

Arotech's IES Interactive Training Receives Contract for Force Options Simulators for the California Commission on Peace Officer Standards and Training Valued at \$1.67M

ANN ARBOR, Mich., Aug. 26, 2013 /PRNewswire/ -- Arotech Corporation (NasdaqGM: ARTX) announced today that its Training and Simulation Division's IES Interactive Training (IES) unit was selected to supply its award-winning MILO firearms and force options training simulators to the California Commission on Peace Officer Standards and Training (POST). The contract calls for the delivery, installation, and on-site training of IES's exclusive MILO at thirty locations along with five years of product support. The systems will be used for basic, advanced and in-service training across the state. The competitive contract award was issued by the Department of General Services (DGS), which serves as business manager for the state of California. The initial contract award is valued at\$1.67M and including the support period will last over five years. The first deliveries under this contract will begin in Q3 2013 and continue in phases over a twelve-month period until all thirty systems are installed and on-site training is complete.

"We are extremely pleased that IES was selected by DGS and California POST as the most responsive supplier to support California POST's on-going implementation of innovative training solutions," said Robert McCue, IES's General Manager. "IES selection has further validated IES's MILO Range Firearms and Force-Options Training Simulator as the highly regarded choice for law enforcement and public safety agencies throughout the United States."

"We are honored to provide our MILO platform and to play a role in achieving California POST's mission to enhance the readiness of peace officers to face current and future challenges as they serve and protect the citizens of the State of California," said Kurt Flosky, Arotech Training and Simulation Executive Vice President. "This significant award by our IES Interactive Training unit highlights what has been a very successful year both nationally and abroad. We are encouraged by the traction we have in the market and look forward to continued success."

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 operator training simulations for military, law enforcement, security, municipal and private industry personnel. The division's fully interactive operator 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, conscientious equipment operation, and crew coordination. 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, simulation models for the ACMI/TACTS air combat training ranges, and Air-Refueling Boom Arm simulators.

Arotech's Training and Simulation Division consists of FAAC Incorporated (www.faac.com), IES Interactive Training (www.ies-usa.com), and Realtime Technologies (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 and advanced zinc-air and lithium batteries and chargers. Arotech operates two major business divisions: Training and Simulation 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.

Investor Relations Contact

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