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OPTIBASE LTD. ANNOUNCES THE CLOSING OF THE ACQUISITION OF GERMAN SUPERMARKET PORTFOLIO

HERZLIYA, Israel, June 2, 2015 – Optibase Ltd. (NASDAQ: OBAS) (the “Company” or “Optibase”) today announced that its wholly owned German subsidiary, Optibase Bavaria GmbH & Co. KG, a German partnership (the “Purchaser”), completed the acquisition of twenty-five (25) supermarkets in Bavaria, Germany (the “Properties”) from an unrelated third party. The purchase price paid by the Purchaser was EUR 24,000,000.

The Purchaser financed a portion of the purchase price of the Properties with a loan from Deutsche Genossenschafts-Hypothekenbank Aktiengesellschaft (“DG HYP”) in the principal amount of EUR 15,250,000 for a term of approximately five (5) years.

Pursuant to the terms of the Purchase Agreement with the seller of the Properties, the Purchaser has contracted to acquire two remaining supermarkets for an additional purchase price of EUR 5,750,000. The acquisition of the two properties is subject to the fulfillment of certain closing conditions and will also be partially financed by DG HYP with similar terms.

Amir Philips, CEO of Optibase commented “We are very excited to have closed this acquisition and begin benefiting from our first steps into the German real estate market. The said acquisition is well spread across various locations in Bavaria which is considered to be the strongest economical region in Germany. We expect this acquisition will be reflected in our financial statements starting the second quarter. As indicated in our first quarter results as released on May 19th, also our second quarter results will be affected by significant acquisition related costs incurred in the acquisition process and expensed in full during the second quarter”. Mr. Philips concluded “The German real estate market is considered to be the largest real estate market in Western Europe and we will continue looking for additional opportunities in this market”.

For further financial details and accounting implications of the Transaction on the Company’s financial statements, see the Company’s report on Form 6-K as filed with the Securities and Exchange Commission on June 2, 2015.

About Optibase

Optibase invests in the fixed-income real estate field and currently holds properties in Switzerland and in Miami, Texas and Philadelphia, USA and is currently looking for additional real estate investment opportunities. Optibase was previously engaged in the field of digital video technologies until the sale of its video solutions business to Optibase Technologies Ltd., a wholly owned subsidiary of VITEC Multimedia (“Vitec”) in July 2010. For further information, please visit www.optibase-holdings.com.

This press release contains forward-looking statements concerning our marketing and operations plans. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. All forward-looking statements in this press release are made based on management’s current expectations which involve risks,

uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. These statements involve a number of risks and uncertainties including, but not limited to, difficulties in finding suitable real-estate properties for investment, availability of financing for the acquisition of real-estate, difficulties in leasing of real-estate properties, insolvency of tenants, difficulties in the disposition of real-estate projects, risk relating to collaborative arrangements with our partners relating to our real-estate properties, risks relating to the full consummation of the transaction for the sale of our video solutions business, general economic conditions and other risk factors. For a more detailed discussion of these and other risks that may cause actual results to differ from the forward looking statements in this press release, please refer to Optibase's most recent annual report on Form 20-F. The Company does not undertake any obligation to update forward-looking statements made herein.