilutive if and to the extent that the market price of Arotech's stock decreases; and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as amended, and other filings with the Securities and Exchange Commission. Arotech assumes no obligation to update the information in this release. Reference to the Company's website above does not constitute incorporation of any of the information thereon into this press release.

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