June 7, 2011

Arotech's FAAC Incorporated Receives $5.7M Award to Upgrade USMC Operator Driving Simulators

ANN ARBOR, MI -- (MARKET WIRE) -- 06/07/11 -- FAAC Incorporated, part of Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division, has received a contract award valued at $5.7M from the U.S. Marine Corps Systems Command, Program Manager for Training Systems (PM TRASYS) to increase the capability of the currently fielded Marine Operator Driving Simulators (ODS). The order is slated to be delivered in installments over the next 24 months.

The upgrade effort includes:

- Incorporation of Mine Resistant Ambush Protected (MRAP) All-Terrain-Vehicle (M-ATV) into the USMC ODS baseline.
- Simulation of the Independent Suspension System (ISS) being retrofitted on the actual MRAP vehicles.
- Outfitting the motor transport operator schoolhouses with reconfigurable ODS cabs and dash suites allowing their existing simulator infrastructure to simulate M-ATV, MRAP Cougar Cat I & II, MK-23, and Up-Armored HMMWV.

The results for this effort will dramatically increase the capability of the 36 schoolhouse simulators -- enabling them to simulate all vehicles in the USMC's motor transport fleet. Also, the 62 USMC ODS simulators at Marine bases and Marine Reserve sites around the world will be upgraded to include simulation of M-ATV and MRAP's with the Independent Suspension System.

"Leveraging the flexibility of the current USMC ODS infrastructure, this effort affordably and quickly adds capability to simulate new vehicles while reflecting changes to actual vehicle configurations," said Todd Glenn, FAAC Director of Military Business Development. "While extending the capability of fielded systems, this effort in essence delivers 98 M-ATV simulators to prepare our USMC Warfighters."

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, F-22, and F-35 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 (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.

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, 2010 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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