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## **Arotech's FAAC Incorporated Awarded \$6.1M for Army National Guard Operator Driving Simulators**

ANN ARBOR, MI -- (Marketwire) -- 08/16/12 -- FAAC Incorporated, part of Arotech Corporation's (NASDAQ: ARTX) Training and Simulation Division, has received a contract to supply its Military Operator Driving Simulators (ODS) to the Army National Guard (ARNG). Under the contract, valued at \$6.1 million, FAAC will deliver a total of eight trailer systems to National Guard locations in Arizona, Indiana, Kansas, Kentucky, Massachusetts, South Dakota, and Nevada. Each trailer will include two driving simulators capable of training operators of the M915, M939, FMTV, HEMTT, PLS, HET, M1114 HMMWV, MRAP Cougar and MRAP-All Terrain (M-ATV) vehicles.

The first system will be delivered concurrent with the 134th National Guard Association of the United States General Conference & Exhibition to be held September 9-12 in Reno, NV. The system will be displayed on the exhibit floor with delivery to the Nevada National Guard immediately following the conference.

The ARNG ODS systems will provide student operators with a realistic and high-fidelity operational experience for both on-road & off-road conditions in differing environmental conditions over simulated geographical regions ranging from standard U.S. roadways to areas representing deployment locations. This award is a continuation of a multi-year Guard procurement strategy that has currently fielded 19 ARNG ODS systems.

"We are pleased to be in position to continue to support the readiness and preparation of the Army National Guard," said Todd Glenn, FAAC Director of Military Business Development. "The Operator Driving Simulator provides an immersive, realistic, experience allowing Guard operators to learn skills necessary to operate the vehicles and prepare for conditions expected at widely varying deployment locations. Through use of the ODS, the National Guard can maintain operator proficiency, ensure training standards, and remain prepared to serve their essential role in our Nation's defense," concluded Glenn.

### *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](http://www.faac.com)), IES Interactive Training ([www.ies-usa.com](http://www.ies-usa.com)), and Realtime Technologies ([www.simcreator.com](http://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 and advanced zinc-air and lithium batteries and chargers. Arotech operates through two major business divisions: Training & Simulation and Battery & 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](http://www.arotech.com).

Except for the historical information herein, the matters discussed in this news release, including any earnings guidance, 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, 2011 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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