

Contact:
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**BLUE SQUARE ANNOUNCES IT RECEIVED ANNOUNCEMENT FROM ALON
ISRAEL OIL COMPANY LTD ("ALON") REGARDING CHANGE OF HOLDINGS IN
ALON**

ROSH HAAYIN, Israel, September 14, 2009 - Blue Square-Israel Ltd. (NYSE: BSI) ("**Blue Square**") announced today that it is informed by its parent company, Alon Israel Oil Company Ltd. ("**Alon**"), as follows:

1. On September 14, 2009, Alon and Africa Israel Trade and Agencies Ltd. ("**Africa**") have signed an agreement under which Africa shall sell and transfer to Alon its holdings in Alon (ordinary shares equal to 26.14% of Alon's issued share capital) and as consideration, Alon shall sell and transfer to Africa shares of Alon USA Energy, Inc. ("**Alon USA**"), a subsidiary of Alon, and shall grant Africa an option to purchase from Alon shares of Dor Alon Energy In Israel (1988) Ltd., a subsidiary of Alon. The actual transfer of the shares and the closing of the transaction will be executed subject to the receipt of the required approvals under applicable law for the transfer of the shares, if required.
2. As a result of the completion of said transaction, the holdings in Alon (offsetting the dormant shares which shall be in the possession of Alon) shall be as follows:

Bielsol Investmens (1987) Ltd. ("**Bielsol**") together with the shares which are held by Mr. David Wiessman: approximately 53.1%.

Collective acquisition entities of Kibbutzim in Israel, represented by Delek Holdings (Established by the Kibbutz Organizations) Ltd. ("**Delek Holdings**"): approximately 46.9%.

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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 202 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

This press release contains forward-looking statements within the meaning of safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, plans or projections about our business and our future revenues, expenses and profitability. Forward-looking statements may be, but are not necessarily, identified by the use of forward-looking terminology such as "may," "anticipates," "estimates," "expects," "intends," "plans," "believes," and words and terms of similar substance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual events, results, performance, circumstance and achievements to be materially different from any future events, results, performance, circumstance and achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the following: our ability to compete effectively against low-priced supermarkets and other competitors; the effect of the recession in Israel on the sales in our stores and on our profitability; quarterly fluctuations in our operating results that may cause volatility of our ADS and share price; risks associated with our dependence on a limited number of key suppliers for products that we sell in our stores; the effect of an increase in minimum wage in Israel on our operating results; the effect of any actions taken by the Israeli Antitrust Authority on our ability to execute our business strategy and on our profitability; the effect of increases in oil, raw material and product prices in recent years; the effects of damage to our reputation or to the reputation to our store brands due to reports in the media or otherwise; and other risks, uncertainties and factors disclosed in our filings with the U.S. Securities and Exchange Commission, including, but not limited to, risks, uncertainties and factors identified under the heading "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2008. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except for our ongoing obligations to disclose material information under the applicable securities laws, we undertake no obligation to update the forward-looking information contained in this press release.

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 September, 2009

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: September 14 , 2009