

August 14, 2014



Arotech Battery and Power Systems Division Wins Order Supporting a Missile Defense Program

Authorized contract value is \$2.5 million; total contract value exceeds \$5 million

ANN ARBOR, Michigan, August 14, 2014 /PRNewswire/ --

Arotech Corporation (Nasdaq GM: ARTX) today announced that its Battery and Power Systems Division recently received a production contract for an OEM in the defense sector. The current authorized contract value is \$2.5 million while the total value of the contract exceeds \$5 million. The work is in support of an advanced missile defense program.

"Missile defense is becoming an increasingly important military focus as military technology improves and the interception and destruction of very high-speed destructive missiles becomes increasingly possible," **commented Arotech's Chairman and Chief Executive Officer, Robert S. Ehrlich.** "As the missile defense concept continues to prove itself in active service, protecting both civilians as well as military infrastructure, we see long-term growth for components which underlie missile defense technology. The fact that our Battery and Power Systems Division' products are a critical component of these highly advanced and complex systems, it demonstrates the strong capabilities of the research and development that we do throughout Arotech."

About Arotech's Battery and Power Systems Division

Arotech's Battery and Power Systems Division is a leading provider of primary and rechargeable batteries and chargers for defense and other military applications and of electronic components and subsystems primarily for military, aerospace and industrial customers. Arotech develops and produces high power zinc-air batteries and is believed to be the sole supplier of this technology to the U.S. military. In addition, Arotech develops high-end primary and secondary batteries and associated chargers, as well as (i) hybrid power generation systems, (ii) smart power subsystems for military vehicles and dismounted applications, and (iii) aircraft and missile systems support for cutting-edge weapons and communications technologies, and has vast experience in working with government agencies, the military and large corporations. The Battery and Power Systems Division consists of Electric Fuel Battery Corporation (<http://www.efbpower.com>), Epsilon-Electric Fuel Ltd. (<http://www.epsilon.com>; <http://www.electric-fuel.com>), and UEC Electronics, LLC (<http://www.uec-electronics.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 and advanced zinc-air and lithium batteries and chargers. Arotech operates two major business divisions: 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, South Carolina and Israel. For more information on Arotech, please visit Arotech's website at <http://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 (including as a result of budgetary cuts resulting from automatic sequestration under the Budget Control Act of 2011); and other risk factors detailed in Arotech's most recent Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2013 and in Exhibit 99.3 to Arotech's Current Report on 8-K, filed on April 1, 2014, 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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