

December 12, 2011



Arotech's FAAC Incorporated Receives Navy ID/IQ Contract Vehicle for Training Systems

ANN ARBOR, MI -- (MARKET WIRE) -- 12/12/11 -- FAAC Incorporated, as part of the Triton Joint Venture, was awarded Naval Air Warfare Center Training Systems Division's (NAWCTSD) Training Systems Contract III (TSC III). TSC III is a multiple award Indefinite Delivery, Indefinite Quantity (ID/IQ) Contract intended to furnish the Naval Air Systems Command Team a streamlined, quick reaction vehicle for the acquisition and support of training systems.

The TSC III Multiple Award Contract (MAC), inclusive of all awarded contracts and ordering periods, has a not-to-exceed value of \$2 billion available to the selected Lot I large and Lot II small businesses. The Triton JV (comprising FAAC Incorporated, Carley Corporation, and AVT Simulation) was selected as a Lot II Small Business Set Aside organization.

"We have a history of providing the US Navy and USMC simulation-based solutions, particularly in the areas of high-speed weapon modeling and driving training solutions," said Todd Glenn, FAAC's Director of Military Business Development. "We look forward to the opportunity as a TSC III contractor to bring our corporate capabilities and that of our joint venture partners to a broader customer base."

The Training Systems Contract (TSC) is a group of multiple award Indefinite Delivery, Indefinite Quantity Contracts (ID/IQCs) intended to furnish the Naval Air Systems Command Team a streamlined, quick reaction vehicle for the acquisition and support of training systems. The TSC program has been serving this requirement as a Multiple Award Contract (MAC) since FY00 and is entering its third generation. The TSC III scope will encompass Training Systems design, development, production, test and evaluation, delivery, modification, and support. Included within this scope is complementary Instructional Systems Development (ISD) products and complementary Training Systems Support, which includes Interim Contractor Support (ICS) or Contractor Engineering & Technical Services (CETS) and provisioning for the Initial Support Period (ISP). The TSC III MAC will serve as a viable acquisition alternative to fulfill within scope United States Navy and Marine Corps training systems requirements and those derived from end-users and customers consistent with NAWCTSD's mission. The base ordering period is five years, with two one-year optional ordering periods.

All delivery orders will be placed pursuant to the procedures at FAR 16.5. NAWCTSD will publicize TSC III requirements through its business opportunities website at <http://nawctsd.navair.navy.mil/EBusiness/BusOps/Index.cfm>. Questions regarding our company's involvement in the TSC III program can be directed to: Todd Glenn, FAAC

Director of Military Business Development.

FAAC Incorporated is a member of Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division.

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, including the earnings guidance for 2011, 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 websites above does not constitute incorporation of any of the information thereon into this press release.

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