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## **OPTIBASE LTD. ANNOUNCES ARBITRATION AWARD**

**HERZLIYA, Israel, July 31, 2013 – Optibase Ltd. (NASDAQ: OBAS)** ("Optibase") today announced that after a long dispute and arbitration proceedings conducted between Optibase, S.A. Vitec ("Vitec") and Vitec's attorney, in connection with the sale of Optibase's Video Solutions Business in July 2010, an arbitration award was given by the arbitrator on July 30, 2013, ordering Optibase to pay Vitec an aggregate amount of approximately \$550,000 (the original amount claimed by Vitec in the arbitration proceedings was approximately \$24 million). Such awarded amounts include approximately \$45,000 to be paid to Vitec's attorney in connection with a personal claim raised by him. The amounts awarded to Vitec will be off-set from amounts that are currently held in escrow. The remaining escrow amounts will be released to Optibase. Optibase has adequate provisions in its financial statements in connection with the said arbitration proceedings.

For further information regarding the arbitration proceedings between Optibase, Vitec and its attorney, see Item 8. "Financial Information - Legal Proceedings" on Optibase's annual report on Form 20-F for the year 2012, as filed with the U.S. Securities and Exchange Commission on March 14, 2013.

The arbitration award is final and the parties have no right to appeal such award. Under Israeli law, a cancellation request of the award may be filed with the Israeli court within 45 days following the date of the arbitration award, subject to the causes mentioned in the Israeli Arbitration Law, 1968.

### **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](http://www.optibase-holdings.com).