

Contact:
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**BLUE SQUARE - ISRAEL ANNOUNCES ACCEPTANCE OF TENDER OFFER FOR SHARES IN
BLUE SQUARE CHAIN PROPERTIES & INVESTMENTS LTD THAT ARE NOT CURRENTLY
HELD BY BLUE SQUARE**

Rosh Ha'ayin, Israel, October 27, 2008 - Blue Square - Israel Ltd. (NYSE:BSI) (the "**Company**") announced today, further to its announcement dated September 24, 2008, that its cash tender offer to acquire all the ordinary shares of Blue Square Chain Properties & Investments Ltd ("**BSIP**") that are not currently owned by the Company has been accepted by holders of a sufficient number of BSIP shares. The Company currently owns approximately 80% of BSIP's outstanding ordinary shares, and by November 3, 2008, the Company expects to complete its acquisition of the BSIP shares that it does not own for the aggregate consideration of NIS 150.7 million. Following completion of the acquisition, the Company will be the 100% shareholder of BSIP, and BSIP's shares will no longer be traded in the Tel Aviv Stock Exchange.

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Blue Square-Israel Ltd. is a leading retailer in Israel. A pioneer of modern food retailing, in the region. Blue Square currently operates 194 supermarkets under different formats, each offering varying levels of services and prices. For more information, please refer to the Blue Square-Israel Ltd. website at www.bsi.co.il.

Forward Looking Statements

The statements contained in this release, except for historical facts, which are forward-looking with respect to plans, projections, or future performance of the Company, involve certain risks and uncertainties. Potential risks and uncertainties include, but are not limited to, risk of market acceptance, the effect of economic conditions, the impact of competitive pricing, supply constraints, the effect of the Company's accounting policies, as well as certain other risks and uncertainties which are detailed in the Company's filings with the Securities and Exchange Commission, particularly the Annual Report on Form 20-F for the year ended December 31, 2007.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of October 2008

BLUE SQUARE - ISRAEL LTD.
(translation of registrant's name into English)

2 Amal St., Afek Industrial Park, Rosh Ha'ayin 48092, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F:

Form 20-F X Form 40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the
registrant is also thereby furnishing the information to the Commission pursuant to Rule
12g3-2(b) under the Securities Exchange Act of 1934:

Yes _____ No X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed by the undersigned, thereunto duly authorized.

BLUE SQUARE – ISRAEL LTD.

By: /s/ Elli Levinson Sela

Elli Levinson Sela, Adv.
General Counsel &
Corporate Secretary

Dated October 27, 2008