

October 11, 2007



Arotech Training and Simulation Division Announces Over \$3.2M in New Orders From U.S. Department of Homeland Security

ANN ARBOR, MI -- (MARKET WIRE) -- 10/11/07 -- Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division announced new U.S. Department of Homeland Security (DHS) orders totaling over \$3.2M from Arotech's IES Interactive Training subsidiary. One prominent DHS agency in particular has procured an industry-leading fifty-five of IES's MILO Range simulation systems over the last 12-month period. This surpasses IES's previous largest single order from the Los Angeles Police Department for twenty-five systems in 2006.

"These awards contribute to the success of IES with awards totaling \$6.6M to date in 2007. We have significantly expanded IES's U.S. Federal and municipal market share over previous years," said Robert McCue, IES Director of Business Development. "It is a testament to our staff and the quality of our products to be in position to service and support prominent customers such as DHS while continuing our tradition of service to the entire public safety sector."

About Arotech's Training and Simulation Division

Arotech's Training and Simulation Division develops, manufactures, and markets advanced high-tech multimedia and interactive digital solutions for use-of-force and driver training of 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. In addition, the division's use-of-force training products and services allow organizations to train their personnel in safe, productive, and realistic environments. The division also provides pilot decision-making support software for the F-15, F-16, F-18, and JSF aircraft, as well as simulation models for the ACMI/TACTS air combat training ranges.

Arotech's Training and Simulation Division consists of FAAC Incorporated and IES Interactive Training Inc.

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: Armor, 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.

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, including the results of our restructuring program. 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; and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2006, 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.

For more information on IES Interactive Training or its products, please contact:

Rob McCue
1.800.344.1707
www.ies-usa.com

For more information on Arotech, please contact:

Victor Allgeier
TTC Group
1.646.290.6400
[Email Contact](#)