

July 17, 2014



Arotech Announces Full Exercise Of Public Offering Overallotment Option

ANN ARBOR, Mich., July 17, 2014 /PRNewswire/ --**Arotech Corporation** (NasdaqGM: ARTX), a provider of quality defense and security products for the military, law enforcement and homeland security markets, today announced that the underwriter of its recently announced underwritten public offering of 2,860,000 shares of common stock has exercised in full its over-allotment option to purchase an additional 429,000 shares of common stock at a public offering price of \$3.50 per share. Total gross proceeds of the offering, including the over-allotment option, were approximately \$11.5 million, before deducting underwriting discounts and other estimated offering expenses. The sale of the additional shares of common stock closed today.

Arotech expects to use the net proceeds from the offering for general corporate purposes, which may include the repayment of a portion of its outstanding bank debt, funding research, development and product manufacturing, acquisitions or investments in businesses, products or technologies that are complementary to its own, increasing its working capital, and capital expenditures.

In connection with the offering, B. Riley & Co., LLC is acting as sole book-running manager.

A shelf registration statement (No. 333-190808) relating to the shares of common stock to be issued in the offering has been filed with the Securities and Exchange Commission (SEC) and is effective. The final prospectus supplement and accompanying base prospectus relating to the offering were filed with the SEC on July 11, 2014 and are available on the SEC's website located at www.sec.gov. In addition, electronic copies of the final prospectus supplement and accompanying prospectus may be obtained by contacting the Compliance Department, B. Riley & Co., LLC, 11100 Santa Monica Blvd., Suite 800, Los Angeles, CA 90025 at (888) 295-0155 and at compliance@brileyco.com.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, these securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted.

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, South Carolina, and Israel. For more information on Arotech, please visit Arotech's website at

www.arotech.com.

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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 (including as a result of budgetary cuts resulting from automatic sequestration under the Budget Control Act of 2011); and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in Exhibit 99.3 to Arotech's Current Report on 8-K, filed on April 1, 2014, 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.

SOURCE Arotech Corporation