AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 3, 1997
REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AVERY DENNISON CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	95-1492269
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

150 NORTH ORANGE GROVE BOULEVARD
PASADENA, CALIFORNIA 91103
(818) 304-2000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

ROBERT G. VAN SCHOONENBERG, ESQ.
SENIOR VICE PRESIDENT AND GENERAL COUNSEL
AVERY DENNISON CORPORATION
150 NORTH ORANGE GROVE BOULEVARD
PASADENA, CALIFORNIA 91103
(818) 304-2000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S AGENT FOR SERVICE)

COPY TO
THOMAS W. DOBSON, ESQ.
LATHAM & WATKINS
633 WEST FIFTH STREET
LOS ANGELES, CALIFORNIA 90071
(213) 485-1234

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock, $1.00 par value (2) (3)...	767,200	$35.81	$27,473,432	$8,326
Preferred Share Purchase Rights.....	767,200(4)	(4)	(4)	$100(4)

(1) Calculated pursuant to Rule 457(g) under the Securities Act of 1933, as amended (the "Securities Act"). Based on the market value of the Common Stock (which is the average of the high and low prices of the Common Stock reported on the New York Stock Exchange on December 27, 1996)
(2) Shares issuable upon exercise of warrants to purchase Common Stock expiring February 21, 1997.
(3) Pursuant to Rule 416 under the Securities Act, there are also being registered hereunder such indeterminate number of shares of Common Stock as may be issuable from time to time pursuant to anti-dilution provisions.
(4) Rights are attached to and trade with the Avery Common Stock. The value attributable to such Rights, if any, is reflected in the market price of the Avery Common Stock. Fee paid represents the minimum statutory fee pursuant to Section 6(b) of the Securities Act.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED JANUARY 3, 1997

AVERY DENNISON CORPORATION
767,200 SHARES OF COMMON STOCK
ISSUABLE PURSUANT TO WARRANTS

This Prospectus relates to 767,200 shares of common stock, par value $1.00 per share (the "Common Stock"), of Avery Dennison Corporation (the "Company"), issuable upon exercise of certain common stock purchase warrants expiring at 5 p.m. Geneva time on February 21, 1997 (the "Warrants"). The Warrants were originally issued by Dennison Manufacturing Company ("Dennison") pursuant to a Warrant Agreement, dated February 27, 1985, as amended by the Supplemental Warrant Agreement, dated November 28, 1990 (together, the "Warrant Agreement"). In October 1990, the Company merged one of its subsidiaries into Dennison (the "Merger"), as a result of which Dennison became a wholly-owned subsidiary of the Company, and the Warrants became exercisable for Company Common Stock. Pursuant to the Warrant Agreement, each Warrant is exercisable prior to its expiration for 11.2 shares of Common Stock (including 11.2 preferred share purchase rights) at an exercise price of 40.175 Swiss francs. Holders of the Warrants may exercise their Warrants upon presentation to the Company's Warrant Agent First Chicago N.B.D. (the "Warrant Agent") of the Warrant Certificate, a duly executed election to exercise (Annex 1 to the Warrant Certificate), and payment (in cash or by bank check) of the aggregate exercise price, plus the amount of any applicable taxes as provided in the Warrant Agreement, in lawful money of the Confederation of Switzerland. The Warrants may also be presented for exercise to any paying agent for Dennison's 5 1/8% Swiss Franc Bonds due through 1997 for forwarding to the Warrant Agent. The Common Stock is being offered for sale pursuant to this Prospectus, from time to time by the Company upon exercise of the Warrants. See "Use of Proceeds."

The exercise price and the number of shares issuable upon exercise of each Warrant after the Merger have been further adjusted to give effect to the payment of a stock dividend by the Company on December 19, 1996 of one (1) share of Common Stock for each outstanding share of Common Stock to stockholders of record on December 6, 1996. All exercise prices and share numbers set forth in this Prospectus reflect these adjustments.

The last reported sale price of the Common Stock on the New York Stock Exchange Composite Tape on December 31, 1996 was $35.375 per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Exercise Price Per Share(1)	Proceeds to Avery Dennison
Per Share.....	CHF40.175	CHF40.175
Total.....	CHF31,625,760	CHF31,625,760

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(1) The purchase price is payable in Swiss francs. The noon buying rate for Swiss francs on December 31, 1996 was CHF 1.339 per $1.00.

All expenses of the offering will be borne by the Company. It is estimated that such expenses to be borne by the Company, including accounting and legal fees, will approximate $52,000.

TRANSFER AND WARRANT AGENT:
FIRST CHICAGO N.B.D.
90 LONG ACRE
LONDON, WC2E9RB
ENGLAND

The date of this Prospectus is , 1997

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: New York Regional Office, 7 World Trade Center, Suite 1300, New York, New York 10048; and Chicago Regional Office, Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such materials can be obtained from the Public Reference Branch of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates, or may be examined without charge at the offices of the Commission or accessed through the Commission's Internet address at http://www.sec.gov. Such material can also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005 and the Pacific Stock Exchange Incorporated, 301 Pine Street, San Francisco, California 94104, on which exchanges the Company's common stock is listed.

This Prospectus constitutes a part of a Registration Statement on Form S-3 (together with all amendments and exhibits, referred to as the "Registration Statement") filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus omits certain of the information contained in the Registration Statement in accordance with the rules and regulations of the Commission, and reference is hereby made to the Registration Statement for further information with respect to the Company and the Common Stock offered hereby. Any statements contained herein concerning the provisions of any documents are not necessarily complete, and, in each instance, reference is made to such copy filed as a part of the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference. The Registration Statement may be inspected without charge at the office of the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and copies thereof may be obtained from the Commission at prescribed rates, or may be examined without charge at the offices of the Commission or accessed through the Commission's Internet address at http://www.sec.gov.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's (i) Annual Report on Form 10-K for the fiscal year ended December 30, 1995; (ii) Quarterly Report on Form 10-Q for the quarter ended March 30, 1996; (iii) Quarterly Report on Form 10-Q for the quarter ended June 29, 1996; (iv) Quarterly Report on Form 10-Q for the quarter ended September 28, 1996; and (v) Current Report on Form 8-K dated October 25, 1996 are incorporated in and made a part of this Prospectus.

All documents filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Common Stock shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in any subsequently filed document deemed to be incorporated herein or contained in the accompanying Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Registration Statement or this Prospectus.

The Company will provide without charge to each person to whom a copy of this Prospectus is delivered, on the request of any such person, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference into the documents that this Prospectus incorporates). Requests for such copies should be directed to the Secretary, Avery Dennison Corporation, 150 North Orange Grove Boulevard, Pasadena, California 91103; telephone (818) 304-2000.

THE COMPANY

The principal business of the Company is the production of self-adhesive materials. Some of these materials are "converted" into labels and other products through embossing, printing, stamping and die-cutting, and some are sold in unconverted form as base materials, tapes and reflective sheeting. The Company also manufactures and sells a variety of office products and other items not involving pressure-sensitive components, such as notebooks, three-ring binders, organizing systems, felt-tip markers, glues, fasteners, business forms, tickets, tags and a diversified line of labeling systems and imprinting equipment.

The Company manufactures and sells these products from 200 manufacturing facilities and sales offices located in 36 countries, and employs approximately 15,500 persons worldwide. Its principal corporate offices are located at 150 North Orange Grove Boulevard, Pasadena, California 91103 (telephone: (818) 304-2000).

The Company was founded in 1935 by R. Stanton Avery, the Founder and Chairman Emeritus, incorporated in California in 1946 and reincorporated in Delaware in 1977. On October 16, 1990, a wholly owned subsidiary of the Company merged into Dennison, Dennison became a wholly owned subsidiary of the Company, and the Company changed its name from Avery International Corporation to Avery Dennison Corporation. References herein to the "Company" are to Avery Dennison Corporation and its subsidiaries, unless the context otherwise requires.

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of the Common Stock for general corporate purposes.

PLAN OF DISTRIBUTION

The Company is offering 767,200 shares of Common Stock to the holders of the Warrants. The holder of each Warrant is entitled to purchase 11.2 shares of Common Stock (including 11.2 preferred share purchase rights) at an exercise price of 40.175 Swiss francs. Prior to their expiration at 5 p.m. Geneva time on February 21, 1997, Warrants may be exercised upon presentation to the Company's Warrant Agent at the address specified below of the Warrant Certificate, a duly executed election to exercise (Annex 1 to the Warrant Certificate), and payment (in cash or by bank check) of the aggregate exercise price, plus the amount of any applicable taxes as provided in the Warrant Agreement, in lawful money of the Confederation of Switzerland. The Warrants may also be presented for exercise to any paying agent for Dennison's 5 1/8% Swiss Franc Bonds due through 1997 for forwarding to the Warrant Agent.

The Warrant Agent's address for exercise of the Warrants is:

FIRST CHICAGO N.B.D.
90 LONG ACRE
LONDON, WC2E9RB
ENGLAND

Upon receipt by the Warrant Agent during the exercise period of a Warrant and a duly executed election to exercise, in proper form for exercise, together with proper payment of the applicable exercise price and taxes, at such office, the holder shall be deemed to be the holder of record of the number of shares specified in such form. Fractional shares will not be issued upon exercise of the Warrants. In lieu thereof, a cash adjustment will be made. If a Warrant should be exercised in part only, then the Company shall, upon surrender of such Warrant, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the balance of the shares of Common Stock purchasable thereunder.

The exercise price and the number of shares of Common Stock purchasable upon exercise of each Warrant are subject to adjustment from time to time in the event of stock splits, stock dividends, stock combinations or certain property or rights distributions to holders of Common Stock. In case of (i) any reclassification of the Common Stock or capital reorganization of the Company, (ii) any consolidation, merger or other business combination of the Company with another entity or (iii) any sale, lease or transfer of all or substantially all of the assets of the Company, the holder of each of the outstanding Warrants will have the right, upon subsequent exercise of a Warrant, to purchase the kind and amount of shares of stock or other securities or property receivable upon such reclassification, capital reorganization, consolidation, merger, sale, lease or transfer by a holder of the number of shares of Common Stock that would have been received upon the exercise of such Warrant immediately prior thereto. The Warrants do not confer upon the holder any voting or preemptive rights, or any other rights as a stockholder of the Company.

Holders who offer and sell the shares of Common Stock acquired upon exercise of the Warrants and any broker-dealer through whom such holder sells shares may be deemed to be underwriters within the meaning of the Securities Act. The Company will receive none of the proceeds from any such sales. There presently are no arrangements or understandings, formal or informal, pertaining to the distribution of the Shares.

The Common Stock is quoted on the New York Stock Exchange and the Pacific Stock Exchange under the symbol "AVY".

LEGAL OPINION

The validity of the Common Stock will be passed upon for the Company by Latham & Watkins.

EXPERTS

The consolidated balance sheet of the Company as of December 30, 1995 and December 31, 1994, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 30, 1995, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the report, which includes an explanatory paragraph regarding the Company's adoption of the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", SFAS No. 109, "Accounting for Income Taxes" and SFAS No. 112, "Employers' Accounting for Postemployment Benefits" during 1993, of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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767,200 SHARES

AVERY DENNISON CORPORATION

COMMON STOCK

PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.*

Securities and Exchange Commission filing fee...	$ 8,326
Printing and engraving fees and expenses.....	15,000
Warrant Agent fees and expenses.....	6,000
Legal fees and expenses.....	20,000
Accounting fees and expenses.....	2,000
Miscellaneous other expenses.....	674
Total.....	$52,000

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* All expenses are estimates except the Securities and Exchange Commission filing fee.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation shall have the power, and in some cases is required, to indemnify an agent, including an officer or director, who was or is a party or is threatened to be made a party to any proceedings, against certain expenses, judgments, fines, settlements and other amounts under certain circumstances. Article VI of the Registrant's Bylaws requires indemnification of the Registrant's officers and directors to the maximum extent permitted by the Delaware General Corporation Law, and the Registrant maintains insurance covering certain liabilities of the directors and officers of the Registrant and its subsidiaries. The Registrant has also entered into contractual arrangements with its directors and officers pursuant to which such persons may be entitled to indemnity from the Registrant against certain liabilities arising from the discharge of their duties in such capacities.

ITEM 16. EXHIBITS.

4.1	Restated Articles of Incorporation (incorporated by reference to Proxy Statement dated February 28, 1977 for Annual Meeting of Stockholders March 30, 1977; located in File No. 0-225 at Securities and Exchange Commission, 450 5th St., N.W., Washington, D.C.)
4.1.1	Amendment to Certificate of Incorporation, filed April 10, 1984 with Office of Delaware Secretary of State (incorporated by reference to 1983 Annual Report on Form 10-K)
4.1.2	Amendment to Certificate of Incorporation, filed April 11, 1985 with Office of Delaware Secretary of State (incorporated by reference to 1984 Annual Report on Form 10-K)
4.1.3	Amendment to Certificate of Incorporation filed April 6, 1987 with Office of Delaware Secretary of State (incorporated by reference to 1986 Annual Report on Form 10-K)
4.1.4	Amendment to Certificate of Incorporation filed October 17, 1990 with Office of Delaware Secretary of State (incorporated by reference to Current Report on Form 8-K filed October 31, 1990)
4.2	By-laws, as amended
4.3	Warrant Agreement, dated as of February 27, 1985, between Dennison Manufacturing Company and First Chicago S.A., as Warrant Agent.
4.4	Supplemental Warrant Agreement, dated as of November 28, 1990, between Dennison Manufacturing Company and First Chicago S.A., as Warrant Agent.
4.5	Rights Agreement dated as of June 30, 1988 (incorporated by reference to Exhibit 1 to Avery Dennison's Current Report on Form 8-K filed July 9, 1988).
5	Opinion of Counsel to the Company re: legality.
23.1	Consent of Counsel to the Company (included in Exhibit 5).
23.2	Consent of Coopers & Lybrand L.L.P. (see Page II-5).
24	Power of Attorney (included in the signature page of this Registration Statement).

ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" Table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pasadena, State of California, on January 3, 1997.

AVERY DENNISON CORPORATION

By /s/ R. Gregory Jenkins
R. Gregory Jenkins
Senior Vice President, Finance
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. Each person whose signature appears below hereby authorizes Charles D. Miller, Philip M. Neal and R. Gregory Jenkins, or any of them, as attorney-in-fact, with full power of substitution, to sign on his or her behalf, individually and in each capacity stated below, and to file any amendments, including post-effective amendments or supplements, to this Registration Statement.

Signatures	TITLE	DATE
/s/ Charles D. Miller Charles D. Miller	Chairman and Chief Executive Officer; Director	January 3, 1997
/s/ Philip M. Neal Philip M. Neal	President and Chief Operating Officer; Director	January 3, 1997
/s/ R. Gregory Jenkins R. Gregory Jenkins	Senior Vice President, Finance and Chief Financial Officer (Principal Financial Officer)	January 3, 1997
/s/ Thomas E. Miller Thomas E. Miller	Vice President and Controller (Principal Accounting Officer)	January 3, 1997
/s/ Dwight L. Allison, Jr. Dwight L. Allison, Jr.	Director	January 3, 1997
/s/ John C. Argue John C. Argue	Director	January 3, 1997

Signatures	TITLE	DATE
/s/ Joan T. Bok - ---------- Joan T. Bok	Director	January 3, 1997
/s/ Frank V. Cahouet - ---------- Frank V. Cahouet	Director	January 3, 1997
/s/ Richard M. Ferry - ---------- Richard M. Ferry	Director	January 3, 1997
/s/ Peter W. Mullin - ---------- Peter W. Mullin	Director	January 3, 1997
/s/ Sidney R. Petersen - ---------- Sidney R. Petersen	Director	January 3, 1997
/s/ John B. Slaughter - ---------- John B. Slaughter	Director	January 3, 1997

EXHIBIT 4.2

BYLAWS

OF

AVERY DENNISON CORPORATION

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of Avery Dennison Corporation (hereinafter called the "corporation") in the State of Delaware shall be at 1013 Centre Road, City of Wilmington, County of New Castle, and the name of the registered agent at that address shall be United States Corporation Company.

Section 2. Principal Office. The principal executive office for the transaction of the business of the corporation is hereby fixed and located in Los Angeles County, California. The board of directors is hereby granted full power and authority to change said principal executive office from one location to another within or without the State of California.

Section 3. Other Offices. The corporation may also have offices at such other places within or without the State of Delaware as the board of directors may from time to time determine, or the business of the corporation may require.

ARTICLE II

STOCKHOLDERS

Section 1. Place of Meetings. Meetings of stockholders shall be held at any place within or outside the State of Delaware designated by the board of directors. In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the corporation.

Section 2. Annual Meetings of Stockholders. The annual meeting of stockholders shall be held on the last Thursday in April of each year at 1:30 p.m. of said day, or on such other day, which shall not be a legal holiday, as shall be determined by the board of directors. Any previously scheduled annual meeting of stockholders may be postponed by resolution of the board of directors upon public notice given prior to the date previously scheduled for such annual meeting of stockholders.

Section 3. Special Meetings. A special meeting of the stockholders may be called at any time by the board of directors, or by a majority of the directors or by a committee authorized by the board to do so. Any previously scheduled special meeting of the stockholders may be postponed by resolution of the board of directors upon public notice given prior to the date previously scheduled for such special meeting of the stockholders.

Section 4. Notice of Stockholders' Meetings. All notices of meetings of stockholders shall be sent or otherwise given in accordance with Section 5 of this Article II not less than ten (10) nor more than sixty (60) days before the date of the meeting being noticed. The notice shall specify the place, date and hour of the meeting and (i) in case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the stockholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees who, at the time of the notice, management intends to present for election.

Section 5. Manner of Giving Notice; Affidavit of Notice. Notice of any meeting of stockholders shall be given either personally or by mail or telegraphic or other written communication, charges prepaid, addressed to the stockholder at the address of such stockholder appearing on the books of the corporation or given by the stockholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or has been so given, notice shall be deemed to have been given if sent by mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation in the county where such office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

An affidavit of the mailing or other means of giving any notice of any stockholders' meeting shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving such notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. Quorum. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of stockholders shall constitute a quorum for the transaction of business. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. Adjourned Meeting and Notice Thereof. Any stockholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the Chairman of the meeting, but in the absence of a quorum, no other business may be transacted at such meeting, except as provided in Section 6 of this Article II.

When any meeting of stockholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at a meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than thirty (30) days from the date set for the original meeting. Notice of any such adjourned meeting, if required, shall be given to each stockholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article II. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. Voting. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 11 of this Article II. Such vote may be by voice vote or by ballot, at the discretion of the Chairman of the meeting. Any stockholder entitled to vote on any matter (other than the election of directors) may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal; but, if the stockholder fails to specify the number of shares such stockholder is voting affirmatively, it will be conclusively presumed that the stockholder's approving vote is with respect to all shares such stockholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter shall be the act of the stockholders, unless the vote of a greater number or voting by classes is required by the Delaware General Corporation Law or the certificate of incorporation or the certificate of determination of preferences as to any preferred stock.

At a stockholders' meeting involving the election of directors, no stockholder shall be entitled to cumulate (i.e., cast for any one or more candidates a number of votes greater than the number of the stockholder's shares). The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. Waiver of Notice or Consent by Absent Stockholders. The transactions of any meeting of stockholders, either annual or special, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes thereof. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of stockholders. All such waivers, consents or approvals shall be filed with the corporate records or made part of the minutes of the meeting.

Attendance of a person at a meeting shall also constitute a waiver of notice of such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if such objection is expressly made at the meeting.

Section 10. No Stockholder Action by Written Consent Without a Meeting. Stockholders may take action only at a regular or special meeting of stockholders.

Section 11. Record Date for Stockholder Notice and Voting. For purposes of determining the holders entitled to notice of any meeting or to vote, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days prior to the date of any such meeting, and in such case only stockholders of record on the date so fixed are entitled to notice and to vote, notwithstanding any transfer of any shares on the books of the corporation after the record date fixed as aforesaid, except as otherwise provided in the Delaware General Corporation Law.

If the board of directors does not so fix a record date, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

Section 12. Proxies. Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the person executing it, prior to the vote pursuant thereto, by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy, or (ii) written notice of the death or incapacity of the maker of such proxy is received by the corporation before the vote pursuant thereto is counted; provided, however, that no such proxy shall be valid after the expiration of eleven (11) months from the date of such proxy, unless otherwise provided in the proxy.

Section 13. Inspectors of Election; Opening and Closing the Polls. The board of directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

Section 14. Nomination and Stockholder Business Bylaw.

(A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the board of directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the corporation's notice of meeting, (b) by or at the direction of the board of directors or (c) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Bylaw.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A) (1) of this Bylaw, the stockholder must have given timely notice thereof in writing to the secretary of the corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the 60th day nor earlier than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day

following the day on which public announcement of the date of such meeting is first made by the corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner and (ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Bylaw to the contrary, in the event that the number of directors to be elected to the board of directors of the corporation is increased and there is no public announcement by the corporation naming all of the nominees for director or specifying the size of the increased board of directors at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (a) by or at the direction of the board of directors or (b) provided that the board of directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this Bylaw, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Bylaw. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by paragraph (A) (2) of this Bylaw shall be delivered to the secretary at the principal executive offices of the corporation not earlier than the close of business on the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(C) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this Bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock, if any, to elect directors under certain circumstances.

ARTICLE III

DIRECTORS

Section 1. Powers. Subject to the provisions of the Delaware General Corporation Law and any limitations in the certificate of incorporation and these bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors.

Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the power and authority to:

(a) Select and remove all officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, the certificate of incorporation or these bylaws, fix their compensation, and require from them security for faithful service.

(b) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or foreign country and conduct business within or outside the State of California; designate any place within or without the State of California for the holding of any stockholders' meeting or meetings, including annual meetings; adopt, make and use a corporate seal, and prescribe the forms of certificates of stock, and alter the form of such seal and of such certificates from time to time as in their judgment they may deem best, provided that such forms shall at all times comply with the provisions of law.

(c) Authorize the issuance of shares of stock of the corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done or services actually rendered, debts or securities canceled or tangible or intangible property actually received.

(d) Borrow money and incur indebtedness for the purpose of the corporation, and cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor.

Section 2. Number and Qualification of Directors. The number of directors of the corporation shall be ten (10) until changed by a bylaw amending this Section 2, duly adopted by the board of directors or by the stockholders.

Section 3. Election and Term of Office of Directors. Subject to Section 15 below, one class of the directors shall be elected at each annual meeting of the stockholders, but if any such annual meeting is not held or the directors are not elected thereat, the directors may be elected at any special meeting of stockholders held for that purpose. All directors shall hold office until their respective successors are elected. Irrespective of the provisions of Section 15 of this Article III and of the preceding sentence, a director shall automatically be retired on the date of the expiration of the first annual meeting following his 72nd birthday.

Section 4. Vacancies. Vacancies in the board of directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. Each director elected to fill a vacancy shall hold office for the remainder of the term of the person whom he succeeds, and until a successor has been elected and qualified.

A vacancy or vacancies in the board of directors shall be deemed to exist in the case of the death, retirement, resignation or removal of any director, or if the board of directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors be increased, or if the stockholders fail at any meeting of stockholders at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

Any director may resign or voluntarily retire upon giving written notice to the chairman of the board, the president, the secretary or the board of directors. Such retirement or resignation shall be effective upon the giving of the notice, unless the notice specifies a later time for its effectiveness. If such retirement or resignation is effective at a future time, the board of directors may elect a successor to take office when the retirement or resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office. No director may be removed during his term except for cause.

Section 5. Place of Meetings and Telephonic Meetings. Regular meetings of the board of directors may be held at any place within or without the State of Delaware that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held

at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or without the State of Delaware that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in such meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 6. Annual Meetings. Immediately following each annual meeting of stockholders, the board of directors shall hold a regular meeting for the purpose of organization, any desired election of officers and transaction of other business. Notice of this meeting shall not be required.

Section 7. Other Regular Meetings. Other regular meetings of the board of directors shall be held at such time as shall from time to time be determined by the board of directors. Such regular meetings may be held without notice provided that notice of any change in the determination of time of such meeting shall be sent to all of the directors. Notice of a change in the determination of the time shall be given to each director in the same manner as for special meetings of the board of directors.

Section 8. Special Meetings. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail or telegram, charges prepaid, addressed to each director at his or her address as it is shown upon the records of the corporation. In case such notice is mailed, it shall be deposited in the United States mail at least four (4) days prior to the time of the holding of the meeting. In case such notice is delivered personally, or by telephone or telegram, it shall be delivered personally, or by telephone or to the telegraph company at least forty-eight (48) hours prior to the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated to either the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive office of the corporation.

Section 9. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 10. Waiver of Notice. The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director.

Section 11. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 12. Notice of Adjournment. Notice of the time and place of an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of such time and place shall be given prior to the time of the adjourned meeting, in the manner specified in Section 8 of this Article III, to the directors who were not present at the time of the adjournment.

Section 13. Action Without Meeting. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

Section 14. Fees and Compensation of Directors. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses, as may be fixed or determined by resolution of the board of directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for such services.

Section 15. Classification of Directors. The board of directors shall be and is divided into three classes, Class I, Class II and Class III. The number of directors in each class shall be the whole number contained in the quotient arrived at by dividing the authorized number of directors by three, and if a fraction is also contained in such quotient then if such fraction is one-third (1/3) the extra director shall be a member of Class III and if the fraction is two-thirds (2/3) one of the extra directors shall be a member of Class III and the other shall be a member of Class II. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected.

In the event of any increase or decrease in the authorized number of directors, (a) each director then serving as such shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, or his prior death, resignation or removal, and (b) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the board of directors to such class or classes as shall, so far as possible, bring the number of directors in the respective classes into conformity with the formula in this Section 15, as applied to the new authorized number of directors.

ARTICLE IV

COMMITTEES

Section 1. Committees of Directors. The board of directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, including an executive committee, each consisting of two or more directors, to serve at the pleasure of the board. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except with respect to:

(a) the approval of any action which, under the General Corporation Law of Delaware, also requires stockholders' approval or approval of the outstanding shares;

(b) the filling of vacancies on the board of directors or in any committee;

(c) the fixing of compensation of the directors for serving on the board or on any committee;

(d) the amendment or repeal of bylaws or the adoption of new bylaws;

(e) the amendment or repeal of any resolution of the board of directors which by its express terms is not so amendable or repealable;

(f) a distribution to the stockholders of the corporation, except at a rate or in a periodic amount or within a price range determined by the board of directors; or

(g) the appointment of any other committees of the board of directors or the members thereof.

Section 2. Meetings and Action of Committees. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these bylaws, Sections 5 (place of meetings), 7 (regular meetings), 8 (special meetings and notice), 9 (quorum), 10 (waiver of notice), 11 (adjournment), 12 (notice of adjournment) and 13 (action without meetings), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that the time of regular meetings of committees may be determined by resolution of the board of directors as well as the committee, special meetings of committees may also be called by resolution of the board of directors, and notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V

OFFICERS

Section 1. Officers. The officers of the corporation shall be the chairman of the board, the president, a vice president, a secretary and a treasurer. The corporation may also have, at the discretion of the board of directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Any number of offices may be held by the same person.

Section 2. Election of Officers. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article V, shall be chosen annually by the board of directors, and each shall hold his office until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified.

Section 3. Subordinate Officers, etc. The board of directors may appoint, and may empower the chairman of the board to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the board of directors may from time to time determine.

Section 4. Removal and Resignation of Officers. Any officer may be removed, either with or without cause, by the board of directors, at any regular or special meeting thereof, or, except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to such office.

Section 6. Chairman of the Board. The chairman of the board shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and affairs of the corporation.

Section 7. President. The president shall be the chief operating officer of the corporation and shall exercise and perform such powers and duties with respect to the administration of the business and affairs of the corporation as may from time to time be assigned to him by the chairman of the board or by the board of directors, or as may be prescribed by the bylaws.

Section 8. Vice Presidents. In the absence or disability of the president, a vice president designated by the board of directors shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall

have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or the bylaws.

Section 9. Secretary. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may order, a book of minutes of all meetings and actions of directors, committees of directors and stockholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' and committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office or at the office of the corporation's transfer agent or registrar, as determined by resolution of the board of directors, a stock register, or a duplicate register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by the bylaws.

Section 10. Treasurer. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall be open at all reasonable times to inspection by any director.

The treasurer shall deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to the chairman of the board and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

Section 11. Assistant Secretaries and Assistant Treasurers. Any assistant secretary may perform any act within the power of the secretary, and any assistant treasurer may perform any act within the power of the treasurer, subject to any limitations which may be imposed in these bylaws or in board resolutions.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. Indemnification. The corporation shall indemnify, in the manner and to the full extent permitted by law, any person (or the estate of any person) who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of the corporation, and whether civil, criminal, administrative, investigative or otherwise, by reason of

the fact that such person is a director or officer of the corporation, and at the discretion of the board of directors may indemnify any person (or the estate of any person) who is such a party or threatened to be made such a party by reason of the fact that such person is or was an employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Unless otherwise permitted by law, the indemnification provided for herein shall be made only as authorized in the specific case upon a determination, in the manner provided by law, that indemnification of the director, officer, employee or agent is proper in the circumstances. The corporation may, to the full extent permitted by law, purchase and maintain insurance on behalf of any such person against any liability which may be asserted against him. To the full extent permitted by law, the indemnification provided herein shall include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, and, in the manner provided by law, any such expenses may be paid by the corporation in advance of the final disposition of such action, suit or proceeding. The indemnification provided herein shall not be deemed to limit the right of the corporation to indemnify any other person for any such expenses to the full extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the corporation may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 2. Fiduciaries of Corporate Employee Benefit Plan. This Article VI does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article VI. Nothing contained in this Article VI shall limit any right to indemnification to which such a trustee, investment manager or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by Section 410 of the Employee Retirement Income Security Act of 1974, as amended, other than this Article VI.

ARTICLE VII

RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Stock Register. The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed, and as determined by resolution of the board of directors, a record of its stockholders, giving the names and addresses of all stockholders and the number and class of shares held by each stockholder.

A stockholder or stockholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (i) inspect and copy the records of stockholders' names and addresses and stockholders during usual business hours upon five days prior written demand upon the corporation, and/or (ii) obtain from the transfer agent of the corporation, upon written demand and upon the tender of such transfer agent's usual charges for such list, a list of the stockholders' names and addresses, who are entitled to vote for the election of directors, and their shareholdings as of the most recent record date for which such list has been compiled or as of a date specified by the stockholder subsequent to the date of demand. Such list shall be made available to such stockholder or stockholders by the transfer agent on or before the later of five (5) days after the demand is received or the date specified therein as the date as of which the list is to be compiled.

The record of stockholders shall be open to inspection upon the written demand of any stockholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to such holder's interests as a stockholder or as the holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the stockholder or holder of a voting trust certificate making such demand.

Section 2. Maintenance and Inspection of Bylaws. The corporation shall keep at its principal executive office the original or a copy of the bylaws as amended to date, which shall be open to inspection by the stockholders at all reasonable times during office hours.

Section 3. Maintenance and Inspection of Other Corporate Records. The accounting books and records and minutes of proceedings of the stockholders and the board of directors and any committee or committees of the board of directors shall be kept at such place or places designated by the board of directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. Such minutes and accounting books and records shall be open to inspection upon the written demand of any stockholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interests as a stockholder or as a holder of a voting trust certificate. Such inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. The foregoing rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. Such inspection by a director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 5. Annual Report to Stockholders. The board of directors shall cause an annual report to be sent to the stockholders not later than one hundred twenty (120) days after the close of the fiscal year adopted by the corporation. Such report shall be sent at least fifteen (15) days prior to the annual meeting of stockholders to be held during the next fiscal year and in the manner specified in Section 5 of Article II of these bylaws for giving notice to stockholders of the corporation. The annual report shall contain a balance sheet and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants.

Section 6. Financial Statements. A copy of any annual financial statement and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet for the corporation as of the end of each such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each such statement shall be exhibited at all reasonable times to any stockholder demanding an examination of any such statement or a copy shall be mailed to any such stockholder.

If a stockholder or stockholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation make a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days prior to the date of the request, and a balance sheet of the corporation as of the end of such period, the treasurer shall cause such statement to be prepared, if not already prepared, and

shall deliver personally or mail such statement or statements to the person making the request within thirty (30) days after the receipt of such request. If the corporation has not sent to the stockholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to such stockholder or stockholders within thirty (30) days after such request.

The corporation also shall, upon the written request of any stockholder, mail to the stockholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared and a balance sheet as of the end of such period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by the report thereon, if any, of any independent accountants engaged by the corporation, or the certificate of an authorized officer of the corporation that such financial statements were prepared without audit from the books and records of the corporation.

ARTICLE VIII

GENERAL CORPORATE MATTERS

Section 1. Record Date for Purposes Other Than Notice and Voting. For purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) days prior to any such action, and in such case only stockholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date fixed as aforesaid, except as otherwise provided in the Delaware General Corporation Law.

If the board of directors does not so fix a record date, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such action, whichever is later.

Section 2. Checks, Drafts, Evidences of Indebtedness. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of directors.

Section 3. Corporate Contracts and Instruments; How Executed. The board of directors, except as otherwise provided in these bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 4. Stock Certificates. A certificate or certificates for shares of the capital stock of the corporation shall be issued to each stockholder when any such shares are fully paid. All certificates shall be signed in the name of the corporation by the chairman of the board or the president or vice president and by the treasurer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the stockholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

Section 5. Lost Certificates. Except as hereinafter in this Section 5 provided, no new stock certificate shall be issued in lieu of an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The board of directors may in case any stock certificate or certificate for any other security is lost, stolen or destroyed, authorize the issuance of a new certificate in lieu thereof, upon such terms and conditions as the board of directors may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate.

Section 6. Representation of Stock of Other Corporations. The chairman of the board, the president, or any vice president, or any other person authorized by resolution of the board of directors by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all stock of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority herein granted to said officers to vote or represent on behalf of the corporation any and all stock by the corporation in any other corporation or corporations may be exercised by any such officer in person or by any person authorized to do so by proxy duly executed by said officer.

Section 7. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of the bylaws. Without limiting the generality of the foregoing, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

Section 8. Fiscal Year. The fiscal year of the corporation shall commence the first day of the calendar year.

Section 9. Seal. The seal of the corporation shall be round and shall bear the name of the corporation and words and figures denoting its organization under the laws of the State of Delaware and year thereof, and otherwise shall be in such form as shall be approved from time to time by the board of directors.

ARTICLE IX

AMENDMENTS

Section 1. Amendment by Stockholders. New bylaws may be adopted or these bylaws may be amended or repealed by the vote of not less than 80% of the total voting power of all shares of stock of the corporation entitled to vote in the election of directors, considered for purposes of this Section 1 as one class.

Section 2. Amendment by Directors. Subject to the rights of the stockholders as provided in Section 1 of this Article IX, to adopt, amend or repeal bylaws, bylaws may be adopted, amended or repealed by the board of directors.

As Amended 12/05/96

EXHIBIT 4.3

DENNISON MANUFACTURING COMPANY

AND

FIRST CHICAGO S.A.

Warrant Agent

WARRANT AGREEMENT

Dated as of February 27, 1985

Common Stock Purchase Warrants
Expiring February 21, 1997

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WARRANT AGREEMENT, dated as of February 27, 1985, between Dennison Manufacturing Company, a Nevada corporation (the "Company"), and First Chicago S.A., a company limited by shares incorporated under the laws of Switzerland, as Warrant Agent (the "Warrant Agent," which term includes any successor appointed pursuant hereto).

WHEREAS, pursuant to a Bond and Warrant Issue Agreement dated February 27, 1985 (the "Issue Agreement") between the Company and First Chicago S.A. and other members of a banking consortium (the "Consortium"), the Consortium has agreed to purchase for offering in Switzerland Units (the "Units") consisting of (a) an aggregate of Swiss francs 100,000,000 principal amount of the Company's 5 1/8% Bonds 1985 - 1997 (the "Bonds"), and (b) 200,000 Warrants (the "Warrants") to purchase an aggregate of 1,000,000 shares of the Company's Common Stock $1.00 par value per share (such shares being hereinafter referred to as the "Shares" and, where appropriate, also including the other securities or property purchasable upon the exercise of the Warrants upon the happening of certain events as provided for herein, and subject to paragraph (j) of Section 14, such class of Common Stock being hereinafter referred to as the "Common Stock"), each of which Warrants initially entitles the holder thereof to purchase five Shares of Common Stock;

WHEREAS, each Unit consists either of (a) a Swiss francs 5,000 principal amount Bond and 10 Warrants entitling the holder thereof to purchase 50 Shares of Common Stock or (b) a Swiss francs 100,000 principal amount Bond and 200 Warrants entitling the holder thereof to purchase 1,000 Shares of Common Stock;

WHEREAS, as provided in the Issue Agreement, the Warrants shall initially be evidenced by a global Warrant Certificate (as the term "Warrant Certificate" is hereinafter defined) to be held by First Chicago S.A. in exchange for which definitive Warrant Certificates are to be issued as so provided;

WHEREAS, the Bonds and Warrants constituting the Units shall not be separately transferable until June 24, 1985, such date being ninety-five days from the date of issue pursuant to the Issue Agreement of the global Bond and global Warrant Certificate (the "Unit Separation Date"); thereafter the Bonds and Warrants may be transferred separately;

WHEREAS, the Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing so to act, in connection with the issuance of Warrants, the exercise thereof and other matters as provided herein;

WHEREAS, all acts and things necessary to make this Warrant Agreement a valid agreement according to its terms have been done and performed;

NOW, THEREFORE, in consideration of the purchase of the Warrants by the holders thereof and the mutual agreements contained herein, the Company covenants and agrees with the Warrant Agent for the equal and proportionate benefit of the respective holders from time to time of the Warrants as follows:

SECTION 1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions hereinafter in this Agreement set forth, and the Warrant Agent hereby accepts such appointment, upon the terms and conditions hereinafter set forth.

SECTION 2. Number of Warrants. The number of warrants which may be issued and delivered under this Warrant Agreement is limited to 200,000.

SECTION 3. Form of Warrant Certificates. The certificates evidencing the Warrants (the "Warrant Certificates") to be delivered pursuant to this Agreement shall be in bearer form only. The Warrant Certificates shall be in substantially the respective forms set forth in Exhibit A attached hereto in the case of the global Warrant Certificate referred to in the recitals hereto and in Exhibit B hereto in the case of the definitive Warrant Certificates, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistent herewith, be determined by the officers executing such Warrants, as evidenced by their execution of the Warrants. Definitive Warrant Certificates shall be issued in such denominations representing such numbers of Warrants (hereinafter "authorized denominations") as shall be mutually agreed upon by the Warrant Agent and the Company.

SECTION 4. Execution of Warrant Certificates. Warrant Certificates shall be executed on behalf of the Company by any director and any authorized officer of the Company. Each such signature upon the Warrant Certificates may be in the form of a facsimile signature of the present or any future director or authorized officer and may be imprinted or otherwise reproduced on the Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any person who shall have been a director or authorized officer, notwithstanding the fact that at the time the Warrant Certificates shall be countersigned and delivered or disposed of he shall have ceased to hold such office.

In case any director or authorized officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such director or authorized officer before the Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company such Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such person had not ceased to be such director or authorized officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper director or authorized officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Warrant Agreement any such person was not such director or authorized officer.

SECTION 5. Bearer Form. Each taker and holder of a Warrant Certificate, by taking or holding the same, consents and agrees that such Warrant Certificate shall be deemed negotiable and the holder hereof treated by the Company, the Warrant Agent and all other persons dealing with such Warrant Certificate as the absolute owner thereof for any purposes and as the person entitled to exercise the rights represented by such Warrant Certificate, any notice to the contrary notwithstanding.

SECTION 6. Warrant Agent Offices; Exchanges. The Warrant Agent shall at all times maintain an office in Geneva, Switzerland (the "Warrant Agent Office") where Warrant Certificates may be exchanged, Warrants exercised, Warrant Certificates issued and other responsibilities and functions of the Warrant Agent hereunder performed.

Warrant Certificates may be exchanged at the option of the holder or holders thereof, when surrendered to the Warrant Agent at the Warrant Agent Office, for another Warrant Certificate or other Warrant Certificates of like tenor and of authorized denominations representing in the aggregate a like number of Warrants. Warrant Certificates may also be presented for such exchange, when surrendered at any of the offices in Switzerland (each a "Paying Agent Office") of any of the paying agents in respect of the Bonds (each a "Bond Paying Agent") (except that if the Bonds shall have been redeemed, such Warrant Certificates may only be presented for exchange at any of the offices in Switzerland of the Principal Paying Agent) for forwarding to, or upon the direction of, the Warrant Agent for processing. The Warrant Agent is hereby authorized to deliver the new Warrant Certificates required pursuant to the provisions of this Section.

SECTION 7. No Separate Transfers until Unit Separation Date. As provided in the recitals hereto, until the Unit Separation Date Warrants are transferrable only as components of Units being transferred comprising Bonds and Warrants. To that end, prior to the Unit Separation Date, neither the Company nor the Warrant Agent shall extend to the holder of any Warrant Certificate rights provided for herein with respect to the exchange of such Warrant Certificate or exercise of Warrants evidenced thereby or other rights with respect thereto unless such holder at the time holds a Bond in the principal amount of Swiss francs 5,000 for each 10 Warrants or a Bond in the principal amount of Swiss francs 100,000 for each 200 Warrants evidenced by such Warrant Certificate.

SECTION 8. Duration and Exercise of Warrants. The Warrants shall expire on the close of business on February 21, 1997 (such date of expiration being herein referred to as the "Expiration Date"). Each Warrant may be exercised on any business day on or after June 24, 1985 and prior to 5:00 p.m., Geneva time, on the Expiration Date. After 5:00 p.m., Geneva time, on the Expiration Date, the Warrants will become wholly void and of no value. As used herein, the term "business day" means a day on which banks generally are open for business in Zurich, Basle, Geneva and Berne, Switzerland.

Subject to the provisions of this Agreement, each Warrant shall entitle the holder thereof to purchase from the Company (and the Company shall issue and sell to such

holder of a Warrant) five fully paid and nonassessable Shares (or such number of Shares as may be adjusted from time to time as provided in Section 14) at the price of Swiss francs 101.73 per share (such price, as may be adjusted from time to time as provided in Section 14, being the "Exercise Price") upon depositing the Warrant Certificate or Certificates evidencing such Warrant or Warrants with the Warrant Agent at the Warrant Agent Office with the form of election to purchase on the reverse thereof duly completed and signed by or on behalf of the holder or holders thereof, and upon payment (in cash or by bank check) of the aggregate Exercise Price, plus the amount of any Swiss turnover, stamp or other Swiss tax applicable to the issue of Common Stock upon such exercise, in lawful money of the Confederation of Switzerland for the number of Shares in respect of which such Warrant Certificate or Certificates is being exercised. The Warrants may also be presented for exercise, with the same effect as if surrendered to the Warrant Agent, by (i) depositing such Warrant Certificate or Certificates with any Bond Paying Agent at any Paying Agent Office (except that if the Bonds shall have been redeemed, such Warrant Certificate or Certificates may only be presented for exercise at any of the offices in Switzerland of the Principal Paying Agent), for forwarding to or upon the direction of, the Warrant Agent for processing and (ii) providing for the payment of the aggregate Exercise Price plus the amount with respect to any applicable Swiss taxes (in cash or by bank check) at the Warrant Agent Office.

Upon such surrender of a Warrant Certificate or Certificates and payment of the Exercise Price and the amount with respect to taxes as aforesaid the Warrant Agent shall requisition from the Company's Common Stock transfer agent or co-transfer agent (the "Transfer Agent") for issuance and delivery to or upon the written order of the holder of such Warrant Certificate or Certificates and in such name or names as such holder may designate (all as specified in the election to purchase provided by such holder at the time of exercise), a certificate or certificates for the Shares issuable upon the exercise of the Warrant or Warrants evidenced by such Warrant Certificate or Certificates. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become the holder of record of such Share or Shares as of the date of the surrender of such Warrant Certificate or Certificates duly executed and payment of the Exercise Price as hereinbefore provided. The Warrants evidenced by a Warrant Certificate or Certificates

shall be exercisable, at the election of the holder thereof, either as an entirety or from time to time for part only of the number of Warrants specified in the Warrant Certificate or Certificates. In the event that less than all of the Warrants evidenced by a Warrant Certificate or Certificates surrendered upon the exercise of Warrants are exercised at any time prior to the Expiration Date, a new Warrant Certificate or Certificates shall be issued in authorized denominations for the remaining number of Warrants evidenced by the Warrant Certificate or Certificates so surrendered.

The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay to the Company all moneys received by it (other than amounts received on account of applicable Swiss taxes) on the purchase of Shares through the exercise of Warrants.

SECTION 9. Acquisition of Warrants by the Company; Cancellation of Warrants. The Company shall have the right, except as limited by law or other agreement, to purchase or otherwise acquire Warrants at such times, in such manner and for such consideration as it may deem appropriate. The Warrant Agent shall cancel any Warrant Certificate delivered to it for exercise in whole or in part, or delivered to it for exchange or substitution, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. On request of the Company, the Warrant Agent shall destroy cancelled Warrant Certificates held by it and shall deliver its certificates of destruction to the Company. If the Company shall acquire any of the Warrants, such acquisition shall not operate as a redemption or termination of the right represented by such Warrants unless and until the Warrant Certificates evidencing such Warrants are surrendered to the Warrant Agent for cancellation.

SECTION 10. Payment of Taxes. The Company will pay all documentary stamp taxes attributable to the exercise of Warrants except as provided in Section 8.

SECTION 11. Mutilated or Missing Warrant Certificates. In case any of the Warrant Certificates shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue, and the Warrant Agent shall deliver, in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate or Certificates, or in lieu of and substitution for the Warrant Certificate or Certificates lost, stolen or destroyed, a new Warrant Certificate or

certificates of like tenor and of authorized denominations representing an equivalent number of Warrants, but only upon receipt of evidence satisfactory to the Company and the Warrant Agent of such loss, theft or destruction of such warrant Certificate or Certificates (and surrender of any mutilated Warrant Certificate or Certificates, if applicable) and indemnity or bond, if requested, also satisfactory to them. Applicants for such substitute Warrant Certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe.

SECTION 12. Reservation of Shares. For the purpose of enabling it to satisfy any obligation to issue Shares upon exercise of Warrants, the Company will at all times through the close of business on the Expiration Date, reserve and keep available, from preemptive rights and out of its aggregate authorized but unissued or treasury Common Stock, the full number of Shares deliverable upon the exercise of all outstanding Warrants, and the Transfer Agent is hereby irrevocably authorized and directed by the Company at all times to honor requisitions made by the Warrant Agent pursuant to Section 8 hereof. The Company will keep a copy of this Agreement on file with such Transfer Agent and with every transfer agent for any shares of the Company's capital stock issuable upon the exercise of Warrants pursuant to Section 14. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from such Transfer Agent stock certificates issuable upon exercise of outstanding Warrants, and the Company will supply such Transfer Agent with duly executed stock certificates for such purpose.

Before taking any action which would cause an adjustment pursuant to Section 14 reducing the Exercise Price below the then par value (if any) of the Shares issuable upon exercise of the Warrants, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Shares at the Exercise Price as so adjusted.

The Company covenants that all Shares issued upon exercise of the Warrants will, upon issuance in accordance with the terms of this Agreement, be fully paid and nonassessable and free from all prescriptive rights and taxes, liens, charges and security interests created by or imposed

upon the Company with respect to the issuance and holding thereof.

SECTION 13. Obtaining of Governmental Approvals; Stock Exchange Listing. The Company from time to time will use its best efforts to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and to make filings under United States federal and state securities acts and laws and the laws of Switzerland, which may be or become requisite in connection with the issuance, sale, transfer and delivery of the Warrant Certificates, the exercise of the Warrants and the issuance, sale, transfer and delivery of the Shares issued upon exercise of the Warrants. The Company will cause all Shares to be and remain duly listed (subject to issuance or notice thereof) on all securities exchanges on which the Common Stock is listed. The Company will cause the Shares to be duly registered under the United States Federal Securities Act of 1933, as amended, prior to June 24, 1985, the first date on which Warrants may be exercised, and to maintain the due effectiveness of such registration statement so long as such registration of the Shares is required by such Act or regulations thereunder and to supplement or amend the related prospectus as required by such Act or regulations. The Company shall provide to the Warrant Agent Office sufficient copies of the related prospectus for delivery to holders of Warrants upon exercise of Warrants and the Warrant Agent will, upon each Warrant exercise, deliver a copy thereof to the holder affecting such exercise.

SECTION 14. Adjustment of Exercise Price and Number of Shares Purchasable. The Exercise Price and the number of Shares purchasable upon the exercise of each Warrant are subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 14.

(a) If the Company after the date hereof shall (i) pay a dividend or make distribution in shares of its Common Stock, (ii) subdivide the outstanding shares of Common Stock into a greater number of shares, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, than in any such case the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding prior to such action and the denominator shall be the number of shares of Common Stock

outstanding after giving effect to such action. An adjustment made pursuant to clause (i) of this subsection (a) shall become effective immediately after the record date for such dividend or distribution, and an adjustment made pursuant to clause (ii) or (iii) of this subsection (a) shall become effective immediately after the effective date of such subdivision or combination.

(b) In case the Company after the date hereof shall issue rights or warrants to all holders of Common Stock entitling them (for a period expiring within 45 days after the record date mentioned below) to subscribe for or purchase shares of Common Stock (or securities convertible into or exchangeable for shares of Common Stock) at a price per share less than the then-current market price per share of Common Stock (as determined pursuant to subsection (d) below) on the record date (or, if applicable, the ex-distribution date) mentioned below, the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares of Common Stock which the aggregate offering price of the total number of shares so to be offered would purchase at such current market price per share of Common Stock, and (ii) the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock to be offered for subscription or purchase (or upon conversion or exchange). Any such adjustments shall be made whenever such rights or warrants are issued and shall be effective retroactive to the record date for the determination of stockholders entitled to receive such rights or warrants.

In case such subscription price may be paid in consideration part or all of which shall be other than cash, the value of such consideration shall be reasonably determined by the Board of Directors of the Company whose determination, as described in a statement filed by the Warrant Agent, shall be conclusive.

(c) In case the Company after the date hereof shall distribute to all holders of Common Stock evidences

of its indebtedness or assets (excluding any cash dividend or distribution) or shares of capital stock of any class other than the Common Stock or grants rights to subscribe for securities other than those referred to in subsection (b) above, in each such case the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the current market price per share of Common Stock (determined as provided in subsection (d) below) of the Common Stock on the record date (or, if applicable, the ex-distribution date) mentioned below less the then-current fair market value (as determined by the Board of Directors whose determination shall be conclusive, and described in a statement filed with the Warrant Agent) (the term "Board of Directors," when used in this Agreement, shall mean the Board of Directors of the Company or any committee of such Board of Directors duly authorized to exercise the power of such Board of Directors with respect to the matters provided for in this Agreement as to which the Board of Directors is authorized or required to act) of the portion of the assets or evidence of indebtedness as distributed or of such subscription rights or of such shares of capital stock of any class other than the Common Stock, applicable to one share of Common Stock, and (ii) the denominator shall be the then-current market price per share of the Common Stock. Any such adjustment shall be made on the date such distribution be made and shall be effective retroactive to the record date for the determination of stockholders entitled to receive such distribution.

(d) For the purpose of any computation under subsection (b) or (c) above, the current market price per share of Common Stock on any date shall be deemed to be the average of the daily Closing Prices of the shares of Common Stock for the ten consecutive Trading Days (as defined below) preceding the applicable record date (or, if applicable, the date on which the Common Stock commences trading on an ex-distribution basis). The "Closing Price" for each Trading Day (as defined below) shall be the last reported sale price regular way or, in case no such reported sale takes place on such Trading Day, the average of the closing bid and asked prices regular way for such day, in each case on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading

as designated by the Board of Directors of the Company or, if not listed or admitted to trading, the last sale price regular way for the Common Stock as published by NASDAQ, or if such last sale price is not so published by NASDAQ or if no such sale takes place on such day, the mean between the closing bid and asked prices for the Common Stock as published by NASDAQ. If the prices of the Common Stock were not so reported on any such market, the price of the Common Stock shall be the average of the closing bid and asked prices as furnished by any member of the New York Stock Exchange selected from time to time by the Company for that purpose. For the purpose of this Subsection (d), "Trading Day" shall mean a day on which the securities exchange specified for purposes of this Subsection (d) shall be upon for business or, if the shares of Common Stock shall not be listed on any such exchange for such period, a day with respect to which quotations of the character referred to in the next preceding sentence shall be reported.

(e) In any case in which this Section 14 shall require that an adjustment be made immediately following a record date, the Company may elect by written notice to the Warrant Agent to defer (but only until five Trading Days following the filing by the Company with the Warrant Agent of a certificate signed by the Chairman of the Board, the President or any Vice President of the Company (an "Officer's Certificate") and a certificate of a firm of independent public accountants as required in subsection (g)) issuing to the holder of any Warrant exercised after such record date the shares of Common Stock and any other capital stock of the Company issuable upon such exercise in excess of the shares of Common Stock issuable upon such exercise prior to such adjustment.

(f) No adjustment shall be required unless such adjustment would require an increase or decrease of at least one percent in the Exercise Price then subject to adjustment; provided, however, that any adjustments
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that are not made by reason of this subsection (f) shall be carried forward and taken into account in any subsequent adjustment.

(g) Whenever an adjustment in the Exercise Price is made as required or permitted by the provisions of this Section 14, the Company shall promptly file with

the Warrant Agent (i) an Officer's Certificate and (ii) a certificate of a firm of independent public accountants, in each case (x) setting forth the adjusted Exercise Price as provided in this Section 14 and setting forth a brief statement of the facts requiring such adjustment and the computation thereof and (y) setting forth the number of shares of Common Stock (or portions thereof) purchasable upon exercise of a Warrant after such adjustment in the Exercise Price in accordance with subsection (k) below after such adjustment in the Exercise Price and the record date therefor, which Officer's Certificate and certificate of a firm of independent public accountants, as the case may be, shall be conclusive evidence of the correctness of any such adjustment and promptly after such filing by the Warrant Agent at the Company's expense shall cause a notice of such adjustment to be published at least once in a newspaper customarily published on each business day and of general circulation (an "Authorized Newspaper") in Zurich, Basle, Geneva and Berne, Switzerland. The Warrant Agent shall be under no duty or responsibility with respect to any such certificate except to exhibit the same to any holder of Warrants desiring inspection thereof.

(h) In case:

(1) the Company shall declare a dividend (or any other distribution) on shares of Common Stock payable form sources other than its earned surplus; or

(2) the Company shall authorize the granting to all holders of shares of Common Stock of any additional shares of Common Stock or securities convertible into or exchangeable for shares of Common Stock or rights to subscribe for or purchase any shares of capital stock of any class or of any other right; or

(3) of any reclassification of shares of Common Stock (other than a subdivision or combination of outstanding shares of Common Stock), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(4) events shall have occurred resulting in the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be filed with the Warrant Agent, and shall cause to be published at least once in an Authorized Newspaper in Zurich, Basle, Geneva and Berne, Switzerland, at least ten days prior to the applicable date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and, if applicable, the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property (including cash) deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give any such notice, or any defect therein, shall not affect the validity of the proceedings referred to in clauses (1), (2), (3) and (4) above.

(i) Anything in this Section 14 to the contrary notwithstanding, the Company shall be entitled, but not required, to make such reductions in the Exercise Price, in addition to those required by this Section 14, as in its discretion it shall determine to be advisable, including, without limitation, in order that any dividend in or distribution of shares of Common Stock or shares of capital stock of any class other than Common Stock, subdivision, reclassification or combination of shares of Common Stock, issuance of rights or warrants, or any other transaction having a similar effect, shall not be treated as a distribution of property by the Company to its stockholders under Section 305 of the Internal Revenue Code of 1954, as amended, or any successor provision and shall not be taxable to them.

(j) As used herein, the term "Common Stock" shall mean (i) the class of stock designated as the Common Stock of the Company at the date of this Agreement, or

(ii) any other class of stock resulting from successive changes or reclassifications of such shares consisting solely of changes in par value, or from par value to no par value or from no par value to par value.

(k) Upon each adjustment of the Exercise Price pursuant to this Section 14 the number of shares of Common Stock purchasable upon exercise of a Warrant outstanding prior to the effectiveness of such adjustment shall be adjusted to tho number of shares of Common Stock, calculated to the nearest one-hundredth of a share, obtained by (1) multiplying the number of shares of Common Stock purchasable immediately prior to such adjustment upon the exercise of a Warrant by the Exercise Price in effect immediately prior to such adjustment, and (ii) dividing the product so obtained by the Exercise Price in effect after such adjustment of the Exercise Price.

(l) Except as provided in Subsections (a) and (c) of this Section 14, no adjustment in respect of any dividends shall be made during the term of a Warrant or upon the exercise of a Warrant.

(m) Irrespective of any adjustments in the Exercise Price or the number or kind of shares purchasable upon the exercise of the Warrants, Warrants theretofore or thereafter issued may continue to express the same price and number and kind of shares as are stated in the Warrants initially issuable pursuant to this Agreement.

SECTION 15. Fractional Shares.

Notwithstanding an adjustment pursuant to Section 14(k) in the number of Shares of Common Stock purchasable upon the exercise of a Warrant, the Company shall not be required to issue fractions of Shares upon exercise of the Warrants or to distribute certificates which evidence fractional Shares. In lieu of fractional Shares, there shall be paid to the holders of Warrant Certificates at the time such Warrant Certificates are exercised as herein provided an amount in cash in Swiss francs equal to the same fraction of the excess of current market price per share of Common Stock (as determined pursuant to Section 14(d)) over the then Exercise Price. For such purpose, current market price shall be determined as of the Trading Day as defined in Section 14(d), next preceding the day of such exercise and

shall be translated to Swiss francs at the closing buying rate for Swiss francs on the New York spot market on the day next preceding the day of exercise when banks were open for business in New York City.

SECTION 16. Rights Upon Consolidation, Merger, Sale, Transfer or Reclassification. (a) In case of any consolidation with or merger of the Company into another corporation (other than a merger or consolidation in which the Company is the surviving corporation), or in case of any lease, sale or conveyance of the property of the Company as an entirety or substantially as an entirety, such successor, leasing or purchasing person or entity, as the case may be, shall execute with the Warrant Agent a supplemental agreement (1) providing that each holder of a Warrant shall have the right thereafter until the Expiration Date to receive, upon exercise thereof, in lieu of each share of Common Stock of the Company deliverable upon such exercise immediately prior to such event, only the kind and amount of shares, other securities, property, cash or any combination thereof receivable upon such consolidation, merger, lease, sale or conveyance by a holder of one share of Common Stock of the Company, and (2) setting forth the Exercise Price for the shares, other securities, property, cash or any combination thereof so issuable, which shall be an amount equal to the Exercise Price per share of Common Stock of the Company immediately prior to such event.

(b) In case of any reclassification or change of the shares of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination), or in case of any consolidation or merger of another corporation into the Company in which the Company is the surviving corporation and in which the holders of the shares of Common Stock thereafter receive shares, other securities, property, cash or any combination thereof for such shares of Common Stock (including for this purpose shares reflecting a change in par value or from par value to no par value or as a result of a subdivision or combination of the shares of Common Stock), the Company shall execute with the Warrant Agent a supplemental agreement (1) providing that each holder of a Warrant shall have the right thereafter (until the Expiration Date), to receive, upon exercise thereof, in lieu of each share of Common Stock deliverable upon such exercise immediately prior to such event, only the kind and amount of shares, other securities, property, cash or any combination thereof receivable upon

such reclassification, change, consolidation or merger by a holder of one share of Common Stock, and (2) setting forth the Exercise Price for the shares, other securities, property, cash or any combination thereof so issuable, which shall be an amount equal to the Exercise Price per share of Common Stock immediately prior to such event.

If, as a result of this subsection (b), the holder of any Warrant thereafter surrendered for exercise shall become entitled to receive shares of two or more classes of capital stock of the Company, the Board of Directors of the Company (whose determination shall be conclusive and shall be described in a statement filed with the Warrant Agent) shall determine the allocation of the Exercise Price between or among shares of such classes of capital stock.

(c) Any supplemental agreement entered into pursuant to this Section 16 shall (1) where appropriate, state the Exercise Price in terms of one full share of Common Stock of the Company or one full share of the common stock of any successor, leasing or purchasing corporation and (2) provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for herein.

(d) The above provisions of this Section 16 shall similarly apply to successive reclassifications and changes of shares of Common Stock and to successive consolidations, mergers, leases, sales or conveyances.

(e) Notice of the execution of any such supplemental agreement shall, as soon as practicable after the execution of such supplemental agreement, be published at least once in an Authorized Newspaper in Zurich, Basle, Geneva and Berne, Switzerland.

SECTION 17. Merger, Consolidation or Change of Name of Warrant Agent. Any corporation into which the Warrant Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 19.

SECTION 18. Warrant Agent. The Warrant Agent undertakes the duties and obligations imposed by this Agreement

upon the following terms and conditions, all of which the Company and the holders of Warrants, by their acceptance thereof, shall be bound:

(a) The statements contained herein and in the Warrant Certificates shall be taken as statements of the Company, and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as describe the Warrant Agent or action taken or to be taken by it. Except as herein otherwise provided, the Warrant Agent assumes no responsibility with respect to the execution, delivery or distribution of the Warrant Certificates.

(b) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrant Certificates to be complied with by the Company nor shall it at any time be under any duty or responsibility to any holder of a Warrant to make or cause to be made any adjustment in the Exercise Price or in the number of Shares issuable (except as instructed by the Company) upon exercise of any Warrant, or to determine whether any facts exist which may require any such adjustments, or with respect to the nature or extent of or method employed in making any such adjustments when made.

(c) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company) and the Warrant Agent shall incur no liability or responsibility to the Company or any holder of any warrant Certificate in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

(d) The Warrant Agent shall incur no liability or responsibility to the Company or to any holder of any Warrant Certificate for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(e) The Company agrees to pay the Warrant Agent reasonable compensation for all services rendered by tho Warrant Agent under this Agreement, to reimburse

the Warrant Agent upon demand for all expenses, taxes and governmental charges and other charges of any kind and nature incurred by the Warrant Agent in the performance of its duties under this Agreement and to indemnify the Warrant Agent and save it harmless against any and all losses, liabilities and expenses, including judgments, costs and reasonable counsel fees, for anything done or omitted by such Warrant Agent arising out of or in connection with this Agreement except as a result of its gross negligence or bad faith.

(f) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more holders of Warrant Certificates shall furnish the Warrant Agent with reasonable security and indemnity for any costs or expenses which may be incurred. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by tho Warrant Agent shall be brought in its name as Warrant Agent, and any recovery or judgment shall be for the ratable benefit of the holders of the Warrants, as their respective rights or interests may appear.

(g) The Warrant Agent, and any stockholder, director, officer or employee thereof, or of any affiliated corporation thereof, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not a Warrant Agent under this Agreement, or a stockholder, director, officer or employee of the Warrant Agent or one of its affiliated corporations, as the case may be. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(h) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything which it may do

or refrain from doing in connection with this Agreement except for its own gross negligence or bad faith.

(i) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(j) The Warrant Agent shall be under no responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate; nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of the Shares to be issued pursuant to this Agreement or any Warrant Certificate or as to whether the Shares will when issued by validly issued, fully paid and nonassessable or as to the Exercise Price or the number of Shares issuable upon exercise of any Warrant.

(k) The Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President, the Treasurer or any Vice President, the Secretary or any Assistant Secretary of the Company, and to apply to such officers for advice and instructions in connection with its duties, and shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer or in good faith reliance upon any statement signed by any one of such officers of the Company with respect to any fact or matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement.

(l) The Warrant Agent may enter into servicing contracts or subagency arrangements with third parties for the performance of any of the administrative functions to be performed by the Warrant Agent hereunder.

SECTION 19. Change of Warrant Agent. If the Warrant Agent shall resign (such resignation to become effective not earlier than 30 days after the giving of written notice thereof to the Company and the holders of Warrant Certificates) or shall become incapable of acting as Warrant Agent or if the Board of Directors of the Company shall by resolution remove the Warrant Agent (such removal to become effective not earlier than 30 days after the filing of a certified copy of said resolution with such Warrant Agent and the publication of notice of such removal at least once in an Authorized Newspaper in Zurich, Basle, Geneva and Berne, Switzerland) the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been so notified in writing of such resignation or incapacity by the Warrant Agent or by the holder of a Warrant Certificate, then the holders of not less than twenty percent in number of the then outstanding Warrants shall appoint a successor to such Warrant Agent. Pending appointment of a successor to the Warrant Agent, either by the Company or by such holders, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent whether appointed by the Company or by the holders shall be a bank or financial institution, incorporated and in good standing under the laws of the Confederation of Switzerland and having an office in Geneva, Switzerland and must have at the time of its appointment a combined capital and surplus of at least Swiss francs 5,000,000. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause notice of the change in such Warrant Agent to be published at least once in an Authorized Newspaper in Zurich, Basle, Geneva and Berne, Switzerland. After appointment such successor Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Warrant Agent without further act or deed; but the former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder and execute and deliver, at the expense of the Company, any further assurance, conveyance, act or deed necessary for the purpose. Failure to publish any notice provided for in this Section, however, or any defect therein, shall not affect the legality or validity of the removal of a Warrant Agent or the appointment of a successor Warrant Agent, as the case may be.

SECTION 20. Warrantholder Not Deemed a Shareholder. Nothing contained in this Agreement or in any of

the Warrant Certificates shall be construed as conferring upon the holders thereof the right to vote or to receive dividends or to consent or to receive notice as shareholders in respect of the meetings of shareholders or for the election of directors of the Company or any other matter, or any rights whatsoever as shareholders of the Company.

SECTION 21. Notices to Company and Warrant Agent. Any notice or demand authorized by this Agreement to be given or made by the Warrant Agent or by any registered holder of any Warrant Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Dennison Manufacturing Company
275 Wyman St.
Waltham, MA 02254
U.S.A.
Attention: Treasurer

Any notice pursuant to this Agreement to be given by the Company or by any registered holder of any Warrant Certificate to the Warrant Agent shall be sufficiently given if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company and written notice thereof is given to registered holders of the Warrants) to the Warrant Agent as follows:

First Chicago S.A.
6, Place des Eaux-Vives
1211 Geneva 6
Switzerland

SECTION 22. Supplements and Amendments. The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any holders of Warrant Certificates in order to cure any ambiguity, manifest error or other mistake in this Agreement, or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision herein, or to make any other provisions in regard to matters of questions arising hereunder which the Company and the Warrant Agent may deem necessary or desirable and which shall not adversely affect, alter or change the interests of the holders of the Warrant Certificates.

With the consent of not less than a majority in number of the then outstanding Warrants, the Company and the Warrant Agent may modify this Agreement for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of this Agreement or modifying in any manner the rights of the holders of the Warrant Certificates; provided, however, that no modification of the terms upon which the Warrants are exercisable or reducing the percentage required for modification may be made without the consent of the holder of each outstanding Warrant affected thereby.

SECTION 23. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 24. Termination. This Agreement shall terminate at the close of business on the Expiration Date. Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised. The provisions of Section 18 shall survive such termination.

SECTION 25. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, U.S.A., except that provisions herein relating to applications to courts of Switzerland or compliance with laws or regulations thereof shall be governed by Swiss law.

SECTION 26. Jurisdiction. Any dispute which might arise between holders of Warrant Certificates, on the one hand, and the Company or the Warrant Agent, or both, on the other shall fall within the jurisdiction of the Ordinary Courts of the Canton of Geneva, the place of jurisdiction being Geneva, with the right to appeal to the Swiss Federal Court in Lausanne, the judgment of which shall be final. Solely in connection with matters relating to the Warrant Certificates and for the purpose of enforcement thereof in Switzerland, the Company irrevocably elects domicile with FIRST CHICAGO S.A., 65 rue du Rhone, Geneva, Switzerland, which shall act as agent for service process in Switzerland. Notwithstanding the foregoing, the holders of Warrant Certificates shall have the right to enforce their rights or to take legal action before the competent courts in the United States of America.

SECTION 27. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrant Agent and the holders of the Warrant Certificates any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the holders from time to time of the Warrant Certificates.

SECTION 28. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

SECTION 29. Table of Contents; Headings. The table of contents and the headings of sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

DENNISON MANUFACTURING COMPANY

By

Title:

By

Title:

FIRST CHICAGO S.A.
as Warrant Agent

By

Title:

EXHIBIT A

[Form of Global Warrant Certificate]

THE WARRANTS REFERRED TO BELOW HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES FEDERAL SECURITIES ACT OF 1933 AND IN THE OFFERING THEREOF PURSUANT TO THE BOND AND WARRANT ISSUE AGREEMENT DATED FEBRUARY 27, 1985 REFERRED TO BELOW HAVE NOT BEEN OFFERED IN THE UNITED STATES OF AMERICA OR TO NATIONALS OR RESIDENTS THEREOF.

VOID AFTER February 21, 1997

This global Warrant Certificate evidences the holding by First Chicago S.A. of _____ Common Stock Purchase Warrants expiring February 21, 1997 sold by Dennison Manufacturing Company (the "Company") pursuant to the Bond and Warrant Issue Agreement dated February 27, 1985 between the Company and First Chicago S.A. and the other members of the banking consortium parties thereto ("Issue Agreement"), such Warrants having been created and issued pursuant to the Warrant Agreement dated as of February 27, 1985 between the Company and First Chicago S.A., as Warrant Agent, the terms and provisions of which are incorporated by reference herein. This global Warrant Certificate is exchangeable against definitive Warrant Certificates in accordance with Article X of the aforesaid Issue Agreement.

IN WITNESS WHEREOF, the Company has caused this global Warrant Certificate to be duly executed.

Dated: March 21, 1985

DENNISON MANUFACTURING COMPANY

By

Title:

By

Title:

EXHIBIT B

[Form of Warrant Certificate]

No. _____ _____ Warrants

THE WARRANTS REFERRED TO BELOW HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES FEDERAL SECURITIES ACT OF 1933 AND IN THE OFFERING THEREOF PURSUANT TO THE BOND AND WARRANT ISSUE AGREEMENT DATED FEBRUARY 27, 1985 REFERRED TO BELOW HAVE NOT BEEN OFFERED IN THE UNITED STATES OF AMERICA OR TO NATIONALS OR RESIDENTS THEREOF.

VOID AFTER FEBRUARY 21, 1997

WARRANTS TO PURCHASE COMMON STOCK OF

DENNISON MANUFACTURING COMPANY

DENNISON MANUFACTURING COMPANY, a Nevada corporation (hereinafter called the "Company"), for value received, hereby certifies that the bearer is the owner of the number of Warrants set forth above, each of which represents the right, on any business day commencing on June 24, 1985 and ending on or before 5:00 p.m., Geneva time, on February 21, 1997, on which date such Warrants expire, initially to purchase five shares of Common Stock, par value $1.00 per share, of the Company (hereinafter called the "Common Stock") at the price of Swiss francs _____ per share (the "Exercise Price"), subject to adjustment and to the terms and conditions hereof and of the Warrant Agreement hereafter referred to, each such purchase to be made, and to be deemed effective for the purpose of determining the date of exercise, upon surrender hereof to First Chicago, S.A. (the "Warrant Agent") at the office maintained for such purpose by the Warrant Agent (or any successor warrant agent) in Geneva, Switzerland (the "Warrant Agent Office') with the form of Election to Exercise attached hereto as Annex I duly filled in and signed, and upon payment in full to the Warrant Agent for the account of the Company of the Exercise Price in cash or by bank check as provided in the Warrant Agreement hereafter referred to and upon compliance with and subject to the conditions set forth herein and in the Warrant Agreement hereinafter referred to including the payment of any Swiss turnover, stamp or other Swiss tax applicable to the issue of Common Stock upon such exercise. Warrants may also be presented for exercise, with the same effect as if surrendered to the Warrant Agent, by (i) depositing this

Warrant Certificate with any paying agent with respect to the Bonds (each a "Bond Paying Agent") at any paying agent office in Switzerland (each a "Paying Agent Office") (except that if the Bonds shall have been redeemed, such Warrant Certificate may only be presented for exercise at any of the offices in Switzerland or Swiss Volksbank (the "Principal Paying Agent")), for forwarding to, or upon the direction of, the Warrant Agent for processing, and (ii) providing for the payment of the aggregate Exercise Price plus the amount with respect to any applicable Swiss taxes (in cash or by bank check) at the Warrant Agent Office.

The Exercise Price and the number of shares of Common Stock purchasable on the exercise of each Warrant are subject to adjustment in certain events as provided in the Warrant Agreement hereafter referred to.

This Warrant Certificate is issued under and in accordance with the Warrant Agreement dated as of February 27, 1985 (herein called the "Warrant Agreement"), between the Company and the Warrant Agent and is subject to all terms and provisions of the Warrant Agreement, which terms and provisions are hereby incorporated by reference herein and made a part hereof. Every holder of this Warrant Certificate consents to all of the terms contained in the Warrant Agreement by acceptance hereof. A copy of the Warrant Agreement is available for inspection by the holder hereof at the Warrant Agent Office.

The Company shall not be required upon the exercise of the Warrants represented hereby, or upon any adjustment, to issue fractions of shares of Common Stock or to distribute stock certificates that evidence fractional shares of Common Stock, but shall make adjustments in cash for any fraction of a share as provided in the Warrant Agreement. If the Warrants represented hereby shall be exercised in part, the holder hereof shall be entitled to receive, upon surrender hereof, another Warrant Certificate for the balance of the number of whole Warrants not exercised as provided in the Warrant Agreement.

This Warrant Certificate may be exchanged either separately or in combination with other Warrant Certificates at the Warrant Agent Office for new Warrant Certificates in authorized denominations representing the same aggregate number of Warrants as were evidenced by the Warrant Certificate or Warrant Certificates exchanged, upon surrender of this Warrant Certificate and upon compliance with and subject

to the conditions set forth herein and in the Warrant Agreement. Warrant Certificates may also be presented for exchange when surrendered at the Paying Agent Office of any Bond Paying Agent (except that if the Bonds shall have been redeemed, such Warrant Certificates may only be presented for exchange at any of the offices in Switzerland of the Principal Paying Agent) for forwarding to, or upon the direction of, the Warrant Agent for processing.

Every holder of Warrants, by accepting this Warrant Certificate, consents and agrees with the Company, the Warrant Agent and with every subsequent holder of this Warrant Certificate that the Company and the Warrant Agent may deem and treat the bearer of this Warrant Certificate as the absolute and lawful owner for all purposes whatsoever and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

Nothing contained in the Warrant Agreement or in this Warrant Certificate shall be construed as conferring on the holder of any Warrants or his transferee any rights whatsoever as a shareholder of the Company.

The Warrant Agreement and each Warrant Certificate, including this Warrant Certificate, shall be deemed a contract made under the laws of the Commonwealth of Massachusetts and for all purposes shall be construed in accordance with the laws of the Commonwealth of Massachusetts except that provisions relating to applications to courts of Switzerland or compliance with laws or regulations thereof shall be governed by Swiss law.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed.

Dated:

DENNISON MANUFACTURING COMPANY

By

Title:

By

Title:

ANNEX I

ELECTION TO EXERCISE

(To be executed upon exercise of Warrant)

TO DENNISON MANUFACTURING COMPANY:

The undersigned hereby irrevocably elects to exercise the right of purchase represented by the within Warrant Certificate for, and to purchase thereunder, _____ shares of Common Stock, as provided for therein, and tenders herewith payment of the purchase price in full in the form of [cash] [bank check in the amount of Swiss francs _____.]/1/ (delete one)

Please issue a certificate or certificates for such shares of Common Stock in

Name

(Please Print Name and

Address

Signature

AND, if such number of shares shall not be all the shares purchasable under the within Warrant Certificate, a new Warrant Certificate for the balance remaining of the shares purchasable thereunder (less any fraction of a share paid in cash) which shall be delivered to

_____

_____

(insert name and address of addressee to receive new Warrant Certificate)

- ---

/1/ The amount of payment must include any Swiss turnover, stop or other tax applicable to the issue of Common Stock upon such exercise.

Dated: _____, 19____

Name

Signature

(Name and signature of exercising Warrantholder)

TEXT OF DEFINITIVE BONDS
- ------------------------

Face of the Bond:
- ----------------

This Bond has not been and will not be registered under the Securities Act of 1933 of the United States of America.

Any United States Person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165 (j) and 1287 (a) of the Internal Revenue Code. For the purposes of this Bond a "United States Person" includes any national or resident of the United States of America (including any corporation, partnership or other entity organized under the laws thereof or any political subdivision thereof and any estate or trust which is subject to United States federal income taxation regardless of the source of its income.

DENNISON MANUFACTURING COMPANY
(a corporation organized under the
laws of the State of Nevada, U.S.A.)

5 1/8% Bonds 1985-1997
of Swiss Francs 100,000,000.--
---
due March 21, 1997

BEARER BOND OF SWISS FRANCS.....-- *)

No. 0001 - ....

Dennison Manufacturing Company, a corporation organized under the laws of the State of Nevada, U.S.A. (the "Company"), for value received, promises to pay to the holder of this Bond on March 21, 1997 (or on such earlier date as the principal amount hereinafter mentioned may become repayable in accordance with the terms and conditions printed on the back hereof) upon presentation and surrender of this Bond at any office in Switzerland of Swiss Volksbank, Nordfinanz-Bank Zurich, Kredietbank (Suisse) S.A., Clariden Bank, Lloyds Bank International Ltd., Amro Banque et Finance, Bank CIAL (Schweiz) -Credit Industriel d'Alsace et de Lorraine AG-, Armand von Ernst & Cie AG, Banco di Roma per la Svizzera, Banque Generale du Luxembourg (Suisse) S.A., Banque Indosuez, Succursales de Suisse, Banque Morgan Grenfell en Suisse S.A., Caisse d'Epargne du Valais, Fuji Bank (Schweiz) AG, Gewerbebank Baden, Handelsfinanz Midland Bank, Hypothekar- und Handelsbank Winterthur, Maerki, Baumann & Co. AG, Sparkasse Schwyz, Bank Heusser & Cie AG, Banque Bruxelles Lambert (Suisse) S.A., Banque Gutzwiller, Kurz, Bungener S.A., Credit Commercial de France (Suisse) S.A., Dai-Ichi Kangyo Bank (Schweiz) AG, LTCB (Schweiz) AG, Soditic S.A. and The Royal Bank of Canada (Suisse) the principal

amount of Swiss Francs ..... -- *) (..... Swiss Francs) subject to
and in accordance with the terms and conditions printed on the back hereof.

Interest is payable annually in arrears at a rate of 5 1/8% per annum upon presentation and surrender at the aforesaid offices of the attached coupons in accordance with such terms and conditions.

This Bond is one of a series of Bonds of the Company in the aggregate principal amount of Swiss Francs 100,000,000.-- (hereinafter referred to as the "Bonds"), issued under and pursuant to a Bond and Warrant Issue Agreement dated February 27, 1985 (the "Bond and Warrant Issue Agreement"), duly executed by and among the Company of the first part, and First Chicago S.A. and a Consortium of Financial Institutions as mentioned therein of the second part. The Bonds are issued subject to and with the benefit of the terms of the Bonds appearing on the reverse hereof. English shall be the prevailing language for the understanding and interpretation of the Company's undertaking as evidenced by this Bond.

IN WITNESS WHEREOF, the Company has caused the Bond to be signed in facsimile by its President and its Treasurer dated March 21, 1985 and not delivered prior to June 24, 1985.

DENNISON MANUFACTURING COMPANY

by _____
Nelson S. Gifford
President

by _____
Alden R. Grove
Treasurer

REVERSE SIDE OF THE BOND
- ------------------------

1. Denominations

   This issue is represented by bearer Bonds in an aggregate principal amount of Swiss Francs 100,000,000.-- in denominations of Swiss Francs 5,000.-- and Swiss Francs 100,000.-- principal amount.

2. Interest

   The Bonds bear interest on the principal amount from March 21, 1985 at the rate of 5 1/8% (five and one-eighth per cent) per annum in arrears, the first interest payment being due March 21, 1986 and thereafter payable on March 21 of each year (hereinafter called the "Interest Payment Date"). For this purpose, the Bonds are issued with 5 1/8% annual coupons (hereinafter called the "Coupons"). The Bonds will cease to bear interest on the date on which they become due for redemption or repayment if funds are duly made available on such date for the redemption or repayment. Interest on the Bonds in the event of redemption will be computed on the basis of a 360-day year of twelve 30-day months.

3. Repayment

   The Company undertakes to repay the principal amount of the Bonds then outstanding without further notice on March 21, 1997 unless repayment occurs earlier pursuant to the terms hereinafter.

4. Transfer of Funds

   The Company undertakes to pay to Swiss Volksbank (hereinafter called the "Principal Paying Agent") two Business Days prior to each date when the Coupons or the Bonds become due (such latter date being hereinafter called the "Due Date") the aggregate amount of the respective face values of all Coupons and all Bonds plus premiums and Additional Amounts (as defined in Section 5 hereof), if any, which become due on such Due Date in lawful money of the Confederation of Switzerland, freely disposable outside of any bilateral or multilateral payment or clearing agreement which may exist between the United States of America and Switzerland at the time of transfer of payment. Subject to the provisions of Section 5 hereof, payments by the Company shall be effected in full and without any deductions or conditions precedent irrespective of nationality or domicile of the Bondholders and Couponholders, and without requiring any affidavit or the fulfillment of any other formality. The Principal Paying Agent shall credit all fund

received from the Company to a separate non-interest bearing account to be opened with itself. "Business Day" shall mean a day on which banks generally are open for business in Zurich, Basle, Geneva and Berne.

To the extent and when payments under the Bonds are received by the Principal Paying Agent, the Company shall be released from the respective payment obligations for principal, interest, premiums and Additional Amounts, if any.

The Principal Paying Agent will transmit all amounts due under the Bonds and the Coupons to the extent received from the Company proportionally to the Bondholders (and/or the Financial Institutions listed on the face of this Bond) with good value (interest, principal amounts, premiums, Additional Amounts (as defined in Section 5 hereinafter) and other payments) to accounts in Switzerland which the Bondholders and/or the Financial Institutions listed on the face of this Bond in due course have notified to the Principal Paying Agent.

Repayment of the Bonds will be effected upon presentation and surrender of the Bonds with all unmatured Coupons attached, and payments of the Coupons will be effected upon presentation and surrender of the Coupons at the counters of any of the offices in Switzerland of any of the following institutions, which are instructed by the Company to pay to the Bondholders all amounts due under the Bonds and the Coupons to the extent received from the Company:

Swiss Volksbank
Nordfinanz-Bank Zurich
Kredietbank (Suisse) S.A.
Clariden Bank
Lloyds Bank International Ltd.
Amro Banque et Finance
Bank CIAL (Schweiz)
- Credit Industriel d'Alsace et de Lorraine AG -
Armand von Ernst & Cie AG
Banco di Roma per la Svizzera
Banque Generale du Luxembourg (Suisse) S.A.
Banque Indosuez, Succursales de Suisse
Banque Morgan Grenfell en Suisse S.A.
Caisse d'Epargne du Valais
Fuji Bank (Schweiz) AG
Gewerbebank Baden
Handelsfinanz Midland Bank
Hypothekar- und Handelsbank Winterthur

Maerki, Baumann & Co. AG
Sparkasse Schwyz
Bank Heusser & Cie AG
Banque Bruxelles Lambert (Suisse) S.A.
Banque Gutzwiller, Kurz, Bungener S.A.
Credit Commercial de France (Suisse) S.A.
Dai-Ichi Kangyo Bank (Schweiz) AG
LTCB (Schweiz) AG
Soditic S.A.
The Royal Bank of Canada (Suisse)

If at any time during the life of the Bonds the Principal Paying Agent shall resign or be incapable, for any reason, of accepting funds to become due under the Bonds or Coupons as contemplated by the terms and conditions herein, the Bondholders expressly agree as follows: the absolute majority of the institutions other than the Principal Paying Agent mentioned in this Section 4 shall, after consultation with the Company, appoint an alternate institution to replace the Principal Paying Agent in these functions. If the institutions shall fail to appoint another such institution to replace the Principal Paying Agent within 30 days upon demand by the Company, then the Company shall appoint the replacement institution. In the event of any replacement of the Principal Paying Agent hereunder, then all references to the Principal Paying Agent shall be deemed to include such replacement institution for the purposes of this Bond. The appointment of the replacement institution shall be published in the newspapers as provided for in Section 11 hereof.

5. Taxation

All payments of interest and principal, plus premium (if any), shall be made by the Company in Switzerland without deduction of any taxes, imposts, penalties, duties, assessments or governmental charges of any kind or nature at source (hereinafter individually referred to as "Taxes"), present or future, which are required to be withheld (including, without limitation, back-up withholding) by the Company (or any Paying Agent as such or in its capacity as custodian, nominee or other agent of the holder of any Bond or Coupon), and which are levied or imposed or to be levied or imposed by the United States of America, including its possessions and territories and areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), or any political subdivision thereof (a "Taxing Jurisdiction").

In the event that any such Taxes should at any time be imposed or levied by any such Taxing Jurisdiction, the Company shall remit to the Principal Paying Agent such additional amounts (the "Additional Amounts") as may be necessary to ensure

that after deduction of any such Taxes of a Taxing Jurisdiction, but before any deduction made in pursuance of Swiss law, every net payment of the principal, premium (if any), and interest on a Bond will not be less than the face amount of any Coupon and the principal amount of any Bond that may be due and owing at the time of payment thereof, plus premium (if any).

The Company's obligation to remit such Additional Amounts shall not be subject to the fulfillment of any disclosure or certification requirement with respect to the nationality, residence, status or identity of the recipient of the payment or the beneficial owner of the Bond and/or Coupons in question.

The foregoing provisions, however, do not exempt a holder of a Bond or Coupon from any Taxes imposed or levied in a Taxing Jurisdiction and the Company shall not be obligated to remit funds and pay Additional Amounts on account of such Taxes if the holder of the Bond or Coupon is subject to taxation in or by a Taxing Jurisdiction for any reason other than his ownership of, or receipt of principal, premium (if any) or interest in respect of, the Bond or Coupon considered alone and without regard to any other factor such as (without limitation) such holder's past or present transactions with or relationship to the Company or the Taxing Jurisdiction.

If at any time the Company (i) determines that it either is or will be obligated to pay Additional Amounts pursuant to this Section 5, or (ii) determines that it either is or will be prohibited from performing or observing any of its obligations under this Section 5, then the Company may, on giving not less than 60 days notice to FIRST CHICAGO S.A., redeem on any date thereafter, as a whole but not in part, the Bonds at the following percentages of the principal amount:

102	%	in case of redemption prior to March 21, 1986
101, 5	%	in case of redemption on or after March 21, 1986 but prior to March 21, 1987
101	%	in case of redemption on or after March 21, 1987 but prior to March 21, 1988
100, 5	%	in case of redemption on or after March 21, 1988 but prior to March 21, 1989
100	%	in case of redemption on or after March 21, 1989

plus, in each case. the interest accrued until the date of redemption.

Prior to the publication of notice of redemption of the Bonds pursuant to Section 11 hereof, the Company will deliver to FIRST CHICAGO S.A. a certificate of the Company (upon which FIRST CHICAGO S.A. may conclusively rely) stating that the Company is entitled to effect such redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to such right of the Company to redeem the Bonds have occurred.

The Bonds called for redemption must be presented for repayment with all unmatured Coupons attached; the amount of missing unmatured Coupons will be deducted from the amount due for repayment, but such Coupons shall be paid upon subsequent presentation and surrender provided that payment thereof has not become barred by prescription in accordance with Swiss law.

The interest on the Bonds is, in accordance with Swiss law at present in force, not subject to the Swiss Federal withholding tax.

6. Status of the Bonds and Negative Pledge

a) Status of Bonds

The Bonds and the Coupons constitute unsecured and unsubordinated obligations of the Company ranking equally and ratably (pari passu) with all other present and future unsecured indebtedness of the Company subject to statutory exceptions as provided for in the laws and regulations of the United States of America or any State thereof.

b) Limitation on Liens

The Company covenants that, so long as any of the Bonds remain outstanding, it will not, nor will it permit any Subsidiary (as hereinafter defined) to, issue, assume or guarantee any Debt (as hereinafter defined) secured by any mortgage or other encumbrance ("mortgage") on any property of the Company or any Subsidiary or upon any shares of stock or indebtedness of any Subsidiary (whether such property, shares of stock or indebtedness are now owned or hereafter acquired) without in any such case effectively providing concurrently with the issuance, assumption or guaranty of any such Debt that the Bonds shall be secured equally and ratably with such Debt. For the purposes of this Section, the term "Subsidiary" shall mean any corporation of which at least a majority of the outstanding stock having voting power under ordinary circumstances to elect a majority of the board of directors of said corporation shall at the time be owned by the

Company, or by the Company and one or more Subsidiaries, or by one or more Subsidiaries. The term "Debt" shall mean indebtedness for money borrowed.

The foregoing restrictions shall not apply to Debt secured by (i) mortgages on property, shares of stock or indebtedness of any corporation existing at the time such corporation becomes a Subsidiary; (ii) mortgages in favor of the Company or any Subsidiary: (iii) mortgages in favor of any governmental body to secure progress, advance or other payments pursuant to any contract or provision of any statute: (iv) mortgages on property, shares of stock or indebtedness existing at the time of acquisition thereof (including acquisition through merger or consolidation) or to secure the payment of all or any part of the purchase price thereof or construction thereon or to secure any indebtedness incurred prior to, at the time of, or within 360 days after the later of the acquisition of such property, shares of stock or indebtedness or the completion of construction for the purpose of financing all or any part of the purchase price thereof or construction thereon; (v) mortgages securing, directly or indirectly, obligations issued by a State, territory or possession of the United States, any political subdivision of any of the foregoing or the District of Columbia, or any instrumentality of any of the foregoing to finance the acquisition or construction of property; or (vi) any extensions, renewals or replacements, as a whole or in part, of any mortgage referred to in the foregoing clauses (i) to (v), inclusive; provided, however, that such extension, renewal or replacement
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mortgage shall be limited to all or part of the same property, shares of stock or indebtedness that secured the mortgage extended, renewed or replaced (plus improvements on such property).

Notwithstanding the foregoing provisions, the Company may, and the Company may permit a Subsidiary to, issue, assume, or guarantee Debt secured by mortgages not excepted in the covenants above without equally and ratably securing the Bonds provided, however, that the
                                        -------- -------
aggregate principal amount of all such secured Debt issued, assumed or guaranteed after March 21, 1985 and then outstanding, plus the principal amount of the secured Debt then being issued, assumed or guaranteed, and the aggregate amount of the Attributable Debt (as hereinafter defined) in respect of sale and lease-back arrangements, shall not exceed 5 percent of the Consolidated Net Tangible Assets (as hereinafter defined) of the Company and its consolidated Subsidiaries, as shown on the latest audited consolidated financial statements of the Company. "Attributable Debt" in respect of a sale and lease-back arrangement shall mean the lesser of (a) the fair value of the property subject to such arrangement (as determined by the Board of Directors of the

Company) and (b) the present value (discounted at the U.S. dollar corporate base rate of The First National Bank of Chicago) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such arrangement (including any period for which such lease has been extended); provided, however, -------- -------

that for the purposes of the limitations upon the Company and its Subsidiaries there shall not be deemed to be any Attributable Debt in respect of a sale and lease-back arrangement if the Company or a Subsidiary would, apart from the provisions of this paragraph, be entitled to issue, assume or guarantee Debt secured by a mortgage on the property involved in such arrangement without equally and ratably securing the Bonds. "Consolidated Net Tangible Assets" shall mean the aggregate amount of assets less current liabilities, all as determined and consolidated in accordance with generally accepted accounting principles.

c) Limitation on Sale and Lease-Back

The Company covenants that, so long as any of the Bonds remain outstanding, it will not, nor will it permit any Subsidiary to, enter into any arrangement with any person providing for the leasing by the Company or any Subsidiary of any property (except for temporary leases for a term of not more than three years), which property has been or is to be sold or transferred by the Company or such Subsidiary to such person, unless (a) the Company or such Subsidiary would be entitled to issue, assume or guarantee Debt, secured by a mortgage on such property, in a principal amount equivalent to the Attributable Debt in respect of such arrangement without equally and ratably securing the Bonds, or (b) the Company shall apply or cause to be applied an amount in cash equal to the net proceeds of such sale to the retirement of Debt (other than Debt owned by the Company or any Subsidiary) which matures more than twelve months after the date of its creation, or shall apply such proceeds to investment in another property within a period not exceeding twelve months prior or subsequent to any such arrangement.

7. Repayment in Event of Default

FIRST CHICAGO S.A. shall have the right, but not the obligation, on behalf of the Bondholders, to declare the principal amount of the Bonds, together with accrued interest thereon and premium and Additional Amounts, if any, to be immediately due and payable, if any of the following events shall have occurred and be continuing (hereinafter called the "Events of Default") by sending to the Company by registered airmail a written notice thereof:

a) The Company shall fail to pay principal and premium, if any, on the Bonds when due or shall be in default for a continuous period of 30 days in the payment of interest and/or Additional Amounts, if any, on the Bonds; or

b) The Company shall be in default in the performance or the observance of any of the terms of the Bonds for a continuous period of 60 days; or

c) The Company shall, with respect to indebtedness for money borrowed by it or assumed by it which exceeds in the aggregate US$ 10,000,000.--, default in the payment of any installment of interest and such default shall continue for the period of grace, if any, provided for therein, or shall default in the payment of any principal or premium, and the time for payment of such interest, principal or premium shall not have been effectively extended, and such default is in the opinion of FIRST CHICAGO S.A. materially prejudicial to the interest of the Bondholders, unless the Company is contesting in good faith its liability for the payment of the installment of interest or of principal or premium in question and shall have been advised by its counsel that it has a meritorious defense thereto: or

d) The Company shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of itself or its property, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of its creditors or (iv) commence a voluntary case under the Federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or action shall be taken by it for the purpose of effecting any of the foregoing, or

e) A decree or order by a court having jurisdiction shall have been entered and shall have continued undischarged and unstayed for 30 days, adjudging the Company bankrupt or insolvent, approving a petition seeking its reorganization under any bankruptcy, insolvency, reorganization or similar law, appointing a receiver, liquidator, trustee or assignee in bankruptcy or insolvency or sequestrator or similar official of it or of substantially all of its property or directing its liquidation or dissolution; or

f) Any of the representations and warranties made by the Company under the Bond and Warrant Issue Agreement shall prove to have been untrue or

incorrect in any material respect when made and such untruth or incorrectness is not remedied to the satisfaction of FIRST CHICAGO S.A. within 30 days after respective notice has been given to the Company; or

g) The Company shall be dissolved or liquidated.

In acting hereunder, FIRST CHICAGO S.A. may in every respect rely on information received from the Company and the Principal Paying Agent.

8. Merger, Sale or Transfer of Assets

All outstanding Bonds shall become due and payable at their principal amount plus accrued interest, upon 30 days notice to the Company by FIRST CHICAGO S.A., if the Company shall merge or consolidate with, or sell or convey all or substantially all of its assets to any other corporation, unless (a) either (A) the Company shall be the surviving corporation in the case of a merger or (B) the surviving, resulting or transferee corporation, (i) shall be a corporation organized under the laws of one of the States of the United States of America, (ii) shall expressly assume the due and punctual payment (including any Additional Amounts payable pursuant to Section 5 hereof) of all the Bonds, according to their tenor, and the due and punctual performance of all the covenants and obligations of the Company under the Bonds, the coupons and the terms and conditions of the Bonds by supplemental agreement satisfactory to FIRST CHICAGO S.A., provided that such surviving, resulting or transferee corporation shall also provide all necessary information to FIRST CHICAGO S.A. to enable FIRST CHICAGO S.A. to reapply on behalf of the surviving, resulting or transferee corporation for the admission and quotation of the Bonds so assumed on the Stock Exchanges of Zurich, Basle, Geneva and Berne under the then existing rules and regulations of such Stock Exchanges, including but not limited to the publication of a prospectus and other necessary publications, at the cost of the surviving, resulting or transferee corporation and (iii) shall agree to indemnify and hold harmless the holder of each Bond against any tax, assessment or governmental charge imposed on such holder by a jurisdiction other than the United States of America or any political subdivision or taxing authority thereof or therein which would not have been so imposed had such merger, consolidation, sale, conveyance, transfer or other disposition not been made, and unless (b) the Company or such surviving, resulting or transferee corporation, as the case may be, is not, immediately after such merger, consolidation, sale or conveyance, in default in the performance of any covenants or obligations of the Company under the Bonds or the terms and conditions of the Bonds. Upon any such merger, consolidation, sale, conveyance or assumption the surviving, resulting or transferee corporation shall succeed to and may exercise every right and power of and be subject to all the

obligations of, the Company under the Bonds with the same effect as if such surviving, resulting or transferee corporation had been named as the Company herein, and the Company shall be released from its liability as obligor under the Bonds.

9. Prescription

By virtue of the Statute of Limitations of Swiss law presently in force, payment of the Coupons shall become barred after a period of five years and the Bonds after a period of ten years, calculated from their respective due dates.

10. Listing

Application shall be made for the admission and listing of the Bonds on the Stock Exchanges of Zurich, Basle, Geneva and Berne.

11. Notices

All notices to the Bondholders and Couponholders regarding the Bonds and the Coupons shall be transmitted through FIRST CHICAGO S.A. in the event that all Bondholders and Couponholders are known to FIRST CHICAGO S.A. or, if this is not the case, shall be valid and effective if published by FIRST CHICAGO S.A. in the Feuille Officielle Suisse du Commerce and in at least one daily newspaper published in Zurich, Basle, Geneva and Berne, subject to the then prevailing regulations of the Swiss National Bank, if any.

All notices to the Company by any Bondholder or Couponholder shall be transmitted through FIRST CHICAGO S.A. exclusively.

12. Replacement of Bonds and Coupons

Bonds or Coupons which are mutilated, lost, stolen or destroyed may be replaced at the offices of the Principal Paying Agent against payment of such costs as may be incurred in connection with the replacement and on such terms as to evidence and indemnity as the Company and the Principal Paying Agent may require and, in the case of mutilation, upon surrender of the mutilated Bonds or Coupons. In the case of loss or theft, the provisions of Swiss law regarding the loss or theft of bearer instruments will apply.

13. Representation of the Bondholders

FIRST CHICAGO S.A. agrees to act as representative of the Bondholders in the sense of Article 1158 of the Swiss Code of Obligations. If at any time during the life of the Bonds FIRST CHICAGO S.A. shall resign or shall be incapable of fulfilling its function as representative of the Bondholders, the Bondholders expressly agree to the same replacement procedure as provided for in Section 4 for the Principal Paying Agent.

14. Currency Indemnity

In the event that any sum due from the Company with respect to the Bonds has to be converted from Swiss Francs (the "first currency") into another currency (the "second currency") for the purpose of (i) making or filing a claim or proof against the Company, (ii) obtaining on order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation hereto, the Company shall indemnify and hold harmless the Bondholders from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which FIRST CHICAGO S.A., on behalf of the Bondholders, may in the ordinary course of business purchase the first currency with the second currency on the date or dates of receipt by FIRST CHICAGO S.A. of any sum paid in satisfaction in whole or in part of any such order, judgment, claim or proof.

15. Applicable Law and Jurisdiction

The terms, conditions and form of the Bonds and Coupons shall be subject to, governed by and construed in accordance with Swiss law. Any dispute which might arise between the Bondholders on the one hand and the Company on the other hand regarding the Bonds and/or the Coupons shall be settled in accordance with Swiss law and falls within the jurisdiction of the Ordinary Courts of the Canton of Geneva, the place of jurisdiction being Geneva, with the right of recourse to the Swiss Federal Court of Justice in Lausanne. Solely for that purpose and for the purpose of enforcement in Switzerland, the Company elects legal and special domicile at FIRST CHICAGO S.A., 6, Place des Eaux-Vives, 1211 Geneva 6, Switzerland, which shall forthwith notify the Company of any communication received under this Section.

The above-mentioned courts shall also have exclusive jurisdiction for the annulment (declaration of cancellation) and the subsequent replacement of stolen, lost, defaced or destroyed Bonds or Coupon sheets and for the appropriate measures regarding

lost, stolen, misplaced or destroyed single Coupons. Payments made to any person recognized as the rightful Bondholder or Couponholder in accordance with the enforceable decision of a Swiss Court shall effect a final and absolute discharge of the obligations of the Company with respect of such Bond or Coupon.

Notwithstanding the above, the Bondholders shall, to the extent permitted by local law, have the right to enforce their rights and to take legal action before the competent Federal or State Courts in the United States of America, in which case Swiss law shall remain applicable with respect to the terms and conditions of the Bonds and Coupons.

ANNEX C

[Letterhead of Bingham, Dana & Gould]

March __, 1985

Dennison Manufacturing Company
275 Wyman Street
Waltham, MA 02254

First Chicago S.A.
65 Rue du Rhone
1211-Geneva 3
Switzerland

Gentlemen:

Re: Issue of SFr 100,000,000 Principal Amount
of % Bearer Bonds and Related Warrants

We have acted as United States counsel for Dennison Manufacturing Company, a Nevada corporation (the "Company"), in connection with the issuance and sale by the Company of Swiss francs 100,000,000 aggregate principal amount of the Company's ___% Bonds (the "Bonds") pursuant to the Bond and Warrant Issue Agreement dated February 27, 1985 (the "Agreement") among First Chicago S.A. as representative of the members of the Consortium listed therein (the "Consortium"), the members of the Consortium and the Company and _____ bearer warrants (the "Warrants") to purchase an aggregate of _____ shares of the Company's U.S. $1 par value common stock (the "Common Stock") pursuant to the Warrant Agreement dated February 27, 1985 (the "Warrant Agreement") between the Company and First Chicago S.A. The Bonds, which will be issued solely as bearer bonds in denominations of Swiss francs 5,000 and Swiss francs 100,000 and each of which initially will have _____ Warrants attached (if in the SFr 5,000 denomination) and _____ Warrants attached (if in the SFr 100,000 denomination), were sold by the members of the Consortium in a public offering in Switzerland. A Global Bond in the principal amount of Swiss francs 100,000,000 (the "Global Bond") and a Global Warrant Certificate representing _____ Warrants (the "Global Warrant") are being issued by the Company to First Chicago S.A. at the Closing today, and definitive Bonds and Warrants are to be made available to the holders of interests therein on or after June 24, 1985.

The Bonds and the Agreement are stated to be governed by Swiss law. The Warrant Agreement and the Warrants are stated to be governed by the laws of the Commonwealth of Massachusetts. First Chicago S.A., and various other Swiss banking institutions will be exclusive paying agents with respect to the Bonds and First Chicago S.A. will be the sole warrant agent with respect to the Warrants. All payments to be made on or in respect of the Bonds are payable in Swiss francs solely upon presentation of the Bonds and/or related Coupons at the offices of the paying agents in Switzerland. Each Bond and Coupon will carry the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code. "

The Bonds and Warrants were to be issued and sold in the manner described in the related Prospectus dated February __, 1985 (the "Prospectus"), the Agreement and in various other documents delivered at the Closing today. For all purposes of this opinion we are relying exclusively on the representations and covenants of members of the Consortium that the Bonds and Warrants were and are to be issued and sold as described in the Prospectus, the Agreement and such other documents. The members of the Consortium have agreed that during specified periods they will not, and have caused purchasers from them to agree that they will not, offer, sell or deliver any of the Bonds or Warrants, directly or indirectly, to or for the account of any U.S. Person (as defined in the Agreement) or offer, sell or deliver any of the Bonds or Warrants in the United States of America (including its territories and possessions). Definitive Bonds and Warrants are not deliverable to or for the account of any person until after the expiration of a 90 day period after the Closing. In addition, we have relied on the letter to us from First Chicago S.A. dated February __, 1985, and assume for purposes of this opinion that any "when-issued" market developed prior to June 24, 1985, will have the characteristics therein described.

This opinion is furnished to you pursuant to Article IV(1)(H) of the Agreement. Terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In connection with this opinion we have examined the Company's Restated Articles of Incorporation, its by-laws, the resolutions of its Board of Directors adopted on February 8, 1985, definitive forms of the Agreement, Warrant Agreement, Prospectus, certificates of public officials and such other documents as were delivered at today's Closing or which we have deemed otherwise pertinent to this opinion. We have assumed the genuineness of all documents purporting to be originals, the conformity to the originals of all documents purporting to be copies and the authenticity and authority of all signatures and signatories not known to us. We have assumed that each of the Agreement and the Warrant Agreement constitutes the valid and binding obligation of each party thereto other than the Company. As to all factual matters we have relied on the representations and undertakings of the parties as set forth in the Agreement, Warrant Agreement, Prospectus and the certificates and other documents delivered at today's Closing.

The opinions set forth below are limited to such matters as may be governed by the laws of the Commonwealth of Massachusetts and the federal laws of the United States of America. As to all matters governed by Swiss law you and we are relying exclusively on the opinion of von Erlach & Partners delivered to you today, and as to all matters governed by the laws of the State of Nevada, you and we are relying exclusively on the opinion of Woodburn, Wedge, Blakey and Jeppson, also delivered to you today.

As used in this opinion, the qualifying phrase "to the best of our knowledge" means that nothing has come to our attention in the course of performing legal services for the Company in connection with this offering or in connection with the referenced matter; we have undertaken no special review or investigation in connection with rendering this opinion with respect to any matter so qualified.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of Nevada and has the corporate power and authority to own its property and assets and to conduct the business or businesses in which it is engaged as described in the Prospectus.

2. The Agreement, the Warrant Agreement, the definitive Bonds, the Global Bond, the definitive Warrants and the Global Warrant have been duly and validly authorized by the Company; the Agreement, the Warrant Agreement, the Global Bond, and the Global Warrant have been duly executed and delivered by the Company and are, and the definitive Bonds and definitive Warrants, when executed and delivered by the authorized officers of the Company, will be, valid and binding instruments enforceable against the Company in accordance with their terms, except insofar as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles limiting the availability of equitable remedies.

3. The shares of Common Stock issuable upon the exercise of the Warrants have been duly and validly authorized and reserved for issuance upon such exercise and, when issued upon such exercise in accordance with the terms of the Warrant Agreement, will have been duly and validly issued and will be fully paid and nonassessable.

4. The holders of the outstanding shares of Common Stock have no preemptive or other rights to subscribe for or purchase the Bonds, the Warrants or the shares of Common Stock issuable upon exercise of the Warrants.

5. To the best of our knowledge, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Company which in our judgment (relying for this purpose entirely on the opinions

of other counsel as to all cases not under our direct control) appears to have a significant likelihood of a judgment, decree or award having a material adverse effect on the consolidated financial condition of the Company and its subsidiaries.

6. Neither the issuance and sale of the Bonds and Warrants in the manner contemplated by the Agreement, the Warrant Agreement, the Distribution Agreement and the Prospectus nor the performance of the Agreement, the Warrant Agreement, the Bonds or the Warrants will conflict with, result in a breach of, or constitute a default under any Massachusetts or federal United States of America statute, the By-laws or the Restated Articles of Incorporation of the Company, or, to the best of our knowledge, the terms of any agreement or instrument known to us and to which the Company is a party or by which it is bound or of any order of any court or governmental agency, authority or body or of any arbitrator having jurisdiction over the Company.

7. No registration of the Bonds or Warrants under the United States Securities Act of 1933, as amended (the "Securities Act"), no qualification of an indenture under the United States Trust Indenture Act of 1939, and no registration of the Company and no filing or similar action under the United States Investment Company Act of 1940, are required for the offer and sale of the Bonds and Warrants in the manner contemplated by the Agreement, the Warrant Agreement and the other documents delivered at today's Closing, since such manner is reasonably designed to ensure that the Bonds and Warrants will be sold (or resold in connection with the original issue thereof) outside of the United States of America and only to persons who are not U.S. Persons. We express no opinion, however, as to when and under what circumstances any Bond or Warrant may be reoffered and resold in the United States of America or to U.S. Persons and we note that Section 13 of the Warrant Agreement requires the Company to cause the shares of Common Stock issuable upon exercise of the Warrants to be registered under the Securities Act. Such shares may not be offered or sold in the United States of America or to U.S. Persons unless such registration has been effected or unless an exemption from such registration is at the time available.

8. In the course of the preparation of the Agreement, the Warrant Agreement and the Prospectus, we have participated in certain conferences with certain of the Company's officers, in which representatives of and legal counsel to First Chicago S.A. also participated. We have relied upon the statements and opinions of officers of the Company, as to all matters of fact, as to the materiality of information which was or was not included in the Prospectus. Referring to our examination of the Agreement, the Warrant Agreement and the Prospectus, our discussions during the above-mentioned conferences and such reliance, we hereby confirm to you that to the best of our knowledge, none of the Agreement, the Warrant Agreement or the Prospectus (other than the financial statements and other financial and statistical information contained therein as to which no views are expressed) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. We note, however,

that in conformity with what we understand to be Swiss practices, the information relating to the Company contained in the Prospectus is considerably less, and presented in a form considerably more condensed, than that which would normally be included in offering materials intended for distribution in the United States of America or to U.S. Persons.

9. Subject to the discussion of "backup" withholding in paragraph 10 below:

(a) Payments of amounts due on the Bonds, made in Switzerland by the Company or by any paying agent on its behalf to any United States Alien holder (as hereinafter defined), will not, under existing law, be subject to any withholding of tax at source pursuant to the federal laws of the United States of America ("United States withholding tax") unless such payments are made (i) to certain affiliates of the Company, (ii) to actual or constructive shareholders of 10% or more of the total combined voting power of all classes of stock of the Company or (iii) to banks which acquire the Bonds as an extension of credit to the Company made pursuant to a loan agreement entered into in the ordinary course of such bank's trade or business (collectively, "Unqualified Holders");

(b) income or gain realized by a United States Alien holder (other than an Unqualified Holder) upon the sale, exchange or redemption of a Bond will not be subject to United States withholding tax; and

(c) a Bond held by an individual who at the time of such individual's death is not a citizen or resident of the United States will not be subject to United States federal estate tax as a result of such individual's death, provided that such individual is not actually or constructively a 10% (or more) shareholder of the Company.

10. (a) A 20% "backup" United States withholding tax and information reporting requirements apply to certain interest, premium (if any) and principal payments on an obligation, and of proceeds of the sale of an obligation before maturity, payable to certain noncorporate United States holders thereof. However, under current United States Treasury Department regulations, "backup" United States withholding tax and information reporting will not apply to payments on the Bonds made outside the United States by the Company or any paying agent thereof to a United States Alien holder (other than an Unqualified Holder). Payment will not be considered to be made outside the United States if paid to a United States address, whether by mail or electronic transfer.

(b) In addition to "backup" United States withholding tax and information reporting as applied to the Company and its paying agents, existing United States Treasury Department regulations relating to "backup" United States withholding tax and information reporting apply in certain circumstances to custodians, nominees and other agents of the owners of obligations such as the Bonds.

(i) If a payment on a Bond is collected by a foreign (that is, non-United States) office of a foreign custodian, foreign nominee or other foreign agent acting on behalf of the beneficial owner of the Bond, or if the foreign office of a foreign "broker" (as defined in applicable United States Treasury Department regulations) pays the proceeds of the sale of a Bond to the seller thereof, "backup" United States withholding tax and information reporting will not apply to such payments.

(ii) However, if such nominee, custodian, agent or broker is a United States person or a controlled foreign corporation under United States tax law, or derives 50% or more or its gross income for certain periods from the conduct of a trade or business in the United States, such custodian, nominee, agent or broker will under current law be subject to information reporting unless it has documentary evidence in its records that the beneficial owner of the Bond is not a U.S. person for United States tax purposes and certain conditions are met, or the beneficial owner otherwise establishes an exemption. Such custodian, nominee, agent or broker will not be subject to backup withholding under current U.S. law, although the United States Treasury Department has indicated that the possible application of "backup" United States withholding tax in this context is still under consideration.

(iii) If a payment on a Bond is collected by the United States office of a custodian, nominee or agent, or if a United States office of a broker pays the proceeds of a sale of a Bond to the seller thereof, "backup" United States withholding tax and information reporting will apply unless the beneficial owner certifies its non-United States status under penalties of perjury or otherwise establishes an exemption.

These backup withholding and information reporting rules are under review by the United States Treasury Department, and their application to the Bonds could be changed by future regulations.

11. For purposes of the paragraphs 9 and 10 above, the term "United States Alien" means a person who, as to the United States of America (including its territories and possessions), is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership, one or more of the members of which is a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

Yours very truly,

BINGHAM, DANA & GOULD

ANNEX D

[Letterhead of Woodburn, Wedge, Blakey and Jeppson]

March , 1985

Dennison Manufacturing Company
275 Wyman Street
Waltham, MA 02254

First Chicago S.A.
65 Rue du Rhone
1211-Geneva 3
Switzerland

Gentlemen:

Re: Issue of SFr_____ Principal Amount of
% Bearer Bonds and Related Warrants

We have acted as United States counsel for Dennison Manufacturing Company, a Nevada corporation (the "Company"), in connection with the issuance and sale by the Company of Swiss francs _____ aggregate principal amount of the Company's ___% Bonds (the "Bonds") pursuant to the Bond and Warrant Issue Agreement dated February __, 1985 (the "Agreement") among First Chicago S.A. as representative of the members of the Consortium listed therein (the "Consortium"), the members of the Consortium and the Company and _____ bearer warrants (the "Warrants") to purchase an aggregate of _____ shares of the Company's U.S. $1 par value common stock (the "Common Stock") pursuant to the Warrant Agreement dated February __, 1985 (the "Warrant Agreement") between the Company and First Chicago S.A. The Bonds, which will be issued solely as bearer bonds in denominations of Swiss francs 5,000 and Swiss francs 100,000 and each of which initially will have _____ Warrants attached (if in the SFr 5,000 denomination) and _____ Warrants attached (if in the SFr 100,000 denomination), were sold by the members of the Consortium in a public offering in Switzerland. A Global Bond in the principal amount of Swiss francs ____ (the "Global Bond") and a Global Warrant Certificate representing _____ Warrants (the "Global Warrant") are being issued by the Company to First Chicago S.A. at the Closing today, and definitive Bonds and Warrants are to be made available to the holders of interests therein on or after June __, 1985.

The Bonds and the Agreement are stated to be governed by Swiss law. The Warrant Agreement and the Warrants are stated to be governed by the laws of the Commonwealth of Massachusetts.

This opinion is furnished to you pursuant to Article IV(1)(H) of the Agreement. Terms not otherwise defined herein shall have the meanings set forth in the Agreement.

In connection with this opinion we have examined the Company's Restated Articles of Incorporation, its by-laws, the resolutions (the "Resolutions") of its Board of Directors adopted on February 8, 1985, definitive forms of the Agreement, Warrant Agreement, Prospectus, certificates of public officials and such other documents which we have deemed otherwise pertinent to this opinion. We have assumed the genuineness of all documents purporting to be originals, the conformity to the originals of all documents purporting to be copies and the authenticity and authority of all signatures and signatories not known to us. We have assumed that each of the Agreement and the Warrant Agreement constitutes the valid and binding obligation of each party thereto other than the Company. As to all factual matters we have relied on the representations and undertakings of the parties as set forth in the Agreement, Warrant Agreement and Prospectus. We, however, did not attend today's Closing in Switzerland or observe the Company's execution of any document.

The opinions set forth below are limited to such matters as may be governed by the laws of the State of Nevada. As to all matters governed by Swiss law you and we are relying exclusively on the opinion of von Erlach & Partners delivered to you today, and as to all matters governed by the laws of the Commonwealth of Massachusetts and the federal laws of the United States of America, you and we are relying exclusively on the opinion of Bingham, Dana & Gould, also delivered to you today.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of Nevada and has the corporate power and authority to own its property and assets and to conduct the business or businesses in which it is engaged as described in the Prospectus.

2. The Agreement, the Warrant Agreement, the definitive Bonds, the Global Bond, the definitive Warrants and the Global Warrant have been duly and validly authorized by the Company; the Agreement, the Warrant Agreement, the Global Bond, and the Global Warrant will have been duly executed and delivered by the Company when executed and delivered by any of the officers referred to in the Resolutions and are, and the definitive Bonds and the definitive Warrants, when so executed and delivered by the Company, will be, valid and binding instruments enforceable against the Company in accordance with their terms, except insofar as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles limiting the availability of equitable remedies.

3. The shares of Common Stock issuable upon the exercise of the Warrants have been duly and validly authorized and reserved for issuance upon such exercise and, when issued upon such exercise in accordance with the terms of the Warrant Agreement will have been duly and validly issued and will be fully paid and nonassessable.

4. The holders of the outstanding shares of Common Stock have no preemptive or other rights to subscribe for or purchase the Bonds, the Warrants or the shares of Common Stock issuable upon exercise of the Warrants.

Yours very truly,

WOODBURN, WEDGE, BLAKEY AND
JEPPSON

[Letterhead of WHITE & CASE, New York, New York]

ANNEX E

March __, 1985

re Dennison Manufacturing Company
% Bonds 1985-19 with Warrants

First Chicago S.A.
65, Rue du Rhone
1211 Geneva, 3
Switzerland

Dear Sirs:

We have acted as United States counsel for you and other members of the purchasing consortium in connection with (a) the Bond and Warrant Issue Agreement (the "Bond and Warrant Issue Agreement") dated February __, 1985 among Dennison Manu facturing Company (the "Company") on the one hand and you and the other members of such consortium on the other hand, (b) the Warrant Agreement (the "Warrant Agreement") dated February __, 1985 between the Company and you, as Warrant Agent, and (c) the sale by the Company on this date pursuant to the Bond and Warrant Agreement of Swiss francs _____ principal of its ____% Bonds 1985-19__ (the "Bonds"), with _____ Warrants expiring February __, 19__ (the "Warrants"), issued under the Warrant Agreement, to purchase ____ shares of the Company's Common Stock, par value $1 per share.

In this connection we have examined such certificates and documents and made such investigations and analyses as we have considered relevant and necessary as a basis for our opinions hereinafter set forth. We have relied upon the representations and warranties of the Company set forth in the Bond and Warrant Issue Agreement with respect to the accuracy of material factual matters contained therein. We have assumed the genuiness of all signatures and the authenticity of all documents submitted as originals and the conformity to original documents of all documents submitted as photo-reproduced copies. Insofar as the laws of the Commonwealth of Massachusetts and the State of Nevada are involved in the conclusions set forth in paragraph 2 below, we have relied upon the opinions submitted to you by Messrs. Bingham, Dana & Gould and Messrs. Woodburn, Wedge, Blakey and Jeppson, respectively, and as to matters of Swiss law involved therein, we have relied upon the opinion submitted to you by Messrs. von Ehrlach and Partners. With respect to the opinion set forth in paragraph 1 below, we point out that, although not all of the requirements of the several no-action letters issued by the Securities and Exchange

Commission (the "SEC"), interpreting Release No. 4708 (relating to foreign offerings) of the SEC have been met, we believe that the totality of the circumstances, covenants and documentation relating to the issuance and distribution of the Bonds and Warrants, the legend appearing on the Bonds, the income tax disadvantages inhering in ownership of Bonds by United States persons and the fact that the Bonds and Warrants are not separately transferable for ninety-five days support the opinion set forth in such paragraph.

Based upon the foregoing, we are of the opinion that:

1. No registration of the Bonds or Warrants under the Securities Act of 1933, no qualification of an indenture under the Trust Indenture Act of 1939, no registration of the Company and no filing or other similar action under the Investment Company Act of 1940 are required for the offer and sale of the Bonds or Warrants (in both temporary global or definitive form), in the manner contemplated by the applicable preliminary prospectus dated February 13, 1985, the Bond and Warrant Issue Agreement and the Warrant Agreement. We express no opinion, however, as to when and under what circumstances the Bonds or Warrants may be reoffered or resold in the United States or to residents or nationals thereof.

2. The Bond and Warrant Issue Agreement, the Warrant Agreement, the Bonds temporary in global and definitive form, and the Warrants in temporary global and definitive form, have been duly and validly authorized by the Company, and assuming due execution and delivery thereof by authorized officers of the Company, constitute (or in the case of the Bonds and Warrants hereafter issuable in definitive form, will constitute) valid and binding instruments of the Company in accordance with their respective terms.

Very truly yours,

[Letterhead of von ERLACH & PARTNER, Zurich]

ANNEX F

First Chicago S.A.
6, Place des Eaux-Vives
P.O. Box

1211 Geneva 6

Zurich, March 21, 1985

Dear Sirs:

You have asked us to render an opinion in connection with the Issue of Bonds 1985-1997 with Warrants in the amount of Sfr. 100,000,000.-- by Dennison Manufacturing Company, Framingham, Massachusetts, U.S.A.

For purposes of our opinion we have examined executed copies of the following documents (hereinafter called the "Documents"):

- -- the Bond and Warrant Issue Agreement among Dennison Manufacturing Company of the first part and First Chicago S.A. (Lead-Manager) and several financial institutions of the second part, dated February 27, 1985 (hereinafter the "Bond and Warrant Issue Agreement");

- -- Annex B to the Bond and Warrant Issue Agreement (hereinafter the "Terms of the Bonds");

- -- Annex G to the Bond and Warrant Issue Agreement (hereinafter the "Global Bond Certificate");

- -- the Paying Agency Agreement among Dennison Manufacturing Company of the first part and Swiss Volksbank and several financial institutions of the second part, dated February 27, 1985 (hereinafter the "Paying Agency Agreement").

Terms defined in any of the Documents shall have the same meanings when used herein.

Our opinion is limited to Swiss law, as presently in force. It does not cover Swiss cantonal laws or regulations which may apply to anyone of the Banks at their respective domiciles. Moreover, we do not express an opinion on matters of the laws of the United States of America or any State thereof or of any other jurisdiction insofar as such laws may affect the rights and obligations of the respective parties under the Documents. We have assumed that there is nothing in the laws of the United States of America or any State thereof and of any other jurisdiction which would influence or impair our opinion.

We assume that the Documents have been validly executed by, and that the transactions envisaged in the Documents are within the legal powers of Dennison Manufacturing Company (hereinafter the "Company").

Our opinion expressed below does not mean or imply that the agreements contained in the Documents will be enforced in all circumstances or that remedies will be available in any case. In particular we would observe that:

(i) enforcement may be limited by bankruptcy, insolvency, liquidation, re-organization and other laws of general application relating to or affecting the rights of creditors;

(ii) enforcement may be limited by general principles of good faith (Art. 2 of the Swiss Civil Code);

(iii) claims may become barred by the statute of limitations or may be or become subject to defenses of set-off or counter-claim.

We do not express an opinion on whether the Bonds and Warrants issued pursuant to the terms of the Bond and Warrant Agreement will be listed on the Swiss Stock Exchanges.

Subject to the assumptions and limitations set forth above, we are of the opinion that:

1. The Bond and Warrant Issue Agreement and the Paying Agency Agreement are valid and create legally binding obligations of the Company.

2. The Global Bond Certificate constitutes a valid security, which embodies binding obligations of the Company as set forth in its terms.

3. The definitive Bonds in the form of Annex B to the Bond and Warrant Issue Agreement, when duly executed (in facsimile), issued and delivered pursuant to the Bond and Warrant Issue Agreement against cancellation of the Global Bond Certifi cate, will constitute valid securities, which embody binding obligations of the Company as set forth in their terms.

4. The making and execution of the Bond and Warrant Issue Agreement and the Paying Agency Agreement and the issue of the Bonds and the Warrants thereunder do not and will not violate any present laws or regulations of Switzerland. Other than the consent from the Swiss National Bank dated February 12, 1985 no authorization or approval of, or filing with, any court or governmental or regulatory body of Switzerland is required in connection with the execution and delivery of the Bond and Warrant Issue Agreement and the Paying Agency Agreement.

5. Under applicable Swiss law the consent of the Company to the jurisdiction of Swiss courts contained in the Bond and Warrant Issue Agreement and in the Paying Agency Agreement are valid and binding and not subject to revocation.

6. In connection with the transactions contemplated by the Documents the following Swiss stamp taxes are or will be levied:

(i) Upon purchase of the Bonds by the Consortium, the Swiss Federal and Geneva Cantonal Tax on Negotiation of Securities of 0,315 per cent, calculated on the proceeds of such Bonds minus the management fee and the underwriting and placement commissions;

(ii) Upon resale of the Bonds by the Consortium to subscribers, the Swiss Federal Tax on Negotiations of Securities of 0,3 per cent calculated on the proceeds of the sale of the Bonds;

(iii) Upon exercise of the Warrants, the Swiss Federal Tax on Negotiation of Securities of 0,3 per cent calculated on the Exercise Price.

Under Swiss tax laws as presently in force no further taxes are levied (except for income, capital and/or net worth taxes applicable to the holders of Bonds and Warrants) in connection with any of the transactions contemplated by the Documents; provided, however, that we do not express an opinion on tax consequences which the trading in Bonds, Warrants or Shares purchasable through Warrants after the issuance thereof may have for the parties involved.

Yours faithfully,

Hans Wille Beat von Rechenberg

ANNEX G

G L O B A L B O N D C E R T I F I C A T E

This Global Bond Certificate has not been and will not be registered under the Securities Act of 1933 of the United States of America.

Any United States Person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165 (j) and 1287 (a) of the Internal Revenue Code. For the purposes of this Global Bond Certificate a "United States Person" includes any national or resident of the United States of America (including any corporation, partnership or other entity organized under the laws thereof or any political subdivision thereof and any estate or trust which is subject to United States federal income taxation regardless of the source of its income.

DENNISON MANUFACTURING COMPANY
(a statutory corporation of the
State of Nevada, U.S.A.)

5 1/8% Swiss Franc Bonds 1985-1997
of Swiss Francs 100'000'000.--
due March 21, 1997

BOND OF SWISS FRANCS 100'000'000.--

Dennison Manufacturing Company, Waltham, Massachusetts, U.S.A., hereby promises to pay to the holder of this Global Bond Certificate on March 21, 1997 (or on such earlier date as the principal sum hereinafter mentioned may become repayable in accordance with the terms and conditions of the Bond and Warrant Issue Agreement hereinafter mentioned) upon presentation and surrender of this Bond at the offices of First Chicago S.A., 6, place des Eaux-Vives, 1207 Geneva, the aggregate principal amount of Swiss Francs 100'000'000.--(one hundred million Swiss Francs), and interest thereon at 5 1/8% per annum subject to and in accordance with the terms and conditions of a Bond and Warrant Issue Agreement dated as of February 27, 1985, between Dennison Manufacturing Company, Framingham, Massachusetts, U.S.A. of the first part and First Chicago S.A., Nordfinanz-Bank Zurich, Kredietbank (Suisse) S.A., Clariden Bank, Lloyds Bank International Ltd., Amro Banque et Finance, Armand von Ernst & Cie AG, Banco di Roma per la Svissera, Banque Generale Du Luxembourg (Suisse) S.A.,

EXHIBIT 4.4

SUPPLEMENTAL WARRANT AGREEMENT

SUPPLEMENTAL WARRANT AGREEMENT, dated as of November 28, 1990, between Dennison Manufacturing Company, a Nevada corporation (the "Company"), and First Chicago S.A., a company limited by shares incorporated under the laws of Switzerland, as Warrant Agent (the "Warrant Agent").

WHEREAS, the Company and the Warrant Agent are parties to a Warrant Agreement (the "Agreement") dated as of February 27, 1985, pursuant to which Agreement the Company issued certain Warrants (the "Warrants") to purchase shares of the Company's Common Stock, $1.00 par value per share (the "Company Common Stock");

WHEREAS, the Company and Avery Dennison Corporation ("Avery Dennison"), formerly named Avery International Corporation, are parties to an Agreement and Plan of Reorganization dated as of May 24, 1990 (the "Reorganization Agreement") which provided, among other things, for the merger of a wholly-owned subsidiary of Avery Dennison with and into the Company (the "Merger");

WHEREAS, pursuant to the Merger, which occurred on October 16, 1990, each outstanding share of Company Common Stock was converted into 1.12 shares of the Common Stock, $1.00 par value per share, of Avery Dennison (including 1.12 preferred stock purchase rights of Avery Dennison) (collectively, the "Avery Dennison Common Stock");

WHEREAS, Section 16(b) of the Warrant Agreement requires the Company to enter into this Supplemental Warrant Agreement setting forth the right of holders of Warrants to receive, upon exercise of the Warrants, Avery Dennison Common Stock in lieu of Company Common Stock from and after the effective time of the Merger;

NOW, THEREFORE, in consideration of the premises contained herein, the Company covenants and agrees with the Warrant Agent for the equal and proportionate benefit of the respective holders from time to time of the Warrants as follows:

SECTION 1. Receipt of Avery Dennison Common Stock in Lieu of Company Common Stock. Each holder of a Warrant shall have the right, from and after the date hereof, until the Expiration Date (as defined in the Warrant Agreement), to receive, upon exercise of such Warrant, in lieu of the five shares of Company Common Stock previously deliverable upon such exercise, 5.6 shares of Avery Dennison Common Stock (including 5.6 preferred stock purchase rights).

SECTION 2. Exercise Price. From and after the date hereof, the Exercise Price (within the meaning of the Agreement) under the Warrants shall be 80.35 Swiss francs for each share of Avery Dennison Common Stock issuable upon the exercise thereof.

SECTION 3. Adjustments. From and after the date hereof, the Exercise Price and the number and kind of securities purchasable upon the exercise of each Warrant shall be subject to adjustment from time to time upon the occurrence of the events enumerated in Section 14 of the Agreement, as fully as if any action taken by Avery Dennison after the date hereof with respect to Avery Dennison Common Stock had been taken with respect to Company Common Stock under the terms of such Section 14.

SECTION 4. Fractional Shares. The Company shall not be required to cause the issue of fractions of shares of Avery Dennison Common Stock upon exercise of the Warrants or to distribute certificates which evidence fractional shares. In lieu of fractional shares, there shall be paid to the Warrant Agent in favor of the holders of Warrant Certificates (as defined in the Agreement) at the time such Warrant Certificates are exercised an amount in cash in Swiss francs calculated in accordance with the terms of Section 15 of the Agreement; provided, however, that the calculation of such amount shall be based upon the current market price per share of Avery Dennison Common Stock rather than the current market price per share of Company Common Stock. For purposes of the foregoing, the current market price per share of Avery Dennison Common Stock shall be determined by averaging the daily Closing Prices of Avery Dennison Common Stock for the ten consecutive Trading Days preceding the date of exercise, in accordance with Section 14(d) of the Agreement, and shall be translated to Swiss francs as provided in Section 15 of the Agreement.

SECTION 5. Reservation of Shares. For the purpose of enabling it to satisfy any obligation to deliver Avery Dennison Common Stock upon exercise of Warrants, the Company represents that Avery Dennison will at all times through the close of business on the Expiration Date, reserve and keep available, free from preemptive rights and out of its aggregate authorized but unissued or treasury Common Stock, the full number of shares of Avery Dennison Common Stock deliverable upon the exercise of all outstanding Warrants, and Avery Dennison's common stock transfer agent shall be irrevocably authorized and directed at all times to honor requisitions made by the Warrant Agent pursuant to Section 8 of the Agreement. The Company will keep a copy of the Agreement and this Supplemental Warrant Agreement on file with such transfer agent and with every transfer agent for any shares of Avery Dennison's capital stock issuable upon the exercise of Warrants pursuant to Section 14 of the Agreement. The Warrant Agent is hereby irrevocably authorized to requisition from time

to time from such transfer agent stock certificates issuable upon exercise of outstanding Warrants, and the Company will supply such transfer agent with duly executed stock certificates for such purpose.

Before taking any action which would cause an adjustment pursuant to Section 14 of the Agreement reducing the Exercise Price below the then par value (if any) of the shares of Avery Dennison Common Stock issuable upon exercise of the Warrants, the Company will take, or will cause Avery Dennison to take, any corporate action which may, in the opinion of its counsel, be necessary in order that Avery Dennison may validly and legally issue fully paid and nonassessable shares of Avery Dennison Common Stock at the Exercise Price as so adjusted.

The Company covenants that all shares of Avery Dennison Common Stock issued upon exercise of the Warrants will, upon issuance in accordance with the terms of the Agreement and this Supplemental Warrant Agreement, be fully paid and nonassessable and free from all prescriptive rights and taxes, liens, charges and security interests created by or imposed upon the Company or Avery Dennison with respect to the issuance and holding thereof.

SECTION 6. Expenses. The Company agrees to reimburse the Warrant Agent for all costs and expenses reasonably incurred by the Warrant Agent in connection with the execution and delivery of this Supplemental Warrant Agreement, including, without limitation, fees and expenses of counsel and costs incurred in connection with the publication of notice to holders of Warrants in accordance with Sections 14(h) and 16(e) of the Agreement. All such costs and expenses shall be reimbursed promptly by the Company when (i) ascertained by the Warrant Agent and (ii) itemized in a notice from the Warrant Agent to the Company.

SECTION 7. Warrant Agreement to Remain in Full Force and Effect. Except as modified or supplemented by this Supplemental Warrant Agreement, the Agreement shall continue to be the binding obligation of the Company and the Warrant Agent, and shall remain in full force and effect, from and after the date hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

DENNISON MANUFACTURING COMPANY

By /s/ Wayne H. Smith

Title: Vice President

By /s/ Robert G. van Schoonenberg

Title: Vice President

FIRST CHICAGO S.A.
as Warrant Agent

By /s/ [Signature]

Title:

EXHIBIT 5

[LETTERHEAD OF LATHAM & WATKINS]

January 3, 1997

Avery Dennison Corporation
- --------------------------
150 North Orange Grove Boulevard
Pasadena, California 91103

RE: COMMON STOCK, $1.00 PAR VALUE, AVERY DENNISON CORPORATION

Ladies/Gentlemen:

At your request, we have examined the Registration Statement to be filed on Form S-3 (the "Registration Statement"), which you have filed with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of 767,200 shares of your Common Stock, $1.00 par value (the "Shares"), to be issued and sold by you as described in the Registration Statement. We are familiar with the proceedings undertaken by you in connection with the authorization, issuance and sale of the Shares. Additionally, we have examined such questions of law and fact as we have considered necessary or appropriate for purposes of this opinion.

Based upon the foregoing, we are of the opinion that the Shares have been duly authorized, and, upon issuance and delivery and payment therefor as contemplated by the Registration Statement, will be validly issued, fully paid and nonassessable.

We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained in the Prospectus included therein.

Very truly yours,

/s/ LATHAM & WATKINS

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report, which includes an explanatory paragraph regarding the Company's adoption of the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards ("SFAS") No. 106, "Employer's Accounting for Postretirement Benefits Other Than Pensions", SFAS No. 109, "Accounting for Income Taxes" and SFAS No. 112, "Employers' Accounting for Postemployment Benefits" during 1993, dated January 30, 1996, appearing on page 53 of the Avery Dennison 1995 Annual Report to Shareholders and incorporated by reference in the Annual Report on Form 10-K of Avery Dennison Corporation for the year ended December 30, 1995, on our audits of the consolidated financial statements of Avery Dennison Corporation; and of our report dated January 30, 1996, appearing in the Annual Report on Form 10-K of Avery Dennison Corporation for the year ended December 30, 1995, on our audits of the financial statement schedules listed in the index on page S-1 of the Form 10-K. We also consent to the reference to our firm under the caption "Experts."

COOPERS & LYBRAND L.L.P.

Los Angeles, California
January 3, 1997