

AMERICAN ISRAELI PAPER MILLS LTD

Form 6-K

December 20, 2006

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 December 2006

AMERICAN ISRAELI PAPER MILLS LTD.

(Translation of Registrant's Name into English)

P.O. Box 142, Hadera, Israel

(Address of Principal Corporate 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

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):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

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Attached hereto as Exhibit 1 and incorporated herein by reference is the Registrant's press release dated December 18, 2006.

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: December 20, 2006

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.	Press release dated December 18, 2006

EXHIBIT 1

NEWS

Client: AMERICAN ISRAELI
PAPER MILLS LTD.

Agency Contact: PHILIP Y. SARDOFF

For Release: IMMEDIATE

**American Israeli Paper Mills Ltd.
Subject to Potential Class Action Suit**

Hadera, Israel, December 18, 2006 American Israeli Paper Mills Ltd. (ASE:AIP) (the Company or AIPM) announced that a petition was filed against Hogla-Kimberly LTD (H-K), an affiliated company (49.9%), for the approval of a class action. According to the petition, 3.5 years ago, H-K has reduced the quantity of paper in the toilet packages of its Kleenex® Premium brand and thus mislead the public according to the Israeli Consumer Protection Act. The plaintiff estimates the scope of the class action to be approximately NIS 43 million. H-K rejects the claims and intends to defend itself against the action. At this early stage H-K is not able to assess the chances of the class action and its influences.