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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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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, 2012 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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