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OPTIBASE LTD. ANNOUNCES CLOSING OF A TRANSACTION TO PURCHASE CONDOMINIUM UNITS IN MIAMI BEACH, FL, USA

HERZLIYA, Israel, January 2, 2014 – Optibase Ltd. (NASDAQ: OBAS) (the "Company" or "Optibase") today announced the successful closing of the transaction to purchase twelve luxury condominium units (the "Units") located in Miami Beach, Florida (the "Transaction"). The Transaction was approved by the Company's shareholders at its annual general meeting, held on December 19, 2013. For additional details on the Transaction please see the Company's proxy statement filed with the Securities and Exchange Commission on Form 6-K, as well as the Company's previous announcement on the Transaction dated November 12, 2013.

Accordingly, as consideration for the purchase of the Units, Optibase has issued to The Capri Family Foundation, the Company's controlling shareholder, approximately 1.31 million ordinary shares of the Company.

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 news 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.