NEWS RELEASE

NYSE to Suspend Trading Immediately in Alon Blue Square Israel Ltd. (BSI) and Commence Delisting Proceedings

5/25/2016

NEW YORK, May 25, 2016 – The New York Stock Exchange (“NYSE”, the “Exchange”) announced today that the staff of NYSE Regulation has determined to commence proceedings to delist the American Depositary Shares, each representing ten ordinary shares (“ADSs”) of Alon Blue Square Israel Ltd. (the "Company") — ticker symbol BSI – from the NYSE. Trading in the Company’s ADSs will be suspended immediately.

NYSE Regulation has determined that the Company is no longer suitable for listing. Pursuant to Listed Company Manual Section 802.01D, this decision was reached in view of the fact that on May 25, 2016, the Company filed a revised motion with the District Court of Lod, Israel for approval of a proposed debt reorganization. If the current plan of arrangement is implemented with the condition requested by the investor, Mr. Moti Ben Moshe, this reorganization would result in nullification of the Company’s shares for no consideration. Alternatively, the Company’s position is that it is highly unlikely that any alternative to this reorganization will leave its shareholders with any economic value.

The Company has a right to a review of this determination by a Committee of the Board of Directors of the Exchange. The NYSE will apply to the Securities and Exchange Commission to delist the ADSs upon completion of all applicable procedures, including any appeal by the Company of the NYSE Regulation staff’s decision.

Company Contact:
Zehavit Shahaf, Adv.
General Counsel and Corporate Secretary
Telephone: 972-9 - 9618504

Fax: 972-9- 9618636
Email : **zehavits@bsi.co.il**