

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the quarterly period ended September 28, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 1-7685

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

DELAWARE  
(State or other jurisdiction )  
of incorporation or organization

95-1492269  
(I.R.S. employer  
identification no.)

150 NORTH ORANGE GROVE BOULEVARD, PASADENA, CALIFORNIA  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

91103  
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (818) 304-2000

Indicate by a check X whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days    Yes    X    No  
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Number of shares of \$1 par value common stock outstanding as of October 25,  
1996: 52,114,331

AVERY DENNISON CORPORATION  
AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION  
 AVERY DENNISON CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEET  
 (Dollars in millions)  
 (Unaudited)

	September 28, 1996	December 30, 1995
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 5.3	\$ 27.0
Trade accounts receivable, net	470.7	444.1
Inventories, net	242.7	223.2
Prepaid expenses	18.7	21.9
Other current assets	89.4	83.9
	826.8	800.1
Property, plant and equipment, at cost	1,713.2	1,652.1
Accumulated depreciation	(789.5)	(744.7)
	923.7	907.4
Intangibles resulting from business acquisitions, net	135.6	124.3
Other assets	130.2	131.8
	\$2,016.3	\$1,963.6
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 81.1	\$ 115.4
Accounts payable	178.6	169.9
Accrued liabilities	392.9	387.2
	652.6	672.5
Long-term debt	394.5	334.0
Deferred taxes and other long-term liabilities	141.9	141.3
Shareholders' equity:		
Common stock - \$1 par value:		
Authorized - 200,000,000 shares; Issued - 62,063,312 shares at September 28, 1996 and December 30, 1995	62.1	62.1
Capital in excess of par value	191.4	191.6
Retained earnings	918.7	837.8
Cumulative foreign currency translation adjustment	30.6	33.8
Cost of unallocated ESOP shares	(27.0)	(27.0)
Minimum pension liability	(2.6)	(2.6)
Treasury stock at cost, 9,852,103 shares at September 28, 1996 and 9,003,763 shares at December 30, 1995	(345.9)	(279.9)
	827.3	815.8
	\$2,016.3	\$1,963.6
	=====	=====

See Notes to Consolidated Financial Statements

AVERY DENNISON CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF INCOME  
(In millions, except per share amounts)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 28, 1996	September 30, 1995	September 28, 1996	September 30, 1995
Net Sales	\$819.3	\$783.5	\$2,413.6	\$2,337.2
Cost of products sold	558.8	548.5	1,658.0	1,618.4
Gross profit	260.5	235.0	755.6	718.8
Marketing, general and administrative expense	181.1	167.1	531.3	519.4
Net gain on divestiture, restructuring and asset impairment charges	2.1	--	2.1	--
Interest expense	10.1	12.0	28.4	33.7
Income before taxes	71.4	55.9	198.0	165.7
Taxes on income	24.8	20.1	69.8	59.7
Net income	\$ 46.6 =====	\$ 35.8 =====	\$ 128.2 =====	\$ 106.0 =====
Weighted average number of common shares outstanding	52.4 =====	53.2 =====	52.6 =====	53.3 =====
 PER COMMON SHARE AMOUNTS:				
Net income	\$ 0.89 =====	\$ 0.67 =====	\$ 2.44 =====	\$ 1.99 =====
Dividends	\$ 0.30 =====	\$ 0.27 =====	\$ 0.90 =====	\$ 0.81 =====

See Notes to Consolidated Financial Statements

AVERY DENNISON CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(In millions)  
(Unaudited)

	Nine Months Ended	
	September 28, 1996	September 30, 1995
<b>OPERATING ACTIVITIES:</b>		
-----		
Net income	\$ 128.2	\$ 106.0
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	74.9	69.5
Amortization	9.4	9.3
Net gain on divestiture, restructuring and asset impairment charges	(2.1)	--
Deferred taxes	(5.9)	0.1
Net change in assets and liabilities, net of the effect of foreign currency translation and business divestitures	(36.5)	(75.6)
	168.0	109.3
	-----	-----
<b>INVESTING ACTIVITIES:</b>		
-----		
Purchase of property, plant and equipment	(110.6)	(120.8)
Net proceeds from acquisitions, sale of assets and business divestiture	12.1	1.2
Other	(3.7)	(10.8)
	(102.2)	(130.4)
	-----	-----
<b>FINANCING ACTIVITIES:</b>		
-----		
Net decrease in short-term debt	(34.4)	(4.2)
Net increase in long-term debt	60.5	90.3
Dividends paid	(47.3)	(43.1)
Purchase of treasury stock	(74.4)	(23.6)
Other	8.1	2.4
	(87.5)	21.8
	-----	-----
Effect of foreign currency translation on cash balances	--	0.1
	(21.7)	0.8
	-----	-----
Cash and cash equivalents, beginning of period	27.0	3.1
	\$ 5.3	\$ 3.9
	=====	=====

See Notes to Consolidated Financial Statements

AVERY DENNISON CORPORATION  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. GENERAL

The accompanying unaudited consolidated financial statements include normal recurring adjustments necessary for a fair presentation of the Company's interim results. Certain prior year amounts have been reclassified to conform with current year presentation. The condensed financial statements and notes in this Form 10-Q are presented as permitted by Regulation S-X, and as such, they do not contain certain information included in the Company's 1995 annual financial statements and notes.

The third quarters of 1996 and 1995 consisted of thirteen-week periods ending September 28, 1996 and September 30, 1995, respectively. The interim results of operations are not necessarily indicative of future financial results.

2. FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies and translation of the financial statements for the Company's Brazilian subsidiaries which operate in a hyperinflationary economy during the three and nine months ended September 28, 1996 resulted in losses of \$.8 million and \$1.9 million, respectively. Losses of \$.4 million and \$1.1 million were reported for the three and nine months ended September 30, 1995, respectively.

3. INVENTORIES

Inventories consisted of (in millions):

	September 28, 1996 -----	December 30, 1995 -----
Raw materials	\$ 83.4	\$ 78.5
Work-in-progress	69.9	72.4
Finished goods	125.2	109.6
LIFO adjustment	(35.8)	(37.3)
	-----	-----
	\$242.7	\$223.2
	=====	=====

4. INTANGIBLES RESULTING FROM BUSINESS ACQUISITIONS

Accumulated amortization of intangible assets at September 28, 1996 and December 30, 1995 was \$43.6 and \$40.3 million, respectively.

5. RESEARCH AND DEVELOPMENT

Research and development expense for the three and nine months ended September 28, 1996 and September 30, 1995 was \$12.8 million and \$39.3 million, respectively, during 1996 and \$12.9 million and \$38.6 million, respectively, during 1995.

AVERY DENNISON CORPORATION  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

6. CONTINGENCIES

The Company has been designated by the U.S. Environmental Protection Agency (EPA) and/or other responsible state agencies as a potentially responsible party (PRP) at 16 waste disposal or waste recycling sites which are the subject of separate investigations or proceedings concerning alleged soil and/or groundwater contamination and for which no settlement of the Company's liability has been agreed upon. Litigation has been initiated by a governmental authority with respect to three of these sites, but the Company does not believe that any such proceedings will result in the imposition of monetary sanctions. The Company is participating with other PRPs at all such sites, and anticipates that its share of cleanup costs will be determined pursuant to remedial agreements entered into in the normal course of negotiations with the EPA or other governmental authorities.

The Company has accrued liabilities for all sites, including sites in which governmental agencies have designated the Company as a PRP, where it is probable that a loss will be incurred and the minimum cost or amount of loss can be reasonably estimated. However, because of the uncertainties associated with environmental assessment and remediation activities, future expense to remediate the currently identified sites, and sites which could be identified in the future for cleanup, could be higher than the liability currently accrued. Based on current site assessments, management believes that the potential liability over the amounts currently accrued would not materially affect the financial position of the Company.

The Company and its subsidiaries are involved in various other lawsuits, claims and inquiries, most of which are routine to the nature of the business. In the opinion of management, the resolution of these matters will not materially affect the financial position, results of operations or liquidity of the Company.

7. NEW ACCOUNTING STANDARDS

During the first quarter of 1996, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 121 on accounting for the impairment of long-lived assets and certain identifiable intangibles to be disposed of. SFAS No. 121 establishes guidance for recognizing and measuring impairment losses. When it is determined the carrying amount of an asset is not recoverable, the Company will recognize an impairment loss. The Company's adoption of the new standard had no effect when it was implemented in the first quarter of 1996.

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation". The standard encourages a fair value based method of accounting for an employee stock option or similar equity instrument, but allows continued use of the intrinsic value based method of accounting prescribed by Accounting Principles Board (APB) No. 25, "Accounting for Stock Issued to Employees". The Company will continue to follow the provisions set forth in APB No. 25 and will therefore make the pro forma disclosures that will be required by SFAS No. 123 in its financial statements for the year ended December 28, 1996.

AVERY DENNISON CORPORATION  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

7. NEW ACCOUNTING STANDARDS (CONTINUED)

In June 1996, the Financial Accounting Standards Board issued SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". The standard revised the guidelines for recognition, measurement and disclosure of transfers and servicing of financial assets and extinguishment of debt. It will be effective for transactions occurring after December 31, 1996; earlier application is not allowed.

8. DIVESTITURE, RESTRUCTURING AND ASSET IMPAIRMENTS

A divestiture, business restructuring actions and a charge for impairment of long-lived assets during the third quarter of 1996 resulted in a net pretax gain of \$2.1 million. The Company sold its joint venture converting operation in Japan for \$28.4 million, resulting in a pretax gain of \$17.9 million. The Company also recorded a charge for an impairment of long-lived assets and restructuring actions, which, combined, had an estimated cost of \$15.8 million. An asset impairment write-down of \$6.3 million was recognized for long-lived assets held in the Company's office products sector. The restructuring actions included the reorganization of certain manufacturing, distribution and administrative sites. These costs consisted of severance and related costs for approximately 200 positions worldwide (\$7.4 million) and the discontinuance of product lines and related asset disposals (\$2.1 million). Total cash expenditures for the restructuring program are estimated at \$7.4 million. During the third quarter of 1996, approximately \$6.3 million had been paid for employee severance and related costs. The Company's restructuring programs are expected to take approximately six to twelve months to complete and are likely to result in estimated annual savings of approximately \$9 million to \$11 million when fully implemented.

9. SUBSEQUENT EVENTS

On October 24, 1996, the Board of Directors authorized a two-for-one split of its common stock, in the form of a stock dividend, and an increase in the quarterly cash dividend to 17 cents per share from the previous 15 cents per share on a post-split basis, for shareholders of record at the close of business on December 6, 1996.

On the same date, the Company announced the establishment of an employee stock benefit trust to satisfy future obligations under employee benefit plans. The Company transferred nine million shares of common stock, previously held as treasury shares, to the trust.



AVERY DENNISON CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS: FOR THE QUARTER  
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Quarterly sales increased to \$819.3 million, a 4.6 percent increase over third quarter 1995 sales of \$783.5 million. Excluding the impact of prior year's sales from the divested label converting businesses and changes in foreign currency rates, sales increased 8.1 percent.

The gross profit margin for the quarter was 31.8 percent compared to 30 percent for the third quarter of 1995. The improvement was primarily due to cost reduction and control programs, new products, an improved product mix and increased capacity utilization. Marketing, general and administrative expense, as a percent of sales, was 22.1 percent compared to 21.3 percent for the third quarter of 1995.

A charge for an impairment of long-lived assets and business restructuring actions were taken during the third quarter of 1996 resulting in a net pretax gain of \$2.1 million. The Company sold its joint venture operation in Japan for \$28.4 million, resulting in a pretax gain of \$17.9. The Corporation's decision to sell its interest in this label-converting business underscores its strategy for global expansion in Asia Pacific by concentrating its investments in its pressure-sensitive materials and office products businesses. The Company also recorded a charge for an impairment of long-lived assets and the Company's current restructuring program, which, combined, had an estimated cost of \$15.8 million. An asset impairment write-down of \$6.3 million was recognized for long-lived assets held in the Company's office products sector. The restructuring program included the reorganization of certain manufacturing, distribution and administrative sites. These costs consisted of severance and related costs for approximately 200 positions worldwide (\$7.4 million) and the discontinuance of product lines and related asset write-offs (\$2.1 million). The Company's restructuring programs are expected to take approximately six to twelve months to complete and are likely to result in an estimated annual savings of approximately \$9 million to \$11 million when fully implemented. These programs are an integral part of the Company's effort to identify opportunities to improve its administrative and manufacturing cost structures.

Interest expense, as a percent of sales, was 1.2 percent for the third quarter of 1996 compared to 1.5 percent for the third quarter of 1995. The decrease was due primarily to the expiration of interest rate swap agreements during the fourth quarter of 1995 and an overall lower cost of borrowing.

As a result of the above, income before taxes, as a percent of sales, increased to 8.7 percent for the quarter as compared to 7.1 percent for the third quarter of 1995. The effective tax rate for the quarter was 34.7 percent in 1996 and 36 percent in the same period last year. The decrease reflects recognition of benefits from tax loss carryforwards in Europe.

Net income increased 30 percent to \$46.6 million compared to \$35.8 million in the third quarter of 1995. Earnings per share for the quarter reached \$.89 compared to \$.67 in the same period last year, a 33 percent increase.

AVERY DENNISON CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations by Business Sector

The pressure-sensitive adhesives and materials sector reported increased sales for the third quarter of 1996 compared to the same period last year. Excluding the restructuring actions taken in the third quarter of 1996, which totalled \$7.1 million, profitability for the sector improved compared to a year ago. The U.S. operations reported increased sales primarily from increased volume and new products. Excluding the impact of restructuring costs associated with employee severance and other related costs, profitability improved for the U.S. businesses. The international businesses reported increased sales from geographic expansion. Profitability was impacted primarily due to costs related to continued investments in geographic expansion, a weak economic environment for certain businesses and major equipment start-up costs.

The office products sector reported increased sales for the quarter compared to last year. Excluding the \$8.4 million in charges taken in the third quarter of 1996 for the impairments of certain long-lived assets and the discontinuance of a product line, profitability for the sector improved compared to a year ago. Increased sales in the U.S. operations were led by an improved back-to-school sales performance, particularly by the Avery brand businesses. Profitability declined as a result of charges taken to write-down impaired long-lived assets and discontinue a product line. The international office products businesses reported higher sales due to geographic expansion and growth in its European label businesses; however, this increase in sales was partially offset by the Company's French operations. Profitability for these international businesses declined primarily due to lower sales in France and start-up costs related to geographic expansion.

The converted products sector reported increased sales and profitability for the third quarter of 1996 compared to the same period last year. The U.S. operations reported increased sales primarily due to the growth in its battery label business. Profitability increased primarily as a result of the battery label sales growth and benefits from previous cost reduction actions. A general slowdown in certain markets served resulted in lower sales and profitability for the international converting businesses.

RESULTS OF OPERATIONS: NINE MONTHS YEAR-TO-DATE

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Sales for the first nine months of 1996 were up 3 percent to \$2.41 billion compared to the corresponding period of 1995. Excluding the impact of prior year's sales from the divested label converting businesses and changes in foreign currency rates, sales increased 6.4 percent.

The gross profit margin for the first nine months was 31.3 percent compared to 30.8 percent in the prior year. The improvement was primarily due to cost reduction and control programs, new products, an improved product mix and increased capacity utilization.

Marketing, general and administrative expense, as a percent of sales, declined to 22 percent for the first nine months of 1996 compared to 22.2 percent for the first nine months of 1995. The decrease was primarily attributable to cost control and cost reduction programs.

AVERY DENNISON CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

A divestiture, business restructuring actions and an impairment for long-lived assets were taken during the third quarter of 1996 resulting in a net pretax gain of \$2.1 million.

Interest expense, as a percent of sales, was 1.2 percent for the year compared to 1.4 percent during the corresponding period of the prior year. The decrease was primarily due to the expiration of interest rate swap agreements during the fourth quarter of 1995 and an overall lower cost of borrowing.

Income before taxes, as a percent of sales, was 8.2 percent for the first nine months of 1996 compared to 7.1 percent for 1995. The year-to-date effective tax rate was 35.3 percent for 1996 and 36 percent for 1995. The decrease reflects recognition of benefits from tax loss carryforwards in Europe.

Net income was \$128.2 million for the first nine months of 1996 compared to \$106 million for the first nine months of 1995. Earnings per share increased 23 percent to \$2.44 for the first nine months of 1996 compared to \$1.99 for the same period last year.

#### Results of Operations by Business Sector

The pressure-sensitive adhesives and materials sector reported increased sales for the first nine months of 1996 compared to the same period last year. Excluding the impact of restructuring costs, including employee severance and other related costs, sector profitability was comparable to the prior year. The U.S. operations reported sales growth for the period primarily due to increased volume and new products. Restructuring costs related to severance and other related costs impacted profitability. The international businesses reported increased sales primarily due to geographic expansion and increased volume. Profitability was impacted at the international businesses by costs related to continued investments in geographic expansion, a weak economic environment for certain businesses and major equipment start-up costs.

The office products sector reported sales and profitability growth for the first nine months of 1996 compared to the prior year. The U.S. operations reported increased sales and profitability. The U.S. operations were led by sales growth for Avery-brand products. Profitability improved as a result of new products and cost reduction and control programs from previous restructuring actions, including improved logistics. The international office products businesses reported higher sales due to geographic expansion and growth in its label businesses; however, this increase in sales was partially offset by the Company's French operations. Profitability for these international businesses declined primarily due to lower sales in France and start-up costs related to geographic expansion.

The converted products sector reported increased sales and profitability for the first nine months of 1996 compared to 1995. The U.S. operations reported increased sales due to the growth in its stamp and battery label businesses. Profitability also improved primarily due to increased sales volume and operating improvements at the Company's stamp and battery label operations and benefits from previous cost reduction actions. Sales at the international converting businesses for the first nine months of 1996 were comparable to prior year. Profitability increased due to cost control programs and product pruning.

AVERY DENNISON CORPORATION AND SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

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Total debt increased \$26.2 million to \$475.6 million from year end 1995 as a result of increased working capital needed to fund the Company's sales growth and stock repurchases. Total debt to total capital was 36.5 percent as of the end of the third quarter of 1996 and 35.5 percent at year end 1995.

Average working capital, excluding short-term debt, as a percentage of sales, decreased to 9 percent for the quarter from 10.7 percent a year ago. Average inventory turnover for the quarter ended September 28, 1996 was 9.2 compared to 9.3 in the corresponding period of the prior year; the average number of days sales outstanding in accounts receivable was 57 days compared to 56 days a year ago.

Capital spending for the quarter was \$36.7 million compared to \$45.7 million a year ago. For the nine months, capital spending totaled \$110.6 million compared to \$120.8 million a year ago. Total capital spending for 1996 is expected to be approximately \$180 million.

Net cash flows provided by operating activities totaled \$168 million for the first nine months of 1996 compared to \$109.3 million for the same period in 1995. In addition to cash flows from operations, the Company has more than adequate financing arrangements to conduct its operations.

Shareholders' equity was \$827.3 million and \$815.8 million at September 1996 and year end 1995, respectively. During the third quarter of 1996, the Company purchased 465,000 shares of common stock at a cost of \$24.3 million. For the first nine months of 1996, the Company purchased 1,378,000 shares of common stock at a cost of \$74.4 million. The cost of treasury stock held, net of shares reissued under the Company's stock and incentive plans, increased to \$345.9 million from \$279.9 million at year end 1995.

FUTURE ACCOUNTING REQUIREMENTS

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In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation". The standard encourages a fair value based method of accounting for an employee stock option or similar equity instrument, but allows continued use of the intrinsic value based method of accounting prescribed by APB No. 25, "Accounting for Stock Issued to Employees". The Company will continue to follow the provisions set forth in APB No. 25 and will therefore make the pro forma disclosures that will be required by SFAS No. 123 in its financial statements for the year ended December 28, 1996.

In June 1996, the Financial Accounting Standards Board issued SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". The standard revised the guidelines for recognition, measurement and disclosure of transfers and servicing of financial assets and extinguishment of debt. It will be effective for transactions occurring after December 31, 1996; earlier application is not allowed.

PART II. OTHER INFORMATION  
AVERY DENNISON CORPORATION  
AND SUBSIDIARIES

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K  
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a. Exhibits: 11 Computation of Net Income Per Share Amounts

27 Financial Data Schedule

b. Reports on Form 8-K: There were no reports on Form 8-K filed for the three months ended September 28, 1996. However, Registrant filed the Current Report on Form 8-K dated October 24, 1996, with respect to the announcement of a two-for-one stock split, an increase in the quarterly cash dividend and creation of a grantor trust.

SIGNATURES

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

AVERY DENNISON CORPORATION

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(Registrant)

/s/ R. Gregory Jenkins

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R. Gregory Jenkins  
Senior Vice President, Finance and  
Chief Financial Officer  
(Principal Financial Officer)

/s/ Thomas E. Miller

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Thomas E. Miller  
Vice President and Controller  
(Chief Accounting Officer)

November 11, 1996

	Three Months Ended		Nine Months Ended	
	September 28, 1996	September 30, 1995	September 28, 1996	September 30, 1995
(A) Weighted average number of common shares outstanding	52,358,412	53,150,947	52,650,512	53,281,518
Additional common shares issuable under employee stock options using the treasury stock method	1,214,468	1,080,458	1,319,488	1,115,947
(B) Weighted average number of common shares outstanding assuming the exercise of stock options	53,572,880	54,231,405	53,970,000	54,397,465
(C) Net income applicable to common stock	46,596,000	\$35,760,000	\$128,236,000	\$105,960,000
Net income per share as reported (C / A)	\$0.89	\$0.67	\$2.44	\$1.99
Net income per share giving effect to the exercise of outstanding stock options (C / B)	\$0.87	\$0.66	\$2.38	\$1.95

Exhibit 11





THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS		
	DEC-28-1996	
	DEC-31-1995	
	SEP-28-1996	
		5,300
		0
		470,700
		0
		242,700
		826,800
		1,713,200
		789,500
		2,016,300
	652,600	
		394,500
	0	
		0
		62,100
		765,200
2,016,300		
		2,413,600
	2,413,600	
		1,658,000
		1,658,000
		529,200
		0
		28,400
		198,000
		69,800
	128,200	
		0
		0
		0
		128,200
		2.44
		0

Accounts receivable are shown net of any allowances.