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Arotech Anticipates Fiscal 2009 Fourth Quarter and Year-End Revenues of \$21 Million and \$75 Million, Respectively

Company Expects Continued Revenue Growth Across All Businesses in Fiscal 2010 and Provides Update on Operations and Strategy

ANN ARBOR, MI -- (MARKET WIRE) -- 02/08/10 -- Arotech Corporation (NASDAQ: ARTX), a provider of quality defense and security products for the military, law enforcement and security markets, today announced anticipated results for the fiscal 2009 fourth quarter. The Company expects to announce actual results the week of March 22, 2010.

"I am pleased to announce anticipated 2009 revenue numbers for the fourth quarter of \$21 million and for the full year of \$75 million," stated Robert S. Ehrlich, Chairman and CEO of Arotech. "We expect to be EBITDA positive for the quarter and year, although we anticipate a small GAAP loss for fiscal 2009 as a result of various non-cash charges related to previous acquisitions," added Ehrlich. "Additionally, we expect continued growth across all three business segments in 2010, based on careful analysis of our currently existing contract discussions and backlog, although the sensitive nature of our industries, products and customers makes it difficult to provide a revenue range for 2010," noted Ehrlich.

"We are seeing new market opportunities in batteries and simulation as evidenced by the recently announced battery orders from various militaries around the world and contracts with federal agencies for our 'Point of Force' simulators," continued Ehrlich. "Ongoing discussions with India, Israel, the U.S. and other countries and militaries for our armored vehicles continues, and we remain optimistic for new and continued orders in 2010," said Ehrlich. "However, in many cases these are new products, new markets and new customers, making projections in that division particularly difficult. We do expect to hear a decision from India by the second quarter, which is when we also anticipate beginning shipments of our CaPost order," concluded Ehrlich.

About Arotech Corporation

Arotech Corporation is a leading provider of quality defense and security products for the military, law enforcement and homeland security markets. Arotech provides 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 Batteries 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.

Except for the historical information herein, the matters discussed in this news release, in

particular the guidance with respect to anticipated financial results for 2009 and 2010, include forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, including the effect of any share repurchases by Arotech. 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; dilution resulting from issuances of Arotech's common stock upon conversion or payment of its outstanding convertible debt, which would be increasingly dilutive if and to the extent that the market price of Arotech's stock decreases; and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2008 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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