

ESSES STEVEN D  
Form 5  
February 14, 2006

# FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
ESSES STEVEN D

(Last) (First) (Middle)

C/O AROTECH CORPORATION, 334 INDUSTRY DRIVE

(Street)

AUBURN, AL 36832

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AROTECH CORP [ARTX]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2005

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President and COO

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) Amount (D) Price	165,000	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
Stock Option (right to buy)	\$ 0.83	07/22/2002	Â	I	8,334	Â	07/22/2003	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.83	07/22/2002	Â	I	8,333	Â	07/22/2004	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.83	07/22/2002	Â	I	8,333	Â	07/22/2005	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.61	01/01/2003	Â	I	3,334	Â	07/22/2003	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.61	01/01/2003	Â	I	3,333	Â	07/22/2004	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.61	01/01/2003	Â	I	3,333	Â	07/22/2005	07/22/2012	Common Stock
Stock Option (right to buy)	\$ 0.43	12/29/2005	Â	J4 <u>(1)</u>	Â	50,140	06/30/2003	02/24/2008	Common Stock
Stock Option (right to buy)	\$ 0.43	12/29/2005	Â	J4 <u>(1)</u>	Â	200,000	01/01/2004	02/24/2008	Common Stock
Stock Option (right to buy)	\$ 0.43	12/29/2005	Â	J4 <u>(1)</u>	Â	200,000	01/01/2005	02/24/2008	Common Stock
Stock	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,667	12/30/2003	07/09/2013	Common

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Option (right to buy)										Stock
Stock Option (right to buy)	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,667	07/09/2004	07/09/2013		Common Stock
Stock Option (right to buy)	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,666	07/09/2005	07/09/2013		Common Stock
Stock Option (right to buy)	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,667	07/09/2006	07/09/2013		Common Stock
Stock Option (right to buy)	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,667	07/09/2007	07/09/2013		Common Stock
Stock Option (right to buy)	\$ 0.85	12/29/2005	Â	J4 <u>(1)</u>	Â	16,666	07/09/2008	07/09/2013		Common Stock
Stock Option (right to buy)	\$ 1.28	12/29/2005	Â	J4 <u>(1)</u>	Â	300,000	10/13/2003	12/31/2008		Common Stock
Stock Option (right to buy)	\$ 1.28	12/29/2005	Â	J4 <u>(1)</u>	Â	35,000	01/31/2004	01/31/2013		Common Stock
Stock Option (right to buy)	\$ 0.39	12/29/2005	Â	A4 <u>(1)</u>	885,140	Â	12/29/2005	Â <u>(2)</u>		Common Stock
Stock Option (right to buy)	\$ 0.39	12/29/2005	Â	A4	114,860	Â	12/29/2005	12/29/2010		Common Stock

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

ESSES STEVEN D  
C/O AROTECH CORPORATION    X             President and COO  
334 INDUSTRY DRIVE  
AUBURN, AL 36832

## Signatures

/s/ Steven Esses                      02/14/2006

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These options were repriced by replacing the options indicated as having been disposed of with an equal number of options indicated as having been acquired.
  - (2) Expiration dates are per the options as they stood prior to repricing.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.