



Attached hereto as Exhibit 1 and incorporated herein by reference is the Registrant's press release dated January 29, 2007.

SIGNATURE

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

**AMERICAN ISRAELI PAPER MILLS LTD.**  
(Registrant)

By: /s/ Lea Katz  
Name: Lea Katz  
Title: Corporate Secretary

Dated: January 29, 2007

**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
1.	Press release dated January 29, 2007

EXHIBIT 1

# NEWS

**Client:** AMERICAN ISRAELI  
PAPER MILLS LTD.

**Agency Contact:** PHILIP Y. SARDOFF

**For Release:** IMMEDIATE

## **American Israeli Paper Mills Ltd. Sale of Holdings of TMM**

Hadera, Israel, January 29, 2007 American Israeli Paper Mills Ltd. (ASE:AIP) (the Company or AIPM ) announced that following the immediate report dated January 04, 2007, regarding the transaction for the sale of the Company s holdings in TMM Integrated Recycling Industries Ltd. ( TMM ) to CGEA ONYX (Israel) Ltd. ( CGEA ), the Company announces that TMM reported today that the purchase offer to the public, that was published by CGEA was accepted. According to the purchase offer, the rest of the shares that were not attended will be purchased by the offerer in a forced purchase.

As stated in the aforesaid Company s immediate report, a few days after the completion of the purchase offer, the sale of the Company s holdings in Barthelemi Holdings Ltd. ( Barthelemi ) a company through which AIPM and CGEA possess holdings in TMM will be executed as well, and as a result, the Company will no longer be a shareholder in TMM.