

May 27, 2008



Arotech's IES Interactive Training Receives Order for 24 MILO Range Systems From U.S. Department of Justice

ANN ARBOR, MI -- (MARKET WIRE) -- 05/27/08 -- IES Interactive Training, part of Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division, announced a new order from the U.S. Department of Justice for 24 IES MILO Range simulation training systems. This contract follows a 2007 order from the same agency for two MILO Range systems implemented at its training branch headquarters to enhance recruit and in-service training for new and veteran agents. The new systems will be placed at agency branch offices and training locations around the United States. Specific terms of the agreement are not subject to disclosure.

This order includes IES's wireless drop-in handgun air-recoil kits, a large library of interactive graphics based range courses, specialized video scenario training content, and the IES Course designer software suite -- which will enable the agency to rapidly create new video scenarios and interactive graphics exercises reflecting their specialized missions, and easily disperse them to the regional offices for local training.

"We're pleased that this highly-regarded federal law enforcement agency has selected us to provide our MILO Range interactive simulation training systems to enhance the readiness of their agents as they confront increasing threats at home and abroad," said Robert McCue, Director of IES Business Development. "We know agencies selecting our systems rely heavily on them to prepare their officers for the challenges they face now and in the future, and we are honored that our simulation training systems will play a key role in ensuring that readiness."

This multiple unit award continues a string of large orders received in the last 2 years -- 26 systems delivered to the Los Angeles Police Department, 55 systems delivered to the U.S. Department of Homeland, and this recent 24 system order from the U.S. Department of Justice. "Our industry leadership position and corporate commitment to the public safety sector enables us to respond to these high quantity orders, as well as single unit clients, with the same focus and dedication to customer service people have come to expect from IES," stated Kurt Flosky, Arotech Training and Simulation Division Executive Vice President.

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, 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 (www.faac.com), IES Interactive Training (www.ies-usa.com), and Realtime Technologies, Inc. (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.

Contact

For more information on IES Interactive Training and its product line, please call 1.800.344.1707 or visit IES's website at www.ies-usa.com.

For more information on Arotech or investor and public relations, please contact Victor Allgeier, TTC Group, 1.646.290.6400 (vic@ttcominc.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; 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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