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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 27, 2009 (January 23, 2009)

AVERY DENNISON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**1 -7685**	**95-1492269**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

150 North Orange Grove Boulevard Pasadena, California	**91103**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(626) 304-2000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 — Financial Information

Item 1.01 Entry into a Material Definitive Agreement

(a) On January 23, 2009, Avery Dennison Corporation ("the Company") entered into an amendment to the credit agreement for a $1 billion revolving credit facility (the "Revolver") with certain domestic and foreign banks (the "Revolver Lenders"), maturing August 10, 2012. The amendment increases the Company's flexibility for a specified period of time under the customary financial covenants to which the Revolver is subject and excludes certain restructuring charges from the calculation of certain ratios under those covenants. The amendment increases the typical annual interest rate of the Revolver to the annual rate of, at the Company's option, either (i) between LIBOR plus 1.800% and LIBOR plus 3.500%, depending on the Company's debt ratings by either S&P or Moody's, or (ii) the higher of (A) the federal funds rate plus 0.50% or (B) the prime rate, plus between 0.800% and 2.500%, depending on the Company's debt ratings by either S&P or Moody's. The amendment also provides for an increase in the facility fee payable under the Revolver to the annual rate of between 0.200% and 0.500%, depending on the Company's debt ratings by either S&P or Moody's.

(b) On January 23, 2009, Avery Dennison Office Products Company ("ADOPC"), a wholly-owned subsidiary of the Company, entered into an amendment to the credit agreement for a $400 million term loan credit facility ("Credit Facility") with certain domestic and foreign banks (the "Lenders"), maturing February 8, 2011. ADOPC's payment and performance under the agreement remain guaranteed by the Company. The amendment increases the Company's flexibility for a specified period of time under the customary financial covenants to which the Credit Facility is subject and excludes certain restructuring charges from the calculation of certain ratios under those covenants. The amendment also increases the typical annual interest rate of the Credit Facility to the annual rate of, at ADOPC's option, either (i) between LIBOR plus 2.000% and LIBOR plus 4.000%, depending on the Company's debt ratings by either S&P or Moody's, or (ii) the higher of (A) the federal funds rate plus 0.50% or (B) the prime rate, plus between 1.000% and 3.000%, depending on the Company's debt ratings by either S&P or Moody's. The amendment provides for the partial repayment of the loans under the Credit Facility in $15 million quarterly installments beginning in April 2009.

Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's news release dated January 27, 2009, regarding its preliminary, unaudited financial results for the fourth quarter of 2008. This information is being furnished (not filed) under this Form 8-K. Additionally, the Company will discuss its preliminary financial results during a webcast and teleconference call today at 2:00 p.m. (EDT). To access the webcast and teleconference call, please go to the Company's Web site at http://www.investors.averydennison.com.

Avery Dennison Corporation's presentation dated January 27, 2009, regarding its preliminary financial review and analysis for the fourth quarter of 2008, is attached hereto as Exhibit 99.2. This information is being furnished (not filed) under this Form 8-K. Additionally, this information is available on the Company's Web site at http://www.investors.averydennison.com.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 On January 27, 2009, Avery Dennison Corporation issued a news release announcing its preliminary, unaudited financial results for the fourth quarter and fiscal year ending December 27, 2008.

99.2 On January 27, 2009, Avery Dennison Corporation provided a presentation regarding its preliminary financial review and analysis for the fourth quarter and fiscal year ending December 27, 2008.

99.3 Avery Dennison Corporation's Second Amendment to First Amended and Restated Revolving Credit Agreement.

99.4 Avery Dennison Office Products Company's Second Amendment to Credit Agreement.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained in this report on Form 8-K and in Exhibit 99.1 and Exhibit 99.2 are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements and financial or other business targets are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or expected results depending on a variety of factors, including but not limited to risks and uncertainties relating to investment in development activities and new production facilities; fluctuations in cost and availability of raw materials; ability of the Company to achieve and sustain targeted cost reductions; ability of the Company to generate sustained productivity improvement; successful integration of acquisitions; successful implementation of new manufacturing technologies and installation of manufacturing equipment; the financial condition and inventory strategies of customers; customer and supplier concentrations; changes in customer order patterns; loss of significant contract(s) or customer(s); timely development and market acceptance of new products; fluctuations in demand affecting sales to customers; impact of competitive products and pricing; selling prices; business mix shift; volatility of capital and credit markets; credit risks; ability of the Company to obtain adequate financing arrangements and to maintain access to capital; fluctuations in interest rates; fluctuations in pension, insurance and employee benefit costs; impact of legal proceedings, including a previous government investigation into industry competitive practices, and any related proceedings or lawsuits pertaining thereto or to the subject matter thereof related to the concluded investigation by the U.S. Department of Justice ("DOJ") (including purported class actions seeking treble damages for alleged unlawful competitive practices, which were filed after the announcement of the DOJ investigation), as well as the impact of potential violations of the U.S. Foreign Corrupt Practices Act; changes in governmental regulations; changes in political conditions; fluctuations in foreign currency exchange rates and other risks associated with foreign operations; worldwide and local economic conditions; impact of epidemiological events on the economy and the Company's customers and suppliers; acts of war, terrorism, natural disasters; and other factors.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) the impact of economic conditions on underlying demand for the Company's products; (2) the impact of competitors' actions, including pricing, expansion in key markets, and product offerings; (3) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; (4) potential adverse developments in legal proceedings and/or investigations regarding competitive activities, including possible fines, penalties, judgments or settlements; and (5) the ability of the Company to achieve and sustain targeted cost reductions.

For a more detailed discussion of these and other factors, see Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's Form 10-K, filed on February 27, 2008, and the Company's Form 10-Q, filed on November 6, 2008, with the Securities and Exchange Commission. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K, and the Company undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

The financial information presented in the news release, included as an Exhibit to this Current Report, represents preliminary, unaudited financial results.

SIGNATURES

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 hereunto duly authorized.

AVERY DENNISON CORPORATION

Date: January 27, 2009

By: /s/ Daniel R. O’Bryant

Name: Daniel R. O’Bryant

Title: Executive Vice President, Finance and Chief Financial Officer

EXHIBIT LIST

Exhibit No.	Description
99.1	News release dated January 27, 2009.
99.2	Presentation dated January 27, 2009.
99.3	Avery Dennison Corporation’s Second Amendment to First Amended and Restated Revolving Credit Agreement.
99.4	Avery Dennison Office Products Company’s Second Amendment to Credit Agreement.

AVERY DENNISON REPORTS
FOURTH QUARTER AND YEAR-END 2008 RESULTS

PASADENA, Calif. — January 27, 2009 — Avery Dennison Corporation (NYSE:AVY) today reported fourth quarter and year-end 2008 results. All non-GAAP terms are reconciled to GAAP in the attached tables.

Fourth Quarter Financial Summary — Preliminary
($ millions, except per share amounts)

	Q4 2008	Q4 2007	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$ 808.1	$ 890.1	-9%	-4%
Retail Information Services	359.4	410.8	-13%	-12%
Office and Consumer Products	225.6	272.2	-17%	-14%
Other specialty converting businesses	118.4	140.9	-16%	-14%
Total net sales	$ 1,511.5	$ 1,714.0	-12%	-8%

	As Reported (GAAP)					Adjusted Non-GAAP (b)				
				% of Sales					*% of Sales*	
	2008	*2007*	% Change	*2008*	*2007*	*2008*	*2007*	% Change	*2008*	*2007*
Operating income before interest and taxes, by segment:										
Pressure-sensitive Materials	$ 41.8	$ 79.0	-47%	***5.2%***	***8.9%***	$ 44.3	$ 80.0	-45%	***5.5%***	***9.0%***
Retail Information Services	(5.4)	1.3	-515%	***-1.5%***	***0.3%***	4.6	27.4	-83%	***1.3%***	***6.7%***
Office and Consumer Products	42.0	56.1	-25%	***18.6%***	***20.6%***	46.6	59.5	-22%	***20.7%***	***21.9%***
Other specialty converting businesses	(9.5)	0.7	-1457%	***-8.0%***	***0.5%***	(8.1)	3.4	-338%	***-6.8%***	***2.4%***
Corporate expense	(12.6)	(4.8)				(12.6)	(5.0)			
Total operating income before interest and taxes	$ 56.3	$132.3	-57%	***3.7%***	***7.7%***	$ 74.8	$165.3	-55%	***4.9%***	***9.6%***
Interest expense	28.1	34.3				28.1	34.3			
Income from operations before taxes	$ 28.2	$ 98.0	-71%	***1.9%***	***5.7%***	$ 46.7	$131.0	-64%	***3.1%***	***7.6%***
(Benefit from) provision for income taxes	$(14.4)	$ 18.6				$(17.3)	$ 24.8			
Net income	$ 42.6	$ 79.4	-46%	***2.8%***	***4.6%***	$ 64.0	$106.2	-40%	***4.2%***	***6.2%***
Net income per common share, assuming dilution	$ 0.43	$ 0.81	-47%			$ 0.65	$ 1.08	-40%		

See Notes Following Next Table

Full Year Financial Summary — Preliminary
($ millions, except per share amounts)

	2008	2007	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$3,643.8	$3,497.7	4%	1%
Retail Information Services	1,548.7	1,175.4	32%	-6%
Office and Consumer Products	935.8	1,016.2	-8%	-9%
Other specialty converting businesses	582.1	618.5	-6%	-8%
Total net sales	$6,710.4	$6,307.8	6%	-3%

	As Reported (GAAP)					Adjusted Non-GAAP (b)				
				% of Sales					% of Sales	
	2008	*2007*	% Change	*2008*	*2007*	*2008*	*2007*	% Change	*2008*	*2007*
Operating income before interest and taxes, by segment:										
Pressure-sensitive Materials	$252.3	$318.7	-21%	***6.9%***	***9.1%***	$262.7	$332.5	-21%	***7.2%***	***9.5%***
Retail Information Services	9.4	(5.7)		***0.6%***	***-0.5%***	44.9	68.5	-34%	***2.9%***	***5.8%***
Office and Consumer Products	144.5	173.6	-17%	***15.4%***	***17.1%***	156.7	178.4	-12%	***16.7%***	***17.6%***
Other specialty converting businesses	6.0	27.1	-78%	***1.0%***	***4.4%***	8.8	31.3	-72%	***1.5%***	***5.1%***
Corporate expense	(25.7)	(33.2)				(26.3)	(27.8)			
Total operating income before interest and taxes	$386.5	$480.5	-20%	***5.8%***	***7.6%***	$446.8	$582.9	-23%	***6.7%***	***9.2%***
Interest expense	115.9	105.2				115.9	105.2			
Income from operations before taxes	$270.6	$375.3	-28%	***4.0%***	***5.9%***	$330.9	$477.7	-31%	***4.9%***	***7.6%***
Provision for income taxes	$ 4.5	$ 71.8				$ 5.5	$ 91.2			
Net income	$266.1	$303.5	-12%	***4.0%***	***4.8%***	$325.4	$386.5	-16%	***4.8%***	***6.1%***
Net income per common share, assuming dilution	$ 2.70	$ 3.07	-12%			$ 3.30	$ 3.91	-16%		
						2008	*2007*			
Free Cash Flow (c)						*$365.3*	*$244.6*			

Note: These tables have been added to the Company's earnings disclosure to provide greater ease of reference and facilitate trend analysis.

a) Percentage change in sales before the impact of acquisitions, divestitures, and foreign currency translation.

b) Excludes restructuring and asset impairment charges, transition costs associated with acquisition integrations, and other items (see accompanying schedules A-3 and A-4 for reconciliation to GAAP measures).

c) Free Cash Flow (a non-GAAP measure) as used herein is defined as net cash provided by operating activities (as reported), less purchase of property, plant, equipment, software, and other deferred charges, plus proceeds from sale of investments, net (see accompanying schedule A-3 for reconciliation to GAAP measure).

"Avery Dennison generated record free cash flow in 2008, despite increasingly challenging business conditions in the retail sector and the effects of the broader economic slowdown," said Dean A. Scarborough, president and chief executive officer of Avery Dennison.

"We are responding to the challenges by continuing our efforts to reduce fixed costs, improve our financial flexibility, and accelerate our productivity improvements," added Scarborough. "We expect to generate solid cash flow in 2009. We are focused on increasing our operating leverage and developing new business opportunities to position the Company for strong earnings recovery when market conditions improve."

For more details on the Company's results for the quarter, see the Company's Supplemental Presentation Materials, "Fourth Quarter and Full Year 2008 Financial Review and Analysis," posted at the Company's Web site at www.investors.averydennison.com, and furnished under Form 8-K with the SEC.

<u>Fourth Quarter, 2008 Results by Segment</u>

Pressure-sensitive Materials (PSM)

- Revenue for roll materials declined in every region except Asia, reflecting weaknesses in end-markets and decisions by customers of the Graphics and Reflective Products division to defer purchases.
- The decline in operating margin reflected reduced fixed-cost leverage and the effects of raw material inflation. These factors outweighed the benefits of price increases, restructuring, and other productivity initiatives.

Retail Information Services (RIS)

- The decline in revenue primarily reflected continued weakness of the retail apparel market in the U.S. and in Europe.
- The decline in operating margin was driven by reduced fixed-cost leverage, cost inflation, and incremental intangible amortization. These were offset in part by incremental integration savings and the benefits of other productivity actions.
- The RIS business remains committed to its long-term profitability objectives. It achieved its goal by year-end 2008 of $120 million of annualized synergies from the Paxar acquisition, and plans to implement significant additional restructuring measures in 2009. The Company intends to continue to transform the business through Enterprise Lean Sigma and investments in technology to further strengthen competitive advantages, driving both growth and profitability.

Office and Consumer Products (OCP)

- The decline in revenue reflected a combination of weak end-market demand and tight inventory control by customers.
- The decline in operating margin was due to reduced fixed-cost leverage and raw material inflation. These effects were partially offset by price increases, restructuring, and other productivity initiatives.

Other specialty converting businesses

- The decline in revenue is primarily attributable to lower volume in products sold to the automotive and housing construction industries.
- Operating margin declined due to reduced fixed-cost leverage and inflation. These factors outpaced the benefit of productivity initiatives and a reduction in the loss from RFID.

Consolidated Items and Actions

Factors that affected consolidated results include:

- Raw material costs in 2008 increased approximately $125 million or 4%, and varied greatly by business and geography. This increase was partially offset by the benefits of global sourcing strategies, raw material cost reduction initiatives, and price increases. At the end of 2008, however, the Company's price/inflation gap was still significant, and additional price increases were implemented in January, 2009.
- In the fourth quarter of 2008, the Company began a restructuring program expected to reduce costs across all segments of the business. The Company currently anticipates $150 million in annualized savings over the next two years (estimating $70 million benefit, net of transition costs, in 2009). The restructuring includes reductions of approximately 10% of the Company's global workforce. The Company estimates that it will incur approximately $120 million of restructuring charges associated with these actions, with the majority to be incurred in 2009. In addition to the savings from these new actions, the Company expects approximately $40 million of carryover savings from previously implemented actions, including benefits from the Paxar integration.
- The Company's effective tax rate was 2% for 2008, and negative 51% in the fourth quarter of 2008. The tax rate in the fourth quarter includes a net benefit of approximately $25 million from various tax planning actions, changes in tax reserves, and changes in statutory tax rates. The ongoing annual tax rate is expected to be in the low 20% range, although it can vary significantly from quarter to quarter.

Financial Condition

Avery Dennison has taken and continues to take actions to further strengthen its financial condition and increase its operating flexibility in the current economic environment.

- Since the acquisition of DM Label Group in the second quarter of 2008, the Company has reduced indebtedness by approximately $160 million.
- In January 2009, the Company and a subsidiary secured agreements to amend certain covenants governing the Company's revolving credit facility and the subsidiary's term loan, as reflected in the Company's Supplemental Presentation Materials.

2009

Avery Dennison expects to generate significant free cash flow in 2009 and beyond. In light of decreased visibility in the global economic environment, the Company is not providing a 2009 earnings forecast at this time.

However, in the Company's Supplemental Presentation Materials, the Company provides a list of factors that it believes will contribute to its financial results in 2009. Applying these factors to the recent revenue trends from 2008, the Company estimates that it could achieve the following results for the full year, 2009:

Revenue Scenario	Adjusted EPS*	Free Cash Flow
Continuation of 4Q08 revenue trend (down » 8% on organic basis)	» $1.00	» $260 million
Continuation of FY08 revenue trend (down » 3% on organic basis)	» $2.00	» $300 million

*Adjusted EPS excludes restructuring and asset impairment charges, transition costs associated with acquisition integrations, and other items, totaling an estimated $120 million on a pre-tax basis.

This information is provided for illustrative purposes only.

Note: Throughout this release, all calculations of amounts on a per share basis reflect fully-diluted shares outstanding.

Avery Dennison is a recognized industry leader that develops innovative identification and decorative solutions for businesses and consumers worldwide. The Company's products include pressure-sensitive labeling materials; graphics imaging media; retail apparel ticketing and branding systems; RFID inlays and tags; office products; specialty tapes; and a variety of specialized labels for automotive, industrial and durable goods applications. A FORTUNE 500 Company with sales of $6.7 billion in 2008, Avery Dennison is based in Pasadena, California and employs more than 36,000 employees in over 60 countries. For more information, visit www.averydennison.com.

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The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) the impact of economic conditions on underlying demand for the Company’s products; (2) the impact of competitors’ actions, including pricing, expansion in key markets, and product offerings; (3) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; (4) potential adverse developments in legal proceedings and/or investigations regarding competitive activities, including possible fines, penalties, judgments or settlements; and (5) the ability of the Company to achieve and sustain targeted cost reductions.

For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in the Company’s Form 10-K, filed on February 27, 2008, and the Company’s Form 10-Q filed on November 6, 2008, with the Securities and Exchange Commission. The forward-looking statements included in this news release are made only as of the date of this news release, and the Company undertakes no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

For more information and to listen to a live broadcast or an audio replay of the Fourth Quarter conference call with analysts, visit the Avery Dennison Web site at www.investors.averydennison.com

AVERY DENNISON
PRELIMINARY CONSOLIDATED STATEMENT OF INCOME
(In millions, except per share amounts)

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 27, 2008	Dec. 29, 2007	Dec. 27, 2008	Dec. 29, 2007
Net sales	$ 1,511.5	$ 1,714.0	$ 6,710.4	$ 6,307.8
Cost of products sold	1,133.1	1,232.5	4,983.4	4,585.4
Gross profit	378.4	481.5	1,727.0	1,722.4
Marketing, general & administrative expense	309.8	333.0	1,304.3	1,182.5
Interest expense	28.1	34.3	115.9	105.2
Other expense, net **(1)**	12.3	16.2	36.2	59.4
Income from operations before taxes	28.2	98.0	270.6	375.3
(Benefit from) provision for income taxes	(14.4)	18.6	4.5	71.8
Net income	$ 42.6	$ 79.4	$ 266.1	$ 303.5
Per share amounts:				
Net income per common share, assuming dilution	$ 0.43	$ 0.81	$ 2.70	$ 3.07
Average common shares outstanding, assuming dilution	98.6	98.6	98.7	98.9
Common shares outstanding at period end	98.4	98.4	98.4	98.4

(1) Other expense for the fourth quarter of 2008 and 2007 includes $12.3 and $16.2 of restructuring costs, asset impairment and lease cancellation charges, respectively.

Other expense, net, for 2008 YTD includes $40.7 of restructuring costs, asset impairment and lease cancellation charges, partially offset by ($4.5) related to a gain on sale of investments.

Other expense, net, for 2007 YTD includes $57.5 of asset impairment charges, restructuring costs and lease cancellation charges, $4.8 of certain non-recurring financing costs and $.3 of expenses related to a divestiture, partially offset by a reversal of ($3.2) related to a patent lawsuit.

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Reconciliation of Non-GAAP Financial Measures in Accordance with SEC Regulations G and S-K

Avery Dennison reports financial results in accordance with U.S. GAAP, and herein provides some non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for, GAAP financial measures. These non-GAAP financial measures are intended to supplement the Company's presentation of its financial results that are prepared in accordance with GAAP.

The Company's non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP measures, may make it difficult to assess the underlying performance of the Company in a single period. By excluding certain accounting effects, both positive and negative (e.g. gains on sales of assets, restructuring charges, asset impairments, effects of acquisitions and related costs, etc.), from certain of the Company's GAAP measures, the Company believes that it is providing meaningful supplemental information to facilitate an understanding of the Company's "core" or "underlying" operating results. These non-GAAP measures are used internally to evaluate trends in the Company's underlying business, as well as to facilitate comparison to the results of competitors for a single period. The Company applies the anticipated full-year GAAP tax rate to the non-GAAP adjustments to determine adjusted non-GAAP net income.

Limitations associated with the use of the Company's non-GAAP measures include (1) the exclusion of items that recur from time to time (e.g. restructuring, asset impairment charges, discontinued operations, etc.) from calculations of the Company's earnings and operating margin; (2) the exclusion of the effects of acquisitions, including integration costs and certain financing costs; (3) the exclusion of interest expense from the calculation of the Company's operating margin; and (4) the exclusion of any mandatory debt service requirements, as well as the exclusion of other uses of the cash generated by operating activities that do not directly or immediately support the underlying business (such as discretionary debt reductions, dividends, share repurchase, acquisitions, etc.) for calculation of free cash flow. While some of the items the Company excludes from GAAP measures recur, these items tend to be disparate in amount and timing. Based upon feedback from investors and financial analysts, the Company believes that supplemental non-GAAP measures provide information that is useful to the assessment of the Company's performance and operating trends.

The reconciliation set forth below is provided in accordance with Regulations G and S-K and reconciles the non-GAAP financial measures with the most directly comparable GAAP financial measures.

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AVERY DENNISON
PRELIMINARY RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In millions, except per share amounts)

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 27, 2008	Dec. 29, 2007	Dec. 27, 2008	Dec. 29, 2007
Reconciliation of GAAP to Non-GAAP Operating Margin:				
Net sales	$ 1,511.5	$ 1,714.0	$ 6,710.4	$ 6,307.8
Income from operations before taxes	$ 28.2	$ 98.0	$ 270.6	$ 375.3
GAAP Operating Margin	**1.9%**	**5.7%**	**4.0%**	**5.9%**
Income from operations before taxes	$ 28.2	$ 98.0	$ 270.6	$ 375.3
Non-GAAP adjustments:				
Restructuring costs	10.6	11.1	29.8	21.6
Asset impairment and lease cancellation charges	1.7	5.1	10.9	17.5
Asset impairment charges — acquisition related **(1)**	—	—	—	18.4
Transition costs associated with acquisition integrations **(2)**	6.2	16.8	24.1	43.0
Other **(3)**	—	—	(4.5)	1.9
Interest expense	28.1	34.3	115.9	105.2
Adjusted non-GAAP operating income before taxes and interest expense	$ 74.8	$ 165.3	$ 446.8	$ 582.9
Adjusted Non-GAAP Operating Margin	**4.9%**	**9.6%**	**6.7%**	**9.2%**
Reconciliation of GAAP to Non-GAAP Net Income:				
As reported net income	$ 42.6	$ 79.4	$ 266.1	$ 303.5
Non-GAAP adjustments, net of taxes:				
Restructuring costs	11.8	9.0	29.3	17.6
Asset impairment and lease cancellation charges	2.4	4.2	10.7	14.4
Asset impairment charges — acquisition related	—	—	—	14.6
Transition costs associated with acquisition integrations	7.8	13.6	23.7	34.6
Other	(0.6)	—	(4.4)	1.8
Adjusted Non-GAAP Net Income	$ 64.0	$ 106.2	$ 325.4	$ 386.5

AVERY DENNISON
PRELIMINARY RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In millions, except per share amounts)

	(UNAUDITED) Three Months Ended		Twelve Months Ended	
	Dec. 27, 2008	Dec. 29, 2007	Dec. 27, 2008	Dec. 29, 2007
Reconciliation of GAAP to Non-GAAP Earnings Per Share:				
As reported income per common share, assuming dilution	$ 0.43	$ 0.81	$ 2.70	$ 3.07
Non-GAAP adjustments per share, net of taxes:				
Restructuring costs	0.12	0.09	0.30	0.18
Asset impairment and lease cancellation charges	0.02	0.04	0.11	0.14
Asset impairment charges — acquisition related	—	—	—	0.15
Transition costs associated with acquisition integrations	0.08	0.14	0.24	0.35
Other	—	—	(0.05)	0.02
Adjusted Non-GAAP income per common share, assuming dilution	$ 0.65	$ 1.08	$ 3.30	$ 3.91
Average common shares outstanding, assuming dilution	98.6	98.6	98.7	98.9

(1) 2007 YTD includes asset impairment charges primarily related to software assets.

(2) 2008 and 2007 QTD and YTD includes transition costs associated with acquisition integrations and change-in-control costs reported in marketing, general & administrative expense. 2007 YTD also includes inventory step-up impact reported in cost of products sold.

(3) 2008 YTD includes a gain on sale of investments. 2007 YTD includes $4.8 of certain non-recurring financing costs and $.3 of expenses related to a divestiture, partially offset by reversal of an accrual for a patent lawsuit of ($3.2).

	(UNAUDITED) Twelve Months Ended	
	Dec. 27, 2008	Dec. 29, 2007
Reconciliation of GAAP to Non-GAAP Cash Flow:		
Net cash provided by operating activities	$ 539.7	$ 499.4
Purchase of property, plant and equipment	(128.5)	(190.5)
Purchase of software and other deferred charges	(63.1)	(64.3)
Proceeds from sale of investments, net	17.2	—
Free Cash Flow	$ 365.3	$ 244.6

AVERY DENNISON
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions)

(UNAUDITED)
Fourth Quarter Ended

	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2008	2007	2008 (1)	2007 (2)	2008	2007
Pressure-sensitive Materials	$ 808.1	$ 890.1	$ 41.8	$ 79.0	5.2%	8.9%
Retail Information Services	359.4	410.8	(5.4)	1.3	(1.5%)	0.3%
Office and Consumer Products	225.6	272.2	42.0	56.1	18.6%	20.6%
Other specialty converting businesses	118.4	140.9	(9.5)	0.7	(8.0%)	0.5%
Corporate Expense	N/A	N/A	(12.6)	(4.8)	N/A	N/A
Interest Expense	N/A	N/A	(28.1)	(34.3)	N/A	N/A
TOTAL FROM OPERATIONS	$1,511.5	$1,714.0	$ 28.2	$ 98.0	1.9%	5.7%

(1) Operating income for the fourth quarter of 2008 includes $12.3 of restructuring costs, asset impairment and lease cancellation charges, and $6.2 of transition costs associated with acquisition integrations; of the total $18.5, the Pressure-sensitive Materials segment recorded $2.5, the Retail Information Services segment recorded $10, the Office and Consumer Products segment recorded $4.6 and the other specialty converting businesses recorded $1.4.

(2) Operating income for the fourth quarter of 2007 includes $16.8 of transition costs associated with Paxar integration and $16.2 of restructuring costs, asset impairment and lease cancellation charges; of the total $33, the Pressure-sensitive Materials segment recorded $1, the Retail Information Services segment recorded $26.1, the Office and Consumer Products segment recorded $3.4, the other specialty converting businesses recorded $2.7 and Corporate recorded ($.2).

RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

Fourth Quarter Ended

	OPERATING INCOME		OPERATING MARGINS	
	2008	2007	2008	2007
Pressure-sensitive Materials				
Operating income, as reported	**$ 41.8**	**$ 79.0**	**5.2%**	**8.9%**
Non-GAAP adjustments:				
Restructuring costs	2.5	1.0	0.3%	0.1%
Adjusted non-GAAP operating income	**$ 44.3**	**$ 80.0**	**5.5%**	**9.0%**
Retail Information Services				
Operating income, as reported	**$ (5.4)**	**$ 1.3**	**(1.5%)**	**0.3%**
Non-GAAP adjustments:				
Restructuring costs	3.8	6.2	1.1%	1.5%
Asset impairment and lease cancellation charges	—	3.1	—	0.8%
Transition costs associated with acquisition integrations	6.2	16.8	1.7%	4.1%
Adjusted non-GAAP operating income	**$ 4.6**	**$ 27.4**	**1.3%**	**6.7%**
Office and Consumer Products				
Operating income, as reported	**$ 42.0**	**$ 56.1**	**18.6%**	**20.6%**
Non-GAAP adjustments:				
Restructuring costs	3.1	3.4	1.4%	1.3%
Asset impairment charges	1.5	—	0.7%	—
Adjusted non-GAAP operating income	**$ 46.6**	**$ 59.5**	**20.7%**	**21.9%**
Other specialty converting businesses				
Operating income, as reported	**$ (9.5)**	**$ 0.7**	**(8.0%)**	**0.5%**
Non-GAAP adjustments:				
Restructuring costs	1.2	1.1	1.0%	0.8%
Asset impairment charges	0.2	1.6	0.2%	1.1%
Adjusted non-GAAP operating income	**$ (8.1)**	**$ 3.4**	**(6.8%)**	**2.4%**

AVERY DENNISON
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions)

(UNAUDITED)
Twelve Months Year-to-Date

	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2008	2007	2008 (1)	2007 (2)	2008	2007
Pressure-sensitive Materials	$3,643.8	$3,497.7	$ 252.3	$ 318.7	6.9%	9.1%
Retail Information Services	1,548.7	1,175.4	9.4	(5.7)	0.6%	(0.5%)
Office and Consumer Products	935.8	1,016.2	144.5	173.6	15.4%	17.1%
Other specialty converting businesses	582.1	618.5	6.0	27.1	1.0%	4.4%
Corporate Expense	N/A	N/A	(25.7)	(33.2)	N/A	N/A
Interest Expense	N/A	N/A	(115.9)	(105.2)	N/A	N/A
TOTAL FROM OPERATIONS	$6,710.4	$6,307.8	$ 270.6	$ 375.3	4.0%	5.9%

(1) Operating income for 2008 includes $40.7 of restructuring costs, asset impairment and lease cancellation charges, and $24.1 of transition costs associated with acquisition integrations, partially offset by ($4.5) related to a gain on sale of investments; of the total $60.3, the Pressure-sensitive Materials segment recorded $10.4, the Retail Information Services segment recorded $35.5, the Office and Consumer Products segment recorded $12.2, the other specialty converting businesses recorded $2.8 and Corporate recorded ($.6).

(2) Operating income for 2007 includes $57.5 of asset impairment charges, restructuring costs and lease cancellation charges, $43 of transition costs associated with Paxar integration, $4.8 of certain non-recurring financing costs and $.3 of expenses related to a divestiture, partially offset by a reversal of ($3.2) related to a patent lawsuit; of the total $102.4, the Pressure-sensitive Materials segment recorded $13.8, the Retail Information Services segment recorded $74.2, the Office and Consumer Products segment recorded $4.8, the other specialty converting businesses recorded $4.2 and Corporate recorded $5.4.

RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

Twelve Months Year-to-Date

	OPERATING INCOME		OPERATING MARGINS	
	2008	2007	2008	2007
Pressure-sensitive Materials				
Operating income, as reported	**$ 252.3**	**$ 318.7**	**6.9%**	**9.1%**
Non-GAAP adjustments:				
Restructuring costs	4.6	6.1	0.1%	0.2%
Asset impairment and lease cancellation charges	5.8	10.9	0.2%	0.3%
Reversal of an accrual for a lawsuit	—	(3.2)	—	(0.1%)
Adjusted non-GAAP operating income	**$ 262.7**	**$ 332.5**	**7.2%**	**9.5%**
Retail Information Services				
Operating income, as reported	**$ 9.4**	**$ (5.7)**	**0.6%**	**(0.5%)**
Non-GAAP adjustments:				
Restructuring costs	8.6	9.7	0.6%	0.8%
Asset impairment and lease cancellation charges	2.8	3.1	0.2%	0.2%
Asset impairment charges — acquisition related	—	18.4	—	1.6%
Transition costs associated with acquisition integrations	24.1	43.0	1.5%	3.7%
Adjusted non-GAAP operating income	**$ 44.9**	**$ 68.5**	**2.9%**	**5.8%**
Office and Consumer Products				
Operating income, as reported	**$ 144.5**	**$ 173.6**	**15.4%**	**17.1%**
Non-GAAP adjustments:				
Restructuring costs	10.1	4.1	1.1%	0.4%
Asset impairment and lease cancellation charges	2.1	0.4	0.2%	0.1%
Expenses related to a divestiture	—	0.3	—	—
Adjusted non-GAAP operating income	**$ 156.7**	**$ 178.4**	**16.7%**	**17.6%**
Other specialty converting businesses				
Operating income, as reported	**$ 6.0**	**$ 27.1**	**1.0%**	**4.4%**
Non-GAAP adjustments:				
Restructuring costs	2.6	2.3	0.5%	0.4%
Asset impairment charges	0.2	1.9	—	0.3%
Adjusted non-GAAP operating income	**$ 8.8**	**$ 31.3**	**1.5%**	**5.1%**

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AVERY DENNISON
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEET
(In millions)

	(UNAUDITED) Dec. 27, 2008	Dec. 29, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 105.5	$ 71.5
Trade accounts receivable, net	988.9	1,113.8
Inventories, net	583.6	631.0
Other current assets	252.4	242.0
Total current assets	1,930.4	2,058.3
Property, plant and equipment, net	1,493.0	1,591.4
Other assets	2,612.3	2,595.1
	$ 6,035.7	$ 6,244.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term and current portion of long-term debt	$ 665.0	$ 1,110.8
Accounts payable	672.9	679.2
Other current liabilities	720.1	687.6
Total current liabilities	2,058.0	2,477.6
Long-term debt	1,544.8	1,145.0
Other long-term liabilities	682.9	632.8
Shareholders' equity:		
Common stock	124.1	124.1
Capital in excess of par value	642.9	781.1
Retained earnings	2,381.3	2,290.2
Accumulated other comprehensive (loss) income	(282.5)	84.8
Cost of unallocated ESOP shares	(1.2)	(3.8)
Employee stock benefit trusts	(246.9)	(428.8)
Treasury stock at cost	(867.7)	(858.2)
Total shareholders' equity	1,750.0	1,989.4
	$ 6,035.7	$ 6,244.8

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AVERY DENNISON
PRELIMINARY CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In millions)

	(UNAUDITED) Twelve Months Ended	
	Dec. 27, 2008	Dec. 29, 2007
Operating Activities:		
Net income	$ 266.1	$ 303.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	204.6	184.1
Amortization	73.8	58.8
Provision for doubtful accounts	17.7	18.7
Asset impairment and net loss on sale and disposal of assets	16.8	44.0
Stock-based compensation	29.0	21.6
Other non-cash items, net	(1.1)	(6.6)
	606.9	624.1
Changes in assets and liabilities and other adjustments	(67.2)	(124.7)
Net cash provided by operating activities	539.7	499.4
Investing Activities:		
Purchase of property, plant and equipment	(128.5)	(190.5)
Purchase of software and other deferred charges	(63.1)	(64.3)
Payments for acquisitions	(131.2)	(1,291.9)
Proceeds from sale of investments, net	17.2	—
Other	12.1	3.5
Net cash used in investing activities	(293.5)	(1,543.2)
Financing Activities:		
Net (decrease) increase in borrowings (maturities of 90 days or less)	(390.1)	792.2
Additional borrowings (maturities longer than 90 days)	400.1	688.8
Payments of debt (maturities longer than 90 days)	(50.7)	(222.0)
Dividends paid	(175.0)	(171.8)
Purchase of treasury stock	(9.8)	(63.2)
Proceeds from exercise of stock options, net	2.7	38.1
Other	14.3	(6.7)
Net cash (used in) provided by financing activities	(208.5)	1,055.4
Effect of foreign currency translation on cash balances	(3.7)	1.4
Increase in cash and cash equivalents	34.0	13.0
Cash and cash equivalents, beginning of year	71.5	58.5
Cash and cash equivalents, end of year	$ 105.5	$ 71.5

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Supplemental Presentation Materials

Fourth Quarter and Full Year 2008 Financial Review and Analysis

(Unaudited)

January 27, 2009

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements and financial or other business targets are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or expected results depending on a variety of factors, including but not limited to risks and uncertainties relating to investment in development activities and new production facilities; fluctuations in cost and availability of raw materials; ability of the Company to achieve and sustain targeted cost reductions; ability of the Company to generate sustained productivity improvement; successful integration of acquisitions; successful implementation of new manufacturing technologies and installation of manufacturing equipment; the financial condition and inventory strategies of customers; customer and supplier concentrations; changes in customer order patterns; loss of significant contract(s) or customer(s); timely development and market acceptance of new products; fluctuations in demand affecting sales to customers; impact of competitive products and pricing; selling prices; business mix shift; volatility of capital and credit markets; credit risks; ability of the Company to obtain adequate financing arrangements and to maintain access to capital; fluctuations in interest rates; fluctuations in pension, insurance and employee benefit costs; impact of legal proceedings, including a previous government investigation into industry competitive practices, and any related proceedings or lawsuits pertaining thereto or to the subject matter thereof related to the concluded investigation by the U.S. Department of Justice ("DOJ") (including purported class actions seeking treble damages for alleged unlawful competitive practices, which were filed after the announcement of the DOJ investigation), as well as the impact of potential violations of the U.S. Foreign Corrupt Practices Act; changes in governmental regulations; changes in political conditions; fluctuations in foreign currency exchange rates and other risks associated with foreign operations; worldwide and local economic conditions; impact of epidemiological events on the economy and the Company's customers and suppliers; acts of war, terrorism, natural disasters; and other factors.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) the impact of economic conditions on underlying demand for the Company's products; (2) the impact of competitors' actions, including pricing, expansion in key markets, and product offerings; (3) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; (4) potential adverse developments in legal proceedings and/or investigations regarding competitive activities, including possible fines, penalties, judgments or settlements; and (5) the ability of the Company to achieve and sustain targeted cost reductions.

The financial information presented in this document represents preliminary, unaudited financial results.

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP measures as defined by SEC rules. The most directly comparable GAAP measures have been included in the earnings news release for the quarter. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included with the financial schedules accompanying the earnings news release for the quarter, along with certain supplemental analysis provided in this document. ***(See Attachments A-2 through A-5 to Exhibit 99.1, news release dated January 27, 2009.)***

The Company's non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP measures, may make it difficult to assess the underlying performance of the Company in a single period. By excluding certain accounting effects, both positive and negative (e.g., gains on sales of assets, restructuring charges, asset impairments, effects of acquisitions and related costs, etc.), from certain of the Company's GAAP measures, the Company believes that it is providing meaningful supplemental information to facilitate an understanding of the Company's "core" or "underlying" operating results. These non-GAAP measures are used internally to evaluate trends in the Company's underlying business, as well as to facilitate comparison to the results of competitors for a single period. The Company applies the anticipated full-year GAAP tax rate to the non-GAAP adjustments to determine adjusted non-GAAP net income. ***(See Attachment A-2 to Exhibit 99.1 for discussion of limitations associated with the use of these non-GAAP measures.)***

The information in this document has been furnished (not filed) under Form 8-K with the SEC and is posted at the Investors section of the Company's Web site.

Full Year 2008 Overview

- Sales declined approximately 3% on an organic basis, reflecting soft market conditions as well as inventory reductions, particularly among Office Products customers
  - Reported sales up approximately 6%, driven by acquisitions and the impact of currency translation, partially offset by volume decline
- Significant raw material inflation (≈ $125 mil.) during a period of weak underlying demand compressed operating margin
  - Selling price increases and material cost-out initiatives partially offset higher raw material costs, but inflation-driven margin gap remained significant at year-end
  - Additional price increases implemented in January
- While emerging markets continued to outperform developed markets during the year, the slowdown has been global
- Paxar integration essentially complete; run-rate savings target realized at year-end

Full Year 2008 Overview (continued)

- In response to worsening market conditions, identified aggressive actions for sustainable reduction in cost structure
  - Anticipate $150 million of annual savings from new actions by 2010, impacting approx. 10% of the Company's global workforce; roughly $70 million of incremental restructuring savings (net of transition costs) from these actions expected in 2009
- Protecting investment in R&D and key growth programs
  - Allocating capital investment to emerging markets, as needed
  - Focused on select new business opportunities (e.g., new auto-ID applications, expansion in Japan, etc.)
  - Transforming the RIS business model through Enterprise Lean Sigma and investments in technology
- Notwithstanding the challenging environment, achieved record free cash flow ($365 mil.)
  - Strong free cash flow to remain a primary goal through the recession
  - Renegotiated debt covenants to increase operational flexibility

Fourth Quarter Overview

- Net sales declined 11.8% from prior year; 8.1% decline in sales on an organic basis
  - Net effect of DM Label acquisition was 0.6%
  - Currency translation reduced sales growth by 4.4% *(approx. $0.05 negative impact to earnings per share)*
- Operating margin before restructuring and asset impairment charges and transition costs associated with acquisition integrations declined to 4.9%
  - Decline reflects raw material inflation and reduced fixed cost leverage, partially offset by productivity improvement and pricing actions

Fourth Quarter Overview (continued)

- Annual effective tax rate was approx. 2%, reflecting geographic income mix and the result of effective tax planning and other factors
  - Effective tax rate for the quarter was approx. negative 51%, including net benefit of approx. $25 million from tax planning actions, changes in tax reserves, and statutory tax rate changes
  - Ongoing annual tax rate expected to be in the low 20% range, although it can vary significantly from quarter to quarter
- Reported E.P.S. of $0.43 includes $0.22 of restructuring and asset impairment charges and transition costs for acquisition integrations
  - $0.08 of transition costs associated with integrations
  - $0.14 of restructuring and asset impairment charges
- Adjusted E.P.S. of $0.65

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Underlying Sales Trends

	4Q07	1Q08	2Q08	3Q08	4Q08
Organic Sales Growth[(1)]	*(0.6)%*	*(1.9)%*	*(0.6)%*	*(2.4)%*	*(8.1)%*
Acquisitions, Net of Divestitures	15.1%	14.1%	13.5%	0.6%	0.6%
Currency Translation	7.0%	6.1%	7.1%	4.5%	(4.4)%
Reported Sales Growth	21.4%	18.4%	20.0%	2.6%	(11.8)%

(1) Reported Sales Growth less the impacts of foreign currency translation and acquisitions, net of divestitures (calculation may not tie due to rounding).

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Margin Analysis

	4Q08	4Q07	3Q08
Gross Profit Margin (total Company)	25.0%	28.1%	25.2%
Operating Margin (non-GAAP[1]):			
Pressure-sensitive Materials	5.5%	9.0%	6.9%
Retail Information Services	1.3%	6.7%	1.6%
Office and Consumer Products	20.7%	21.9%	17.0%
Other specialty converting businesses	(6.8)%	2.4%	1.4%
Total Company	4.9%	9.6%	6.6%

(1) Earnings before interest and taxes, restructuring and asset impairment charges, and other items detailed in Attachments A-3 and A-4 of Exhibit 99.1.

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Key Factors Impacting Margin[1]

- Gross profit margin declined to 25.0%
  - Decline reflects raw material inflation and reduced fixed cost leverage, partially offset by benefits from productivity and pricing actions
- Marketing, general and administrative (MG&A) expense ratio increased by 1.7 points compared to the prior year
  - Absolute MG&A spending (before integration costs) decreased by approximately $13 mil. compared to the prior year, as currency translation (approx. $11 mil.) and cost reductions more than offset increased spending related to DM Label acquisition (approx. $3 mil.) and incremental amortization of intangibles (approx. $2 mil.)

(1) Comparisons to prior year exclude acquisition integration costs incurred in both years; see Slide 18 for reconciliation

4Q08 Segment Overview

PRESSURE-SENSITIVE MATERIALS

- Reported sales of $808 mil., down 9% compared with prior year
  - Organic sales decline of approx. 4%
- Change in sales for roll materials business by region, *adjusted for the effect of currency and intercompany sales:*
  - Europe and North America both down at low single digit rates
  - Asia grew at low single digit rate
  - South America down mid single digit rate
- Graphics & Reflective business down low double digit rate before currency
- Excluding restructuring charges and other items, operating margin declined to 5.5%, as reduced fixed cost leverage and the effects of raw material inflation more than offset the benefit of price increases, restructuring and other productivity initiatives
  - Implemented additional price increases in roll materials business in January to mitigate continued margin gap due to inflation

4Q08 Segment Overview (continued)

RETAIL INFORMATION SERVICES

- Reported sales of $359 mil., down 13% compared with prior year
  - Organic sales decline of approx. 12%
  - Continued weakness of domestic retail apparel market and further weakening in Europe
- Operating margin before transition costs, restructuring, and other items declined to 1.3%, as incremental integration savings (approx. $11 mil.) and other productivity actions were more than offset by the effects of:
  - Lower volume (reduced fixed cost leverage)
  - Employee-related, raw material and other cost inflation
  - Incremental intangible amortization (approx. $2 mil.)

4Q08 Segment Overview (continued)

OFFICE AND CONSUMER PRODUCTS

- Reported sales of $226 mil., down 17% compared with prior year
  - Organic sales decline of approx. 14%, reflecting combination of weak end market demand and tight inventory control among customers
- Excluding restructuring charges and other items, operating margin declined by 1.2 points to 20.7%, reflecting reduced fixed cost leverage and raw material inflation, partially offset by price increases, restructuring and other productivity initiatives
  - Additional price increases took effect January 1

OTHER SPECIALTY CONVERTING BUSINESSES

- Reported sales of $118 mil., down 16% compared with prior year
  - Organic sales decline of approx. 14%, or approx. 13% when adjusted for exit of low margin distribution business
- Excluding restructuring charges and other items, operating margin declined to negative 6.8%, as the benefit of productivity initiatives and a reduction in the loss from RFID was more than offset by reduced fixed cost leverage and inflation

FY08 Cash Flow and Y/E Debt-To-Total Capital

(Millions, except as noted)	2008	2007
Net cash provided by operating activities	$ 539.7	$ 499.4
Purchase of property, plant and equipment	$(128.5)	$(190.5)
Purchase of software and other deferred charges	$ (63.1)	$ (64.3)
Proceeds from sale of investments, net	$ 17.2	$ 0.0
Free Cash Flow[1]	$ 365.3	$ 244.6
Dividends paid	$(175.0)	$(171.8)
Purchase of treasury stock	$ (9.8)	$ (63.2)
Total debt to total capital	55.8%	53.1%

[1] Net cash provided by operating activities (as reported), less purchase of property, plant, equipment, software, and other deferred charges, plus proceeds from sale of investments, net.

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Actions to Increase Operational Flexibility

- Secured agreements to amend credit facility covenants to increase operating flexibility (effective 1/23/09):

Revised Covenants for Revolving Credit Facility and Term Loan

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10+
Interest Coverage Ratio (Minimum)	2.50	2.25	2.10	2.25	2.60	3.00	3.25	3.50
Leverage Ratio (Maximum)	4.00	4.25	4.25	4.00	3.75	3.50	3.50	3.50

- Amendments include carve-out for up to $155 mil. of cumulative restructuring charges for 4Q08 through 4Q09
- Pricing = LIBOR + 225 basis points at current debt rating

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Contributing Factors to 2009 Financial Results

P&L Considerations

Two key variables are too volatile to provide meaningful 2009 earnings forecast:

- Volume *(see Slide 17 for sensitivity to volume assumption)*
- Raw material costs and pricing trend *(assumed net neutral impact for modeling purposes)*

Other factors that will impact 2009 earnings include:

- Currency translation *(at current rates, represents approx. 7% headwind to reported sales growth; approx. $40 mil. negative impact to EBIT vs. 2008)*
- Estimated $70 mil. of savings (net of transition costs) from new restructuring actions
  - Majority of the $120 mil. estimated total restructuring costs associated with new actions will be recognized in 2009
- Carryover savings of approx. $40 mil. from previously implemented actions
- Increased investment in new business opportunities and transformation of RIS business model
- Incremental pension and other employee-related expenses
- Lower interest expense
- Higher tax rate
- Certain anticipated changes to capital structure
- 53 weeks in 2009 fiscal year; 14 weeks in first quarter (minimal benefit to FY earnings)

Contributing Factors to 2009 Financial Results (continued)

Cash Flow Considerations

- Capital expenditures (including IT) of $120 to $150 mil.
  - Depreciation and amortization ≈ $275 mil.
- Expected incremental contribution to pension fund = $25 mil.

Sensitivity of Results to Recent Revenue Trends

- Combining recent revenue trends and factors outlined on Slides 16 and 17 could yield the following results in 2009:

Revenue Scenario	Adjusted EPS*	Free Cash Flow
Continuation of 4Q08 revenue trend (down ≈ 8% on organic basis)	≈ $1.00	≈ $260 mil.
Continuation of FY08 revenue trend (down ≈ 3% on organic basis)	≈ $2.00	≈ $300 mil.

** Excludes restructuring and asset impairment charges, transition costs associated with acquisition integrations, and other items, totaling an estimated $120 mil. on a pre-tax basis.*

This information is provided for illustrative purposes only.

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Backup: Fourth Quarter Margin Comparison
Reconciliation for Effects of Acquisition Integration Costs

($ in millions, except as noted)	4Q08 AVY	4Q07 AVY	Variance Fav (Unf)[3]
Net Sales, as reported	1,511.5	1,714.0	
Gross Profit, as reported	378.4	481.5	
Integration Transition Costs[1]	---	---	
Adjusted Gross Profit	378.4	481.5	
Adjusted Gross Profit Margin	*25.0%*	*28.1%*	*(310) b.p.*
MG&A Expense, as reported	309.8	333.0	
Integration Transition Costs[1]	6.2	16.8	
Adjusted MG&A Expense	303.6	316.2	
Adjusted MG&A, as a % of sales	*20.1%*	*18.4%*	*(170) b.p.*
Adjusted Non-GAAP Operating Income[2]	74.8	165.3	
Adjusted Non-GAAP Operating Margin[2]	*4.9%*	*9.6%*	*(470) b.p.*

1) Includes consulting fees, change of control costs, inventory step-up (recorded in cost of sales), etc.
2) See Attachment A-3 to Exhibit 99.1
3) Does not tie due to rounding

AVERY DENNISON

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AVERY DENNISON CORPORATION

SECOND AMENDMENT TO FIRST AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

This SECOND AMENDMENT TO FIRST AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Amendment") is dated as of January 23, 2009 and entered into by and among AVERY DENNISON CORPORATION, a Delaware corporation (the "Borrower"), the financial institutions listed on the signature pages hereof (collectively, the "Banks" and individually, each a "Bank") and CITICORP USA, INC., as administrative agent for the Banks (the "Administrative Agent"), and is made with reference to that certain First Amended and Restated Revolving Credit Agreement dated as of August 10, 2007, by and among the Borrower, the Banks, the Administrative Agent and Bank of America, N.A., as Syndication Agent, as amended by the First Amendment to First Amended and Restated Revolving Credit Agreement dated as of June 27, 2008 (as so amended, the "Credit Agreement"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement.

RECITALS:

WHEREAS, the Borrower and the Banks desire to amend the Credit Agreement to (i) adjust the pricing structure, (ii) adjust the financial covenants and (iii) make certain other amendments as set forth below;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. AMENDMENTS TO THE CREDIT AGREEMENT

1.1 Amendments to Section 1: Definitions and Accounting Terms

A. Section 1.01 of the Credit Agreement is hereby amended by adding thereto the following definitions, which shall be inserted in proper alphabetical order:

""Second Amendment Effective Date" means January 23, 2009."

""Rating Level VI" has the meaning assigned to that term in Section 1.08."

""Restructuring Charges" means, as described in the amendment request by the Borrower, dated January 2009, delivered to Banks by the Administrative Agent on January 9, 2009, cash and non-cash restructuring charges of the Borrower and the Consolidated Subsidiaries for the fiscal quarter ending December 27, 2008 through the fiscal year ending January 2, 2010 in an aggregate amount not to exceed $155,000,000."

B. Section 1.01 of the Credit Agreement is hereby amended by deleting the definitions of “Applicable Margin”, “Consolidated Earnings Before Interest and Taxes” and “Consolidated EBITDA” therefrom in their entirety and substituting the following therefor:

““Applicable Margin” means, from time to time from and after the Restatement Date but prior to the Second Amendment Effective Date, for the designated Rating Level, Utilization Ratio applicable to such date of determination and Type of Loan, the following interest rates per annum:

	Applicable Margin when Utilization Ratio is equal to or less than 0.50:1.00		Applicable Margin when Utilization Ratio is greater than 0.50:1.00	
	TYPE OF LOAN		TYPE OF LOAN	
	Base Rate Loan	Eurocurrency Rate Loan	Base Rate Loan	Eurocurrency Rate Loan
Rating Level I	0%	0.135%	0.050%	0.185%
Rating Level II	0%	0.150%	0.050%	0.200%
Rating Level III	0%	0.190%	0.050%	0.240%
Rating Level IV	0%	0.270%	0.100%	0.370%
Rating Level V	0%	0.500%	0.125%	0.625%

; provided that the Applicable Margin on and after the Second Amendment Effective Date shall be the following applicable interest rates per annum, based upon the Rating Level and Type of Loan, set forth below;

	TYPE OF LOAN	
	Base Rate Loan	Eurocurrency Rate Loan
Rating Level I	0.800%	1.800%
Rating Level II	1.050%	2.050%
Rating Level III	1.250%	2.250%

	TYPE OF LOAN	
	Base Rate Loan	Eurocurrency Rate Loan
Rating Level IV	1.650%	2.650%
Rating Level V	2.000%	3.000%
Rating Level VI	2.500%	3.500%

For purposes of this definition, "Utilization Ratio" means, as of any date of determination, the ratio of (1) the aggregate outstanding principal amount of all Loans as of such date to (2) the Commitments in effect as of such date (whether used or unused) of all Banks. The Applicable Margin shall be adjusted daily to reflect changes in the Rating Level (and, if applicable, the Utilization Ratio) applicable to the Borrower; provided, however, in the event of a change in the Borrower's Rating Level, the Applicable Margin with respect to outstanding Eurocurrency Rate Loans will continue to be in effect until the end of the then existing Interest Period. The then existing Applicable Margins shall thereupon be effective as to any new or continued Eurocurrency Rate Loans.

""Consolidated Earnings Before Interest and Taxes" means, as of any date of determination, the earnings of the Borrower and the Consolidated Subsidiaries for the twelve month fiscal period most recently ended on or prior to such date before deducting interest expense and taxes on or measured by income charged against earnings for such period plus, without duplication, to the extent deducted in the determination of such earnings, Restructuring Charges and non-cash expenses of the Borrower and the Consolidated Subsidiaries, which do not represent usage of cash in such period or any future period."

""Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication, to the extent deducted in the determination of such Consolidated Net Income, (a) Consolidated Interest for such period, (b) the provision for income taxes for such period, (c) depreciation and amortization expense for such period, (d) Restructuring Charges and (e) non-cash expenses of Borrower and the Consolidated Subsidiaries reducing such Consolidated Net Income, which do not represent usage of cash in such period or any future period."

C. Section 1.08 of the Credit Agreement is hereby amended by deleting it in its entirety and substituting the following therefor:

"**1.08 Pricing Levels**. For purposes of this Agreement, the following terms have the following meanings, subject to the concluding paragraph of this Section 1.08:

"Rating Level I" means a period during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) A+ by S&P, or (ii) A1 by Moody's; provided that on or after the Second Amendment Effective Date, this term means a period during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) A- by S&P, or (ii) A3 by Moody's.

"Rating Level II" means a period (other than a Rating Level I) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) A by S&P, or (ii) A2 by Moody's; provided that on or after the Second Amendment Effective Date, this term means a period (other than a Rating Level I) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) BBB+ by S&P, or (ii) Baa1 by Moody's.

"Rating Level III" means a period (other than a Rating Level I or a Rating Level II) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) A- by S&P, or (ii) A3 by Moody's; provided that on or after the Second Amendment Effective Date, this term means a period (other than a Rating Level I or a Rating Level II) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) BBB by S&P, or (ii) Baa2 by Moody's.

"Rating Level IV" means a period (other than a Rating Level I, a Rating Level II or a Rating Level III) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) BBB+ by S&P, or (ii) Baa1 by Moody's; provided that on or after the Second Amendment Effective Date, this term means a period (other than a Rating Level I, a Rating Level II or a Rating Level III) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) BBB- by S&P, or (ii) Baa3 by Moody's.

"Rating Level V" means any period which is not a Rating Level I, a Rating Level II, a Rating Level III, or a Rating Level IV; provided that on or after the Second Amendment Effective Date, this term means a period (other than a Rating Level I, a Rating Level II, a Rating Level III or a Rating Level IV) during which the long-term senior unsecured debt rating of the Borrower is equal to or better than (i) BB+ by S&P, or (ii) Ba1 by Moody's.

"Rating Level VI" means any period which is not a Rating Level I, a Rating Level II, a Rating Level II, a Rating Level IV or a Rating Level V.

The credit ratings to be used for purposes of this Section 1.08 are those assigned to the long-term senior unsecured debt of the Borrower without third-party credit enhancement. Any rating assigned to any other debt of the Borrower shall be disregarded. The rating in effect at any date is that in effect at the close of business on such date.

If the Borrower is split-rated and the ratings differential is one level, the higher of the two ratings will apply (e.g., prior to the Second Amendment Effective Date, A+/A2 results in a Rating Level I and BBB+/A3 results in a Rating Level III). If the Borrower is split-rated and the ratings differential is more than one level, the rating one level below the higher of the two ratings shall be used (e.g., prior to the Second Amendment Effective Date, A+/A3 results in a Rating Level II). If, however, at any date the Borrower's long-term senior unsecured debt is not rated by both S&P and Moody's, then a Rating Level V shall apply; provided that at any date on or after the Second Amendment Effective Date, if the Borrower's long-term senior unsecured debt is not rated by both S&P and Moody's, then a Rating Level VI shall apply; provided further, however, in either case, if a rating by either Moody's or S&P is unavailable because Moody's or S&P has ceased to be in the business of providing ratings, or no longer provides ratings of companies similar to the Borrower, the rating level of the remaining rating agency shall apply."

1.2 Amendment to Section 2: Loans

A. Section 2.08(a) of the Credit Agreement is hereby amended by deleting it in its entirety and substituting the following therefor:

"(a) **Facility Fee**. The Borrower shall pay to the Administrative Agent, for the account of the Banks ratably in proportion to their Commitments, a facility fee on the daily average aggregate amount of the Commitments (including both the portion thereof that is used and the portion thereof that is unused), at the rate of: (i) prior to the Second Amendment Effective Date, (A) 0.040% per annum during each Rating Level I, (B) 0.050% per annum during each Rating Level II, (C) 0.060% per annum during each Rating Level III, (D) 0.080% per annum during each Rating Level IV, and (E) 0.125% per annum during each Rating Level V; and (ii) on or after the Second Amendment Effective Date, (A) 0.200% per annum during each Rating Level I or Rating Level II, (B) 0.250% per annum during each Rating Level III, (C) 0.350% per annum during each Rating Level IV, (D) 0.500% per annum during each Rating Level V or Rating Level VI. Such facility fee shall accrue, with respect to any Bank, from and including the Restatement Date to but excluding the Maturity Date of such Bank, payable quarterly in advance as of each April 1, July 1, October 1 and January 1 prior to the Maturity Date of such Bank, commencing October 1, 2007. The facility fee provided in this subsection shall be nonrefundable and shall accrue at all times after the Restatement Date, including at any time during which one or more conditions in Section 4 are not met."

1.3 Amendments to Section 7: Negative Covenants

A. Section 7.02 of the Credit Agreement is hereby amended by deleting it in its entirety and substituting the following therefor:

"**7.02 Liens**. Create, incur, assume or permit to exist any Lien upon any of its property or assets (other than Unrestricted Margin Stock) now owned or hereafter acquired if the aggregate obligations secured by all such Liens exceeds, or would exceed (giving effect to any proposed new Lien), for any date prior to April 1, 2011, an amount equal to 5% of Consolidated Net Worth, and, on or after April 3, 2011, an amount equal to 10% of Consolidated Net Worth, except, in both cases:

(a) Liens for taxes not delinquent or being contested in good faith by appropriate proceedings in accordance with Section 6.04;

(b) Liens arising in connection with workers' compensation, unemployment insurance or social security obligations;

(c) mechanics', workmen's, materialmen's, landlords', carriers', or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings;

(d) minor Liens which do not in the aggregate materially detract from the value of its property or assets or materially impair their use in the operation of the business of the Borrower or the Subsidiary owning same;

(e) Liens in existence on property at the time of its acquisition by the Borrower or its Subsidiary;

(f) Liens under the Loan Documents; and

(g) purchase money Liens in connection with nonrecourse tax sale and leaseback transactions."

B. Section 7.07 of the Credit Agreement is hereby amended by deleting it in its entirety and substituting the following therefor:

"**7.07 Financial Covenants**.

(a) Not permit the Leverage Ratio at any time during any of the periods set forth below to exceed the correlative ratio indicated:

Period	Maximum Leverage Ratio
Second Amendment Effective Date — April 4, 2009	4.00:1.00
April 5, 2009 — October 3, 2009	4.25:1.00
October 4, 2009 — January 2, 2010	4.00:1.00
January 3, 2010 — April 3, 2010	3.75:1.00
April 4, 2010 and thereafter	3.50:1.00

(b) Not permit the ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest at any time during any of the periods set forth below to be less than the correlative ratio indicated:

Period	Minimum Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest
Second Amendment Effective Date — April 4, 2009	2.50:1.00
April 5, 2009 — July 4, 2009	2.25:1.00
July 5, 2009 — October 3, 2009	2.10:1.00
October 4, 2009 — January 2, 2010	2.25:1.00
January 3, 2010 — April 3, 2010	2.60:1.00
April 4, 2010 — July 3, 2010	3.00:1.00
July 4, 2010 — October 2, 2010	3.25:1.00
October 3, 2010 and thereafter	3.50:1.00”

1.02 Amendment to Exhibit C to Credit Agreement. Exhibit C to the Credit Agreement is hereby amended by deleting it in its entirety and substituting Exhibit C attached hereto therefor.

SECTION 2. CONDITIONS TO EFFECTIVENESS

Section 1 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the “Second Amendment Effective Date”):

A. On or before the Second Amendment Effective Date, the Administrative Agent’s receipt of executed counterparts of this Amendment from Borrower and Majority Banks sufficient in number for distribution to the Administrative Agent, each Bank and the Borrower, which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, properly executed by a Designated Officer of the Borrower (in the case of Borrower) and in form and substance satisfactory to the Administrative Agent and each of the Banks.

B. All fees and expenses payable to the Administrative Agent and Banks pursuant to the Credit Agreement, this Amendment or otherwise agreed to by the Borrower and the Administrative Agent that are due and payable on or prior to the Second Amendment Effective Date have been paid in full. The Borrower shall have paid to the Administrative Agent for distribution to each Bank executing this Amendment by no later than 5:00 p.m. New York time on January 23, 2009 an amendment fee equal to 0.25% of the aggregate amount of the Commitments (including both the portion thereof that is used and the portion thereof that is unused) of such Bank.

SECTION 3. REPRESENTATIONS AND WARRANTIES

In order to induce the Banks to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, the Borrower represents and warrants to the Administrative Agent and the Banks that the following statements are true, correct and complete:

A. Corporate Power and Authority. The Borrower has all requisite corporate power and authority to conduct its business, to own and lease its properties and to execute and deliver this Amendment and to perform all of its obligations under the Credit Agreement as amended by this Amendment (the "Amended Agreement").

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement have been duly authorized by all necessary corporate action on the part of the Borrower.

C. No Conflict. The execution and delivery by the Borrower of this Amendment and the performance by the Borrower of the Amended Agreement do not and will not (i) require any consent or approval not heretofore obtained of any stockholder, security holder or creditor; (ii) violate or conflict with any provision of the Borrower's charter, certificate, articles of incorporation or bylaws, or amendments thereof; (iii) result in or require the creation or imposition of any Lien or Rights of Others upon or with respect to any property now owned or leased or hereafter acquired by the Borrower; (iv) violate any provision of any Laws (including without limitation Regulation U of the FRB), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to the Borrower; or (v) result in a breach of or constitute a default under, or cause or permit the acceleration of any obligation owed under, any indenture or loan or credit agreement or any other material agreement, lease, or instrument to which the Borrower is a party or by which the Borrower or any of its property, is bound or affected; and the Borrower is not in default under any Laws, order, writ, judgment, injunction, decree, determination, award, indenture, agreement, lease, or instrument described in clause (v) of this subsection C in any respect that would have a Material Adverse Effect.

D. Governmental Consents. No authorization, consent, approval, order, license or permit from, or filing, registration, or qualification with, or exemption from any of the foregoing from, any Governmental Agency is or will be required to authorize or permit under applicable Laws the execution and delivery by the Borrower of this Amendment and the performance by the Borrower of the Amended Agreement.

E. Binding Obligation. This Amendment has been duly executed and delivered by the Borrower and this Amendment and the Amended Agreement constitute the legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting creditors' rights generally or by equitable principles relating to the granting of specific performance and other equitable remedies as a matter of judicial discretion.

F. Incorporation of Representations and Warranties From Credit Agreement. The representations and warranties contained in Section 5 of the Credit Agreement are and will be true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

G. Absence of Default. No Default or Event of Default exists or will result from the consummation of the transactions contemplated by this Amendment.

SECTION 4. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the Second Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Amended Agreement.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Bank under, the Credit Agreement or any of the other Loan Documents.

B. Fees and Expenses. The Borrower acknowledges that all costs, fees and expenses as described in Section 10.03 of the Credit Agreement incurred by the Administrative Agent and its counsel with respect to this Amendment and the documents and transactions contemplated hereby shall be for the account of the Borrower.

C. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

D. Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

E. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Section 1 hereof, the effectiveness of which is governed by Section 2 hereof) shall become effective upon the execution of a counterpart hereof by the Borrower and Majority Banks and receipt by the Borrower and the Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

AVERY DENNISON CORPORATION,
as the Borrower

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

CITICORP USA, INC., as the Administrative Agent and as a Bank

By: ______________________________

Name: ______________________________

Title: ______________________________

____, as a Bank

By: ____

Name: ___________________________________

Title: ___________________________________

EXHIBIT C

COMPLIANCE CERTIFICATE

Citicorp USA, Inc., as Administrative Agent

Reference is made to that certain First Amended and Restated Revolving Credit Agreement dated as of August 10, 2007 among Avery Dennison Corporation (the "Borrower"), the Banks named therein (the "Banks"), Citicorp USA, Inc., as administrative agent (the "Administrative Agent"), and Bank of America, N.A., as syndication agent, as amended by the First Amendment to First Amended and Restated Revolving Credit Agreement dated as of June 27, 2008 and the Second Amendment to First Amended and Restated Revolving Credit Agreement dated as of January 23, 2000 (as so amended and as amended, extended, restated, modified or supplemented, the "Credit Agreement;" capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement).

I, ___________, hereby certify that I am a Designated Officer of the Borrower holding the office set forth below my signature and that:

1. Based on the duly certified financial statements delivered concurrently with this Certificate, as of the date thereof:

A. LEVERAGE RATIO (Section 7.07(a))	
1. Consolidated Debt:	$ ________
2. Consolidated EBITDA	
a. Consolidated Net Income:	$ ________
b. Consolidated Interest:	$ ________
c. Provision for income taxes:	$ ________
d. Depreciation and amortization expense:	$ ________
e. Restructuring Charges:	$ ________
f. Non-cash expenses reducing Consolidated Net Income which do not represent usage of cash in such period or any future period:	$ ________
g.Total (Lines A.2.a + b + c + d + e + f):	$ ________
4. Leverage Ratio (Line A.1 ÷ Line A.2.g.):	_____ to 1

Maximum permitted Leverage Ratio:

Period	Maximum Leverage Ratio
Second Amendment Effective Date — April 4, 2009	4.00:1.00
April 5, 2009 — October 3, 2009	4.25:1.00
October 4, 2009 — January 2, 2010	4.00:1.00
January 3, 2010 — April 3, 2010	3.75:1.00
April 4, 2010 and thereafter	3.50:1.00

B. RATIO OF CONSOLIDATED EARNINGS BEFORE INTEREST AND TAXES TO CONSOLIDATED INTEREST (Section 7.07(b))

1. Consolidated Earnings Before Interest and Taxes:	$______
2. Consolidated Interest:	$______
3. Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest (Line B1 ÷ Line B2):	_____to 1

Required minimum ratio:.

Period	Minimum Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest
Second Amendment Effective Date — April 4, 2009	2.50:1.00
April 5, 2009 — July 4, 2009	2.25:1.00
July 5, 2009 — October 3, 2009	2.10:1.00
October 4, 2009 — January 2, 2010	2.25:1.00
January 3, 2010 — April 3, 2010	2.60:1.00
April 4, 2010 — July 3, 2010	3.00:1.00
July 4, 2010 — October 2, 2010	3.25:1.00
October 3, 2010 and thereafter	3.50:1.00”

2. The following constitutes a further explanation of the manner in which the foregoing data relate to the attached financial statements to the extent not readily apparent:

____

____

____

3. I have reviewed the activities of the Borrower and its Subsidiaries during the fiscal period covered by the attached financial statements to the extent necessary to permit me to deliver this Certificate.

4. Except with respect to the Defaults and Events of Default specified and explained as to their nature and status below, the Borrower and its Subsidiaries have performed and observed each covenant and condition of the Loan Documents applicable to them during the fiscal period covered by the attached financial statements, and there exists no Default or Event of Default:

____

____

____

IN WITNESS WHEREOF, I have signed this Compliance Certificate on behalf of Avery Dennison Corporation on this _____ day of __________, 20__.

By ______________________________
Name ____________________________
Title ____________________________

AVERY DENNISON OFFICE PRODUCTS COMPANY

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is dated as of January 23, 2009 and entered into by and among AVERY DENNISON OFFICE PRODUCTS COMPANY, a Nevada corporation (the "Borrower"), AVERY DENNISON CORPORATION, a Delaware corporation ("Holdings"), the financial institutions listed on the signature pages hereof (collectively, the "Lenders" and individually, each a "Lender") and BANK OF AMERICA, N.A., as administrative agent for the Lenders (the "Administrative Agent"), and is made with reference to that certain Credit Agreement dated as of February 8, 2008, by and among the Borrower, Holdings, the Lenders and the Administrative Agent, as amended by the First Amendment to Credit Agreement dated as of June 27, 2008 (as so amended, the "Credit Agreement"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement.

PRELIMINARY STATEMENTS:

The Borrower, Holdings and the Lenders desire to amend the Credit Agreement to (i) adjust the pricing structure, (ii) adjust the financial covenants, (iii) add an amortization schedule and (iv) make certain other amendments as set forth below;

In consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE I: AMENDMENTS TO THE CREDIT AGREEMENT

1.1 Amendments to Section 1: Definitions

A. Section 1.01 of the Credit Agreement is hereby amended by adding thereto the following definitions, which shall be inserted in proper alphabetical order:

""Second Amendment Effective Date" means January 23, 2009."

""Restructuring Charges" means, as described in the amendment request by Holdings, dated January 2009, delivered to Lenders by the Administrative Agent on January 9, 2009, cash and non-cash restructuring charges of Holdings and its Consolidated Subsidiaries for the fiscal quarter ending December 27, 2008 through the fiscal year ending January 2, 2010 in an aggregate amount not to exceed $155,000,000."

B. Section 1.01 of the Credit Agreement is hereby amended by deleting the definitions of "Applicable Rate", "Consolidated Earnings Before Interest and Taxes" and "Consolidated EBITDA" therefrom in their entirety and substituting the following therefor:

““Applicable Rate” means in respect of the Loans, from time to time from and after the Closing Date but prior to the Second Amendment Effective Date, the following percentages per annum, based upon the Debt Rating set forth below:

Applicable Rate

Pricing Level	Debt Ratings S&P/Moody’s	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A+/A1 or better	0.300%	0.000%
2	A/A2	0.350%	0.000%
3	A-/A3	0.450%	0.000%
4	BBB+/Baa1	0.550%	0.000%
5	BBB/Baa2 or lower	0.850%	0.000%

; provided that the Applicable Rate on and after the Second Amendment Effective Date shall be the following percentages per annum, based upon the Debt Rating set forth below:

Applicable Rate

Pricing Level	Debt Ratings S&P/Moody’s	Applicable Margin for LIBOR Loans	Applicable Margin for Base Rate Loans
1	A-/A3	2.000%	1.000%
2	BBB+/Baa1	2.250%	1.250%
3	BBB/Baa2	2.500%	1.500%
4	BBB-/Baa3	3.000%	2.000%
5	BB+/Ba1	3.500%	2.500%
6	BB/Ba2	4.000%	3.000%

“Debt Rating” means, as of any date of determination, the rating as determined by either S&P or Moody’s (collectively, the “Debt Ratings”) of Holdings’ non-credit-enhanced, senior unsecured long-term debt; provided that (a) if the respective Debt Ratings issued by the foregoing rating agencies differ by one level, then the Pricing Level for the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 5 (if before the Second Amendment Effective Date) or 6 (if on or after the Second Amendment Effective Date) being the lowest); (b) if there is a split in Debt Ratings of more than one level, then the Pricing Level that is one level lower than the Pricing Level of the higher Debt Rating shall apply; (c) if Holdings has only one Debt Rating, the Pricing Level that is one level lower than that of such Debt Rating shall apply; and (d) if Holdings does not have any Debt Rating, Pricing Level 5 (if before the Second Amendment Effective Date) or 6 (if on or after the Second Amendment Effective Date) shall apply.

Initially, the Applicable Rate shall be based upon the Debt Rating in effect as of the Closing Date. Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change."

""Consolidated Earnings Before Interest and Taxes" means, as of any date of determination, the earnings of Holdings and the Consolidated Subsidiaries for the twelve month fiscal period most recently ended on or prior to such date before deducting interest expense and taxes on or measured by income charged against earnings for such period plus, without duplication, to the extent deducted in the determination of such earnings, Restructuring Charges and non-cash expenses of Holdings and the Consolidated Subsidiaries which do not represent usage of cash in such period or any future period."

""Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, without duplication, to the extent deducted in the determination of such Consolidated Net Income, (a) Consolidated Interest for such period, (b) the provision for income taxes for such period, (c) depreciation and amortization expense for such period, (d) Restructuring Charges and (e) non-cash expenses of Holdings and the Consolidated Subsidiaries reducing such Consolidated Net Income, which do not represent usage of cash in such period or any future period."

1.2 Amendment to Section 2: The Commitments and Loans

A. Section 2.03 is hereby amended by deleting it in its entirety and substituting the following therefor:

"2.03 Optional Prepayments. The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 9:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment of the outstanding Loans pursuant to this Section 2.03 shall be paid to the Lenders in accordance with their respective

Applicable Percentages to reduce the scheduled installments of principal of the Loans set forth in Section 2.05 in inverse chronological order."

B. Section 2.05 is hereby amended by deleting it in its entirety and substituting the following therefor:

"2.05 Repayment of Loans. The Borrower shall repay to the Lenders the aggregate principal amount of all outstanding Loans as follows:

Date	Scheduled Repayment
April 3, 2009	$ 15,000,000
July 3, 2009	$ 15,000,000
October 2, 2009	$ 15,000,000
December 31, 2009	$ 15,000,000
April 2, 2010	$ 15,000,000
July 2, 2010	$ 15,000,000
October 1, 2010	$ 15,000,000
December 31, 2010	$ 15,000,000
Maturity Date	$280,000,000
Total:	**$400,000,000**

; provided that the scheduled installments of principal of the Loans set forth above shall be reduced in connection with any voluntary prepayments of the Loans in accordance with Section 2.03; and provided, further that the Loans and all other amounts owed hereunder with respect to the Loans shall be paid in full no later than the Maturity Date, and the final installment payable by Borrower on such date shall be in an amount, if such amount is different from that specified above, sufficient to repay all amounts owing by Borrower under this Agreement."

1.3 Amendments to Section 7: Negative Covenants

A. Section 7.02 of the Credit Agreement is hereby amended by deleting the reference to "10%" contained therein and substituting "5%" therefor.

B. Section 7.07 of the Credit Agreement is hereby amended by deleting it in its entirety and substituting the following therefor:

“7.07 Financial Covenants.

(a) Not permit the Leverage Ratio at any time during any of the periods set forth below to exceed the correlative ratio indicated:

Period	Maximum Leverage Ratio
Second Amendment Effective Date — April 4, 2009	4.00:1.00
April 5, 2009 — October 3, 2009	4.25:1.00
October 4, 2009 — January 2, 2010	4.00:1.00
January 3, 2010 — April 3, 2010	3.75:1.00
April 4, 2010 and thereafter	3.50:1.00

(b) Not permit the ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest at any time during any of the periods set forth below to be less than the correlative ratio indicated:

Period	Minimum Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest
Second Amendment Effective Date — April 4, 2009	2.50:1.00
April 5, 2009 — July 4, 2009	2.25:1.00
July 5, 2009 — October 3, 2009	2.10:1.00
October 4, 2009 — January 2, 2010	2.25:1.00
January 3, 2010 — April 3, 2010	2.60:1.00
April 4, 2010 — July 3, 2010	3.00:1.00
July 4, 2010 — October 2, 2010	3.25:1.00
October 3, 2010 and thereafter	3.50:1.00”

1.4 Amendment to Exhibit C to Credit Agreement. Exhibit C to the Credit Agreement is hereby amended by deleting it in its entirety and substituting Exhibit C attached hereto therefor.

ARTICLE II: CONDITIONS TO EFFECTIVENESS

Article I of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the "Second Amendment Effective Date"):

A. On or before the Second Amendment Effective Date, the Administrative Agent's receipt of executed counterparts of this Amendment from Borrower, Holdings and Majority Lenders sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower, which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, properly executed by a Designated Officer of the signing Loan Party (in the case of Borrower and Holdings) and in form and substance satisfactory to the Administrative Agent and each of the Lenders.

B. All fees and expenses payable to the Administrative Agent and Lenders pursuant to the Credit Agreement, this Amendment or otherwise agreed to by the Borrower and the Administrative Agent that are due and payable on or prior to the Second Amendment Effective Date have been paid in full. The Borrower shall have paid to the Administrative Agent for distribution to each Lender executing this Amendment by no later than 5:00 p.m. New York time on January 23, 2009 an amendment fee equal to 0.25% of the outstanding principal amount of Loans held by such Lender.

ARTICLE III : REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, each of Holdings and the Borrower represents and warrants to the Administrative Agent and the Lenders that the following statements are true, correct and complete:

A. Corporate Power and Authority. Each Loan Party has all requisite corporate power and authority to conduct its business, to own and lease its properties and to execute and deliver this Amendment and to perform all of its obligations under the Credit Agreement as amended by this Amendment (the "Amended Agreement").

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement have been duly authorized by all necessary corporate action on the part of each Loan Party.

C. No Conflict. The execution and delivery by each Loan Party of this Amendment and the performance by each Loan Party of the Amended Agreement do not and will not (i) require any consent or approval not heretofore obtained of any stockholder, security holder or creditor; (ii) violate or conflict with any provision of such Loan Party's charter, certificate, articles of incorporation or bylaws, or amendments thereof; (iii) result in or require the creation or imposition of any Lien or Rights of Others upon or with respect to any property now owned or leased or hereafter acquired by such Loan Party; (iv) violate any provision of any Laws (including without limitation Regulation U of the FRB), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to such Loan Party; or (v) result in a breach of or constitute a default under, or cause or permit the acceleration of any obligation owed under, any indenture or loan or credit agreement or any other material agreement, lease, or instrument to which such Loan Party is a party or by which such Loan Party or any of its property, is bound or affected; and such Loan Party is not in default under any Laws, order, writ, judgment, injunction, decree, determination, award, indenture, agreement, lease, or instrument described in clause (v) of this section (C) in any respect that would have a Material Adverse Effect.

D. Governmental Consents. No authorization, consent, approval, order, license or permit from, or filing, registration, or qualification with, or exemption from any of the foregoing from, any Governmental Authority is or will be required to authorize or permit under applicable Laws the execution and delivery by any Loan Party of this Amendment and the performance by any Loan Party of the Amended Agreement.

E. Binding Obligation. This Amendment has been duly executed and delivered by each Loan Party and this Amendment and the Amended Agreement constitute the legal, valid, and binding obligation of each Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting creditors' rights generally or by equitable principles relating to the granting of specific performance and other equitable remedies as a matter of judicial discretion.

F. Incorporation of Representations and Warranties From Credit Agreement. The representations and warranties contained in Article V of the Credit Agreement are and will be true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

G. Absence of Default. No Default or Event of Default exists or will result from the consummation of the transactions contemplated by this Amendment.

ARTICLE IV : ACKNOWLEDGEMENT AND CONSENT

Holdings hereby acknowledges and agrees that the Guaranty by which it is bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment.

ARTICLE V: MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the Second Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Amended Agreement.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under, the Credit Agreement or any of the other Loan Documents.

B. Fees and Expenses. The Borrower acknowledges that all costs, fees and expenses as described in Section 11.04 of the Credit Agreement incurred by the Administrative Agent and its counsel with respect to this Amendment and the documents and transactions contemplated hereby shall be for the account of the Borrower.

C. Headings. Article and section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

D. Applicable Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

E. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Article I hereof, the effectiveness of which is governed by Article II hereof) shall become effective upon the execution of a counterpart hereof by the Borrower, Holdings and Majority Lenders and receipt by the Borrower and the Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

AVERY DENNISON OFFICE PRODUCTS COMPANY,
as the Borrower

By: ______________________________
Name: ______________________________
Title: ______________________________

AVERY DENNISON CORPORATION,
as Holdings, as guarantor

By: ______________________________
Name: ______________________________
Title: ______________________________

By: ______________________________
Name: ______________________________
Title: ______________________________

BANK OF AMERICA, N.A., as the Administrative Agent

By: ______________________________

Name: ____________________________

Title: ____________________________

BANK OF AMERICA, N.A., as a Lender

By: ______________________________

Name: __________________________

Title: __________________________

________________________, as a Lender

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: ____________________, __________

To: Bank of America, N.A., as Administrative Agent

Reference is made to that certain Credit Agreement, dated as of February 8, 2008 among AVERY DENNISON OFFICE PRODUCTS COMPANY, a Nevada corporation, AVERY DENNISON CORPORATION, a Delaware corporation ("Holdings"), the Lenders from time to time party thereto, and BANK OF AMERICA, N.A., as Administrative Agent, as amended by the First Amendment to Credit Agreement Dated as of June 27, 2008 and the Second Amendment to Credit Agreement dated as of January 23, 2009 (as so amended and as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined).

I, ______________________________, hereby certify that I am a Designated Officer of Holdings holding the office set forth below my signature and that:

1. Based on the duly certified financial statements delivered concurrently with this Certificate, as of the date thereof:

A. LEVERAGE RATIO (Section 7.07(a))

1. Consolidated Debt:	$ ________
2. Consolidated EBITDA	
a. Consolidated Net Income:	$ ________
b. Consolidated Interest:	$ ________
c. Provision for income taxes:	$ ________
d. Depreciation and amortization expense:	$ ________
e. Restructuring Charges:	$ ________
f. Non-cash expenses reducing Consolidated Net Income which do not represent usage of cash in such period or any future period:	$ ________
g.Total (Lines A.2.a + b + c + d + e + f):	$ ________
4. Leverage Ratio (Line A.1 ÷ Line A.2.g.):	_____ to 1

Maximum permitted Leverage Ratio:

Period	Maximum Leverage Ratio
Second Amendment Effective Date — April 4, 2009	4.00:1.00
April 5, 2009 — October 3, 2009	4.25:1.00
October 4, 2009 — January 2, 2010	4.00:1.00
January 3, 2010 — April 3, 2010	3.75:1.00
April 4, 2010 and thereafter	3.50:1.00

B. RATIO OF CONSOLIDATED EARNINGS BEFORE INTEREST AND TAXES TO CONSOLIDATED INTEREST (Section 7.07(b))

1. Consolidated Earnings Before Interest and Taxes:	$ ______
2. Consolidated Interest:	$ ______
3. Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest (Line B1 ÷ Line B2):	____to 1

Required minimum ratio:.

Period	Minimum Ratio of Consolidated Earnings Before Interest and Taxes to Consolidated Interest
Second Amendment Effective Date — April 4, 2009	2.50:1.00
April 5, 2009 — July 4, 2009	2.25:1.00
July 5, 2009 — October 3, 2009	2.10:1.00
October 4, 2009 — January 2, 2010	2.25:1.00
January 3, 2010 — April 3, 2010	2.60:1.00
April 4, 2010 — July 3, 2010	3.00:1.00
July 4, 2010 — October 2, 2010	3.25:1.00
October 3, 2010 and thereafter	3.50:1.00”

2. The following constitutes a further explanation of the manner in which the foregoing data relate to the attached financial statements to the extent not readily apparent:

3. I have reviewed the activities of Holdings and its Subsidiaries during the fiscal period covered by the attached financial statements to the extent necessary to permit me to deliver this Certificate.

4. [Except with respect to the Defaults and Events of Default specified and explained as to their nature and status below,] Holdings and its Subsidiaries have performed and observed each covenant and condition of the Loan Documents applicable to them during the fiscal period covered by the attached financial statements, and there exists no Default or Event of Default:

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of ____________________, __________.

AVERY DENNISON CORPORATION

By ______________________________

Name ______________________________

Title ______________________________