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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

January 31, 2012
Date of Report

AVERY DENNISON CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

Section 2 — Financial Information

Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's (the "Company") press release, dated January 31, 2012, announcing its preliminary, unaudited financial results for fourth quarter and full-year 2011, including its guidance for the 2012 fiscal year, is attached hereto as Exhibit 99.1 and is being furnished (not filed) with this Form 8-K.

The Company's supplemental presentation materials, dated January 31, 2012, regarding its preliminary, unaudited financial review and analysis for fourth quarter and full-year 2011, including its guidance for the 2012 fiscal year, is attached hereto as Exhibit 99.2 and is being furnished (not filed) with this Form 8-K. The press release and presentation materials are also available on the Company's website at www.investors.averydennison.com.

The Company will discuss its preliminary, unaudited financial results during a webcast and teleconference today, January 31, 2012, at 1:00 p.m. ET. To access the webcast and teleconference, please go to the Company's website at www.investors.averydennison.com.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release, dated January 31, 2012, announcing preliminary, unaudited fourth quarter and full-year 2011 results.

99.2 Supplemental presentation materials, dated January 31, 2012, regarding the Company's preliminary, unaudited financial review and analysis for fourth quarter and full-year 2011.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this report on Form 8-K and in Exhibits 99.1 and 99.2 are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements and financial or other business targets are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but not limited to risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; the financial condition and inventory strategies of customers; changes in customer order patterns; worldwide and local economic conditions; fluctuations in cost and availability of raw materials; ability of the company to generate sustained productivity improvement; ability of the company to achieve and sustain targeted cost reductions; impact of competitive products and pricing; loss of significant contract(s) or customer(s); collection of receivables from customers; selling prices; business mix shift; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; fluctuations in foreign currency exchange rates and other risks associated with foreign operations; integration of acquisitions and completion of pending dispositions; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems; successful installation of new or upgraded information technology systems; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; ability of the company to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; fluctuations in pension, insurance and employee benefit costs; impact of legal and regulatory proceedings, including with respect to environmental, health and safety; changes in governmental laws and regulations; changes in political conditions; impact of epidemiological events on the economy and the company's customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) economic conditions on underlying demand for the Company's products; (2) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; and (3) competitors' actions, including pricing, expansion in key markets, and product offerings.

For a more detailed discussion of these and other factors, see Part I, Item 1A. "Risk Factors" and Part II, Item 7. "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's 2010 Form 10-K, filed on February 28, 2011 with the Securities and Exchange Commission ("SEC"), and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this Form 8-K are made only as of the date of this Form 8-K, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances.

The financial information presented in the press release and supplemental presentation materials attached as exhibits to this Form 8-K is preliminary and unaudited.

SIGNATURES

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

AVERY DENNISON CORPORATION

Date: January 31, 2012

By: /s/ Mitchell R. Butier
Name: Mitchell R. Butier
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT LIST

Exhibit No.	Description
99.1	Press release, dated January 31, 2012, announcing preliminary, unaudited fourth quarter and full-year 2011 results.
99.2	Supplemental presentation materials, dated January 31, 2012, regarding the Company’s preliminary, unaudited financial review and analysis for fourth quarter and full-year 2011.

Miller Corporate Center

For Immediate Release

AVERY DENNISON ANNOUNCES
FOURTH QUARTER AND FULL-YEAR 2011 RESULTS

PASADENA, Calif., January 31, 2012 — Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited fourth quarter and full-year 2011 results. All non-GAAP financial measures are reconciled to GAAP in the attached tables. Unless otherwise indicated, the discussion of the Company's results is focused on its continuing operations.

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

	4Q 2011	4Q 2010	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$ 960.5	$ 942.5	2%	3%
Retail Branding and Information Solutions	368.4	386.4	-5%	-4%
Other specialty converting businesses	125.7	133.7	-6%	-3%
Total net sales	$1,454.6	$1,462.6	-1%	1%

	As Reported (GAAP)					Adjusted Non-GAAP (b)				
	4Q 2011	*4Q 2010*	*% Change* Fav(Unf)	*% of Sales 2011*	*% of Sales 2010*	*4Q 2011*	*4Q 2010*	% Change Fav(Unf)	*% of Sales 2011*	*% of Sales 2010*
Operating income (loss) before interest and taxes, by segment:										
Pressure-sensitive Materials	$ 66.1	$ 68.6		*6.9 %*	*7.3 %*	$69.8	$ 69.8		*7.3 %*	*7.4 %*
Retail Branding and Information Solutions	10.0	17.3		*2.7 %*	*4.5 %*	16.3	17.3		*4.4 %*	*4.5 %*
Other specialty converting businesses	(6.5)	(5.0)		*-5.2 %*	*-3.7 %*	(5.8)	(2.8)		*-4.6 %*	*-2.1 %*
Corporate expense	(14.6)	(13.8)				(9.4)	(11.0)			
Total operating income before interest and taxes/operating margin	$ 55.0	$ 67.1	-18%	*3.8 %*	*4.6 %*	$70.9	$ 73.3	-3%	*4.9 %*	*5.0 %*
Interest expense	17.9	18.8				17.9	18.8			
Income from operations before taxes	$ 37.1	$ 48.3	-23%	*2.6 %*	*3.3 %*	$53.0	$ 54.5	-3%	*3.6 %*	*3.7 %*
Provision for (benefit from) income taxes	$ 8.1	($ 51.6)				$14.9	($ 35.1)			
Net income from continuing operations	$ 29.0	$ 99.9	-71%	*2.0 %*	*6.8 %*	$38.1	$ 89.6	-57%	*2.6 %*	*6.1 %*
(Loss) income from discontinued operations, net of tax	($ 6.8)	$ 14.3	-148%	*-0.5 %*	*1.0 %*	$ 3.1	$ 15.7	-80%	*0.2 %*	*1.1 %*
Net income	$ 22.2	$ 114.2	-81%	*1.5 %*	*7.8 %*	$41.2	$ 105.3	-61%	*2.8 %*	*7.2 %*
Net income per common share, assuming dilution:										
Continuing operations	$ 0.27	$ 0.93	-71%			$0.36	$ 0.83	-57%		
Discontinued operations	($ 0.06)	$ 0.13	-146%			$0.03	$ 0.15	-80%		
Total Company	$ 0.21	$ 1.06	-80%			$0.39	$ 0.98	-60%		

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

(b) Excludes restructuring costs and other items (see accompanying schedules A-3 and A-4 for reconciliation to GAAP financial measures).

Full Year Financial Summary - Preliminary
(in millions, except per share amounts)

	2011	2010	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$3,971.6	$3,717.4	7%	4%
Retail Branding and Information Solutions	1,500.8	1,522.1	-1%	-3%
Other specialty converting businesses	553.9	542.5	2%	1%
Total net sales	$6,026.3	$5,782.0	4%	2%

	As Reported (GAAP) 2011	2010	% Change Fav(Unf)	% of Sales 2011	% of Sales 2010	Adjusted Non-GAAP (b) 2011	2010	% Change Fav(Unf)	% of Sales 2011	% of Sales 2010
Operating income (loss) before interest and taxes, by segment:										
Pressure-sensitive Materials	$312.8	$ 307.0		***7.9 %***	***8.3 %***	$329.7	$314.1		***8.3 %***	***8.4 %***
Retail Branding and Information Solutions	49.9	59.9		***3.3 %***	***3.9 %***	68.1	65.7		***4.5 %***	***4.3 %***
Other specialty converting businesses	(6.9)	(0.4)		***-1.2 %***	***-0.1 %***	(4.3)	2.8		***-0.8 %***	***0.5 %***
Corporate expense	(51.9)	(51.2)				(43.0)	(47.7)			
Total operating income before interest and taxes/operating margin	$303.9	$ 315.3	-4%	***5.0 %***	***5.5 %***	$350.5	$334.9	5%	***5.8 %***	***5.8 %***
Interest expense	71.0	76.3				71.0	76.3			
Income from operations before taxes	$232.9	$ 239.0	-3%	***3.9 %***	***4.1 %***	$279.5	$258.6	8%	***4.6 %***	***4.5 %***
Provision for (benefit from) income taxes	$ 78.5	($ 2.8)				$ 94.2	$ 3.1			
Net income from continuing operations	$154.4	$ 241.8	-36%	***2.6 %***	***4.2 %***	$185.3	$255.5	-27%	***3.1 %***	***4.4 %***
Income from discontinued operations, net of tax	$ 35.7	$ 75.1	-52%	***0.6 %***	***1.3 %***	$ 45.1	$ 80.7	-44%	***0.7 %***	***1.4 %***
Net income	$190.1	$ 316.9	-40%	***3.2 %***	***5.5 %***	$230.4	$336.2	-31%	***3.8 %***	***5.8 %***
Net income per common share, assuming dilution: Continuing operations	$ 1.45	$ 2.27	-36%			$ 1.74	$ 2.39	-27%		
Discontinued operations	$ 0.33	$ 0.70	-53%			$ 0.42	$ 0.76	-45%		
Total Company	$ 1.78	$ 2.97	-40%			$ 2.16	$ 3.15	-31%		

	2011	*2010*
Free Cash Flow (includes discontinued operations) (c)	*$ 292.0*	*$ 378.9*

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

(b) Excludes restructuring costs and other items (see accompanying schedules A-3 and A-5 for reconciliation to GAAP financial measures).

(c) Free cash flow refers to cash flow from operations, less net payments for property, plant, and equipment, software and other deferred charges, plus net proceeds from sale (purchase) of investments. Free cash flow excludes mandatory debt service requirements and other uses of cash that do not directly or immediately support the underlying business (such as discretionary debt reductions, dividends, share repurchases, and certain effects of acquisitions and divestitures).

"Despite the challenges of softening volumes and inflation in 2011, we increased operating income before restructuring costs, and generated nearly $300 million of free cash flow," said Dean Scarborough, Avery Dennison chairman, president and CEO. "Our employees did an outstanding job of meeting this year's challenges with a strong focus on pricing, productivity, and working capital, and I want to thank them for their discipline and dedication.

"We also announced earlier this month an agreement to sell our Office and Consumer Products business, consistent with our strategy to maximize its value for shareholders," Scarborough said.

"For 2012, although the economic environment remains uncertain, we expect improved earnings, solid free cash flow, and increased return of cash to shareholders."

For more details on the Company's results, see the Company's supplemental presentation materials, "Fourth Quarter and Full-Year 2011 Financial Review and Analysis," posted on the Company's website at www.investors.averydennison.com, and furnished on Form 8-K with the SEC.

Fourth Quarter 2011 Results by Segment

All references to sales reflect comparisons on an organic basis, which exclude the estimated impact of currency translation, acquisitions and divestitures.

Pressure-sensitive Materials (PSM)

- Label and Packaging Materials sales grew compared to the prior year due to the benefit of pricing actions taken to offset raw material inflation. Sales in Graphics and Reflective Solutions grew compared to prior year due to higher volume.
- Operating margin declined 40 basis points to 6.9 percent as increased raw material costs and costs associated with restructuring were largely offset by the benefit of pricing actions and productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.

Retail Branding and Information Solutions (RBIS)

- Sales declined due to lower unit demand from retailers and brands in the U.S. and Europe reflecting caution about consumer spending.
- Operating margin declined 180 basis points to 2.7 percent as lower volume and increased costs associated with restructuring were partially offset by the benefit of productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.

Other specialty converting businesses

- Sales declined compared to the prior year.

- Operating margin declined 150 basis points to negative 5.2 percent as lower volume and increased costs associated with restructuring were partially offset by a gain on the sale of a product line. Excluding costs associated with restructuring and the gain on the sale, operating margin declined.

Other

The Company today announced an eight percent increase in the first quarter 2012 dividend to $0.27 per share.

Sale of Office and Consumer Products Business

On January 3, 2012, the Company announced that it signed a definitive agreement to sell its Office and Consumer Products business (“OCP”) to 3M Company for $550 million in cash. The transaction is subject to customary closing conditions and regulatory approvals, and is expected to be completed in the second half of 2012. The Company’s OCP earnings, combined with costs associated with the transaction, are reported as income or loss from discontinued operations (net of tax) in the consolidated income statement. OCP assets and liabilities are segregated on the balance sheet for 2011 as “held for sale”. Cash flow continues to be reported on a consolidated basis.

The Company expects a combination of net proceeds and free cash flow from OCP of approximately $400 million.

Taxes

The fourth quarter effective tax rate was 22 percent. The full-year tax rate on continuing operations increased from negative one percent in 2010 to 34 percent, reflecting a significant discrete tax event in the fourth quarter of 2010, geographic income mix, and other discrete items. Fourth quarter results from continuing and discontinued operations included a negative $0.12 per share tax settlement primarily related to OCP (discontinued operations).

Cost Reduction Actions

In the fourth quarter, the Company continued to reduce fixed costs through restructuring actions, which included a reduction of corporate overhead consistent with the sale of OCP. The Company estimates approximately $55 million in annualized savings from actions taken during the year, with approximately one-fourth of the benefit realized in 2011. The Company incurred approximately $45 million in charges associated with these actions in 2011. Cash costs from continuing and discontinued operations associated with restructuring activities were $38 million and less than $1 million, respectively, in 2011. The Company continues to identify and assess further opportunities to increase productivity through restructuring.

Outlook

In the Company's supplemental presentation materials, "Fourth Quarter and Full-Year 2011 Financial Review and Analysis," the Company provides a list of factors that it believes will contribute to its 2012 financial results. Based on the factors listed and other assumptions, the Company expects 2012 earnings per share from continuing operations between $1.65 and $2.00 and free cash flow from continuing operations between $275 million and $325 million. Excluding an estimated $0.15 per share for restructuring costs and other items, the Company expects adjusted (non-GAAP) earnings per share from continuing operations of between $1.80 and $2.15.

Note: Throughout this release and the supplemental presentation materials, amounts on a per share basis reflect fully diluted shares outstanding.

About Avery Dennison

Avery Dennison (NYSE:AVY) helps make brands more inspiring and the world more intelligent. For more than 75 years the company has been a global leader in pressure-sensitive technology and materials and retail branding and information solutions. A FORTUNE 500 company with sales of $6 billion from continuing operations in 2011, Avery Dennison is based in Pasadena, California and has employees in over 60 countries. For more information, visit www.averydennison.com.

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“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

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The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) economic conditions on underlying demand for the Company’s products; (2) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; and (3) competitors’ actions, including pricing, expansion in key markets, and product offerings.

For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in the Company’s 2010 Form 10-K, filed on February 28, 2011 with the Securities and Exchange Commission, and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this document are made only as of the date of this document, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances.

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

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

	(UNAUDITED)			
	Three Months Ended		Twelve Months Ended	
	Dec. 31, 2011	Jan. 1, 2011	Dec. 31, 2011	Jan. 1, 2011
Net sales	$ 1,454.6	$ 1,462.6	$ 6,026.3	$ 5,782.0
Cost of products sold	1,096.0	1,098.5	4,504.9	4,268.2
Gross profit	358.6	364.1	1,521.4	1,513.8
Marketing, general & administrative expense	287.7	290.8	1,170.9	1,178.9
Interest expense	17.9	18.8	71.0	76.3
Other expense, net [1]	15.9	6.2	46.6	19.6
Income from continuing operations before taxes	37.1	48.3	232.9	239.0
Provision for (benefit from) income taxes	8.1	(51.6)	78.5	(2.8)
Income from continuing operations	29.0	99.9	154.4	241.8
(Loss) income from discontinued operations, net of tax	(6.8)	14.3	35.7	75.1
Net income	$ 22.2	$ 114.2	$ 190.1	$ 316.9
Per share amounts:				
Net income (loss) per common share, assuming dilution				
Continuing operations	$ 0.27	$ 0.93	$ 1.45	$ 2.27
Discontinued operations	(0.06)	0.13	0.33	0.70
Net income per common share, assuming dilution	$ 0.21	$ 1.06	$ 1.78	$ 2.97
Average common shares outstanding, assuming dilution	106.8	107.8	106.8	106.8

(1) "Other expense, net" for the fourth quarter of 2011 includes severance and related costs of $11, asset impairment and lease cancellation charges of $5.3, partially offset by other items of $(.4).

"Other expense, net" for the fourth quarter of 2010 includes severance and related costs of $2.8, asset impairment and lease cancellation charges of $.6, and other items of $2.8.

"Other expense, net" for 2011 YTD includes severance and related costs of $35.5, asset impairment and lease cancellation charges of $9, and other items of $2.1.

"Other expense, net" for 2010 YTD includes severance and related costs of $10, asset impairment and lease cancellation charges of $2.7, and other items of $6.9.

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

Avery Dennison reports financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and herein provides some non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement the Company's presentation of its financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, the Company believes that supplemental non-GAAP financial measures provide information that is useful to the assessment of the Company's performance and operating trends, as well as liquidity.

The Company's non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in the GAAP financial measures, may make it difficult to assess the underlying performance of the Company in a single period. By excluding certain accounting effects, both positive and negative, of certain items (e.g. restructuring costs, asset impairments, legal settlements, certain effects of strategic transactions and related costs, loss from debt extinguishments, loss from curtailment and settlement of pension obligations, gains or losses on sale of certain assets and other items), the Company believes that it is providing meaningful supplemental information to facilitate an understanding of the Company's core operating results and liquidity measures. These non-GAAP financial measures are used internally to evaluate trends in the Company's underlying business, as well as to facilitate comparison to the results of competitors for a single period. While some of the items excluded from GAAP financial measures may recur, they tend to be disparate in amount, frequency, and timing.

The Company uses the following non-GAAP financial measures in the accompanying news release and presentation:

Organic sales change refers to the increase or decrease in sales excluding the estimated impact of currency translation, acquisitions and divestitures;

Operating margin refers to earnings before interest expense and taxes as a percentage of sales;

Adjusted operating margin refers to earnings before interest expense and taxes, excluding restructuring costs and other items, as a percentage of sales;

Adjusted EPS refers to as reported net income per common share, assuming dilution, adjusted for the full year estimated tax effect of restructuring costs and other items; and

Free cash flow refers to cash flow from operations, less net payments for property, plant, and equipment, software and other deferred charges, plus net proceeds from sale (purchase) of investments. Free cash flow excludes mandatory debt service requirements and other uses of cash that do not directly or immediately support the underlying business (such as discretionary debt reductions, dividends, share repurchases, and certain effects of acquisitions and divestitures).

The Company excludes the full year estimated tax effect of restructuring costs and other items from the estimated tax rate to determine its adjusted tax rate to derive non-GAAP net income.

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

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

	(UNAUDITED) Three Months Ended		Twelve Months Ended	
	Dec. 31, 2011	Jan. 1, 2011	Dec. 31, 2011	Jan. 1, 2011
Reconciliation of Operating Margins:				
Net sales	$ 1,454.6	$ 1,462.6	$ 6,026.3	$ 5,782.0
Income from continuing operations before taxes	$ 37.1	$ 48.3	$ 232.9	$ 239.0
Income from continuing operations before taxes as a percentage of sales	**2.6%**	**3.3%**	**3.9%**	**4.1%**
Adjustment:				
Interest expense	$ 17.9	$ 18.8	$ 71.0	$ 76.3
Operating income from continuing operations before interest expense and taxes	$ 55.0	$ 67.1	$ 303.9	$ 315.3
Operating Margin	**3.8%**	**4.6%**	**5.0%**	**5.5%**
Income from continuing operations before taxes	$ 37.1	$ 48.3	$ 232.9	$ 239.0
Adjustments:				
Restructuring costs:				
Severance and related costs	11.0	2.8	35.5	10.0
Asset impairment and lease cancellation charges	5.3	0.6	9.0	2.7
Other items (1)	(0.4)	2.8	2.1	6.9
Interest expense	17.9	18.8	71.0	76.3
Adjusted operating income from continuing operations before interest expense and taxes (non-GAAP)	$ 70.9	$ 73.3	$ 350.5	$ 334.9
Adjusted Operating Margin (non-GAAP)	**4.9%**	**5.0%**	**5.8%**	**5.8%**
Reconciliation of GAAP to Non-GAAP Net Income from Continuing Operations:				
As reported net income from continuing operations	$ 29.0	$ 99.9	$ 154.4	$ 241.8
Non-GAAP adjustments, net of tax:				
Restructuring costs and other items (2)	9.1	(10.3)	30.9	13.7
Adjusted Non-GAAP Net Income from Continuing Operations	$ 38.1	$ 89.6	$ 185.3	$ 255.5
Reconciliation of GAAP to Non-GAAP Net Income from Discontinued Operations:				
As reported net (loss) income from discontinued operations	$ (6.8)	$ 14.3	$ 35.7	$ 75.1
Non-GAAP adjustments, net of tax:				
Restructuring costs and other items (2)	9.9	1.4	9.4	5.6
Adjusted Non-GAAP Net Income from Discontinued Operations	$ 3.1	$ 15.7	$ 45.1	$ 80.7
Reconciliation of GAAP to Non-GAAP Net Income:				
As reported net income	$ 22.2	$ 114.2	$ 190.1	$ 316.9
Non-GAAP adjustments, net of tax:				
Restructuring costs and other items (2)	19.0	(8.9)	40.3	19.3
Adjusted Non-GAAP Net Income	$ 41.2	$ 105.3	$ 230.4	$ 336.2

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

	(UNAUDITED) Three Months Ended		Twelve Months Ended	
	Dec. 31, 2011	Jan. 1, 2011	Dec. 31, 2011	Jan. 1, 2011
Reconciliation of GAAP to Non-GAAP Net Income Per Common Share from Continuing Operations:				
As reported net income per common share from continuing operations, assuming dilution	$ 0.27	$ 0.93	$ 1.45	$ 2.27
Non-GAAP adjustments per common share, net of tax:				
Restructuring costs and other items (2)	0.09	(0.10)	0.29	0.12
Adjusted Non-GAAP net income per common share from continuing operations, assuming dilution	$ 0.36	$ 0.83	$ 1.74	$ 2.39
Reconciliation of GAAP to Non-GAAP Net Income Per Common Share from Discontinued Operations:				
As reported net income per common share from discontinued operations, assuming dilution	$ (0.06)	$ 0.13	$ 0.33	$ 0.70
Non-GAAP adjustments per common share, net of tax:				
Restructuring costs and other items (2)	0.09	0.02	0.09	0.06
Adjusted Non-GAAP net income per common share from discontinued operations, assuming dilution	$ 0.03	$ 0.15	$ 0.42	$ 0.76
Reconciliation of GAAP to Non-GAAP Net Income Per Common Share:				
As reported net income per common share, assuming dilution	$ 0.21	$ 1.06	$ 1.78	$ 2.97
Non-GAAP adjustments per common share, net of tax:				
Restructuring costs and other items (2)	0.18	(0.08)	0.38	0.18
Adjusted Non-GAAP net income per common share, assuming dilution	$ 0.39	$ 0.98	$ 2.16	$ 3.15
Average common shares outstanding, assuming dilution	106.8	107.8	106.8	106.8

(1) Includes gain on sale of product line and an investment, loss from debt extinguishments, legal settlements, loss from curtailment and settlement of pension obligations, and transaction costs.

(2) Reflects the full year estimated tax effect of restructuring costs and other items.

	(UNAUDITED) Twelve Months Ended	
	Dec. 31, 2011	Jan. 1, 2011
Reconciliation of GAAP to Non-GAAP Free Cash Flow:		
Net cash provided by operating activities	$ 422.7	$ 486.7
Purchase of property, plant and equipment, net	(105.0)	(83.5)
Purchase of software and other deferred charges	(26.0)	(25.1)
Proceeds from sale of investments, net	0.3	0.8
Free Cash Flow	$ 292.0	$ 378.9

AVERY DENNISON
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions)
(UNAUDITED)

	Fourth Quarter Ended					
	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2011	2010	2011 (1)	2010 (2)	2011	2010
Pressure-sensitive Materials	$ 960.5	$ 942.5	$ 66.1	$ 68.6	6.9%	7.3%
Retail Branding and Information Solutions	368.4	386.4	10.0	17.3	2.7%	4.5%
Other specialty converting businesses	125.7	133.7	(6.5)	(5.0)	(5.2%)	(3.7%)
Corporate Expense	N/A	N/A	(14.6)	(13.8)	N/A	N/A
Interest Expense	N/A	N/A	(17.9)	(18.8)	N/A	N/A
TOTAL FROM CONTINUING OPERATIONS	$1,454.6	$1,462.6	$ 37.1	$ 48.3	2.6%	3.3%

(1) Operating income for the fourth quarter of 2011 includes severance and related costs of $11, asset impairment and lease cancellation charges of $5.3, partially offset by other items of $(.4). Of the total $15.9, the Pressure-sensitive Materials segment recorded $3.7, the Retail Branding and Information Solutions segment recorded $6.3, the other specialty converting businesses recorded $.7, and Corporate recorded $5.2.

(2) Operating income for the fourth quarter of 2010 includes severance and related costs of $2.8, asset impairment and lease cancellation charges of $.6, and other items of $2.8. Of the total $6.2, the Pressure-sensitive Materials segment recorded $1.2, the other specialty converting businesses recorded $2.2, and Corporate recorded $2.8.

RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Fourth Quarter Ended			
	OPERATING INCOME		OPERATING MARGINS	
	2011	2010	2011	2010
Pressure-sensitive Materials				
Operating income and margins, as reported	**$ 66.1**	**$ 68.6**	**6.9%**	**7.3%**
Adjustments:				
Restructuring costs:				
Severance and related costs	1.8	1.0	0.2%	0.1%
Asset impairment and lease cancellation charges	1.9	0.2	0.2%	—
Adjusted operating income and margins (non-GAAP)	**$ 69.8**	**$ 69.8**	**7.3%**	**7.4%**
Retail Branding and Information Solutions				
Operating income and margins, as reported	**$ 10.0**	**$ 17.3**	**2.7%**	**4.5%**
Adjustments:				
Restructuring costs:				
Severance and related costs	6.3	(0.4)	1.7%	(0.1%)
Asset impairment and lease cancellation charges	—	0.4	—	0.1%
Adjusted operating income and margins (non-GAAP)	**$ 16.3**	**$ 17.3**	**4.4%**	**4.5%**
Other specialty converting businesses				
Operating loss and margins, as reported	**$ (6.5)**	**$ (5.0)**	**(5.2%)**	**(3.7%)**
Adjustments:				
Restructuring costs:				
Severance and related costs	2.9	2.2	2.3%	1.6%
Asset impairment charges	3.4	—	2.7%	—
Other items	(5.6)	—	(4.4%)	—
Adjusted operating loss and margins (non-GAAP)	**$ (5.8)**	**$ (2.8)**	**(4.6%)**	**(2.1%)**

AVERY DENNISON
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions)
(UNAUDITED)

	Twelve Months Year-to-Date					
	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2011	2010	2011 (1)	2010 (2)	2011	2010
Pressure-sensitive Materials	$3,971.6	$3,717.4	$ 312.8	$ 307.0	7.9%	8.3%
Retail Branding and Information Solutions	1,500.8	1,522.1	49.9	59.9	3.3%	3.9%
Other specialty converting businesses	553.9	542.5	(6.9)	(0.4)	(1.2%)	(0.1%)
Corporate Expense	N/A	N/A	(51.9)	(51.2)	N/A	N/A
Interest Expense	N/A	N/A	(71.0)	(76.3)	N/A	N/A
TOTAL FROM CONTINUING OPERATIONS	$6,026.3	$5,782.0	$ 232.9	$ 239.0	3.9%	4.1%

(1) Operating income for 2011 includes severance and related costs of $35.5, asset impairment and lease cancellation charges of $9, and other items of $2.1. Of the total $46.6, the Pressure-sensitive Materials segment recorded $16.9, the Retail Branding and Information Solutions segment recorded $18.2, the other specialty converting businesses recorded $2.6, and Corporate recorded $8.9.

(2) Operating income for 2010 includes severance and related costs of $10, asset impairment and lease cancellation charges of $2.7, and other items of $6.9. Of the total $19.6, the Pressure-sensitive Materials segment recorded $7.1, the Retail Branding and Information Solutions segment recorded $5.8, the other specialty converting businesses recorded $3.2, and Corporate recorded $3.5.

RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Twelve Months Year-to-Date			
	OPERATING INCOME		OPERATING MARGINS	
	2011	2010	2011	2010
Pressure-sensitive Materials				
Operating income and margins, as reported	**$ 312.8**	**$ 307.0**	**7.9%**	**8.3%**
Adjustments:				
Restructuring costs:				
Severance and related costs	12.7	4.5	0.3%	0.1%
Asset impairment and lease cancellation charges	3.7	1.3	0.1%	—
Other items	0.5	1.3	—	—
Adjusted operating income and margins (non-GAAP)	**$ 329.7**	**$ 314.1**	**8.3%**	**8.4%**
Retail Branding and Information Solutions				
Operating income and margins, as reported	**$ 49.9**	**$ 59.9**	**3.3%**	**3.9%**
Adjustments:				
Restructuring costs:				
Severance and related costs	18.5	2.7	1.2%	0.2%
Asset impairment and lease cancellation charges	1.4	1.3	0.1%	0.1%
Other items	(1.7)	1.8	(0.1%)	0.1%
Adjusted operating income and margins (non-GAAP)	**$ 68.1**	**$ 65.7**	**4.5%**	**4.3%**
Other specialty converting businesses				
Operating loss and margins, as reported	**$ (6.9)**	**$ (0.4)**	**(1.2%)**	**(0.1%)**
Adjustments:				
Restructuring costs:				
Severance and related costs	4.3	2.8	0.7%	0.5%
Asset impairment charges	3.9	0.1	0.7%	—
Other items	(5.6)	0.3	(1.0%)	0.1%
Adjusted operating (loss) income and margins (non-GAAP)	**$ (4.3)**	**$ 2.8**	**(0.8%)**	**0.5%**

AVERY DENNISON
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	(UNAUDITED)	
ASSETS	**Dec. 31, 2011**	**Jan. 1, 2011**
Current assets:		
Cash and cash equivalents	$ 178.0	$ 127.5
Trade accounts receivable, net	877.1	996.1
Inventories, net	475.1	519.9
Assets held for sale	455.9	—
Other current assets	233.7	308.4
Total current assets	2,219.8	1,951.9
Property, plant and equipment, net	1,078.4	1,262.9
Goodwill	759.3	940.8
Other intangibles resulting from business acquisitions, net	161.2	228.9
Non-current deferred and refundable income taxes	322.3	266.0
Other assets	431.7	448.9
	$ 4,972.7	$ 5,099.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term and current portion of long-term debt	$ 227.1	$ 381.0
Accounts payable	736.5	748.2
Liabilities held for sale	154.5	—
Other current liabilities	529.0	702.6
Total current liabilities	1,647.1	1,831.8
Long-term debt	954.2	956.2
Other long-term liabilities	712.9	665.7
Shareholders' equity:		
Common stock	124.1	124.1
Capital in excess of par value	778.6	768.0
Retained earnings	1,810.5	1,727.9
Accumulated other comprehensive loss	(263.2)	(142.9)
Employee stock benefit trusts	—	(73.2)
Treasury stock at cost	(791.5)	(758.2)
Total shareholders' equity	1,658.5	1,645.7
	$ 4,972.7	$ 5,099.4

-more-

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

	(UNAUDITED) Twelve Months Ended	
	Dec. 31, 2011	Jan. 1, 2011
Operating Activities:		
Net income	$ 190.1	$ 316.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	168.0	172.9
Amortization	78.5	74.7
Provision for doubtful accounts	16.8	16.3
Asset impairment and net loss on sale and disposal of assets and product line	9.9	5.1
Loss from debt extinguishments	0.7	4.0
Stock-based compensation	39.6	35.2
Other non-cash expense and loss	38.1	43.6
Other non-cash income and gain	(2.0)	(0.5)
	539.7	668.2
Changes in assets and liabilities and other adjustments	(117.0)	(181.5)
Net cash provided by operating activities	422.7	486.7
Investing Activities:		
Purchase of property, plant and equipment, net	(105.0)	(83.5)
Purchase of software and other deferred charges	(26.0)	(25.1)
Proceeds from sale of product lines	21.5	—
Proceeds from sale of investments, net	0.3	0.8
Other	5.0	—
Net cash used in investing activities	(104.2)	(107.8)
Financing Activities:		
Net decrease in borrowings (maturities of 90 days or less)	(146.4)	(98.4)
Additional borrowings (maturities longer than 90 days)	—	249.8
Payments of debt (maturities longer than 90 days)	(1.5)	(341.2)
Dividends paid	(106.5)	(88.7)
Purchase of treasury stock	(13.5)	(108.7)
Proceeds from exercise of stock options, net	3.9	2.5
Other	(7.5)	(6.8)
Net cash used in financing activities	(271.5)	(391.5)
Effect of foreign currency translation on cash balances	3.5	2.0
Increase (decrease) in cash and cash equivalents	50.5	(10.6)
Cash and cash equivalents, beginning of year	127.5	138.1
Cash and cash equivalents, end of year	$ 178.0	$ 127.5

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Exhibit 99.2

Fourth Quarter and Full-Year 2011
Financial Review and Analysis
(preliminary, unaudited)

Supplemental Presentation Materials
January 31, 2012

Unless otherwise indicated, the discussion of the Company's results is focused on its continuing operations

Certain statements contained in this document are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements and financial or other business targets are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or anticipated results depending on a variety of factors, including but not limited to risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; the financial condition and inventory strategies of customers; changes in customer order patterns; worldwide and local economic conditions; fluctuations in cost and availability of raw materials; ability of the company to generate sustained productivity improvement; ability of the company to achieve and sustain targeted cost reductions; impact of competitive products and pricing; loss of significant contract(s) or customer(s); collection of receivables from customers; selling prices; business mix shift; changes in tax laws and regulations, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; timely development and market acceptance of new products including sustainable or sustainably-sourced products; investment in development activities and new production facilities; fluctuations in foreign currency exchange rates and other risks associated with foreign operations; integration of acquisitions and completion of pending dispositions; amounts of future dividends and share repurchases; customer and supplier concentrations; successful implementation of new manufacturing technologies and installation of manufacturing equipment; disruptions in information technology systems; successful installation of new or upgraded information technology systems; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; ability of the company to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; fluctuations in pension, insurance and employee benefit costs; impact of legal and regulatory proceedings, including with respect to environmental, health and safety; changes in governmental laws and regulations; changes in political conditions; impact of epidemiological events on the economy and the company's customers and suppliers; acts of war, terrorism, and natural disasters; and other factors.

The Company believes that the most significant risk factors that could affect its financial performance in the near-term include (1) economic conditions on underlying demand for the Company's products; (2) the degree to which higher costs can be offset with productivity measures and/or passed on to customers through selling price increases, without a significant loss of volume; and (3) competitors' actions, including pricing, expansion in key markets, and product offerings.

For a more detailed discussion of these and other factors, see “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition” in the Company’s 2010 Form 10-K, filed on February 28, 2011 with the Securities and Exchange Commission (“SEC”), and subsequent quarterly reports on Form 10-Q. The forward-looking statements included in this document are made only as of the date of this document, and the Company undertakes no obligation to update these statements to reflect subsequent events or circumstances.

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures, including limitations associated with these non-GAAP financial measures, are provided in the financial schedules accompanying the earnings news release for the quarter, along with certain supplemental analysis provided in this document. *(See Attachments A-2 through A-5 to news release dated January 31, 2012.)*

The Company's non-GAAP financial measures exclude the impact of certain events, activities or strategic decisions. The accounting effects of these events, activities or decisions, which are included in GAAP financial measures, may make it difficult to assess the underlying performance of the Company in a single period. By excluding certain accounting effects, both positive and negative, of certain items (e.g. restructuring costs, asset impairments, legal settlements, certain effects of strategic transactions and related costs, loss from debt extinguishments, loss from curtailment and settlement of pension obligations, gains or losses on sale of certain assets and other items), the Company believes that it is providing meaningful supplemental information to facilitate an understanding of the Company's core operating results and liquidity measures. These non-GAAP financial measures are used internally to evaluate trends in the Company's underlying businesses, as well as to facilitate comparison to the results of competitors for a single period. While some of the items excluded from GAAP financial measures may recur, they tend to be disparate in amount, frequency, and timing.

The Company uses the following non-GAAP financial measures in this presentation:

- *Organic sales change* refers to the increase or decrease in sales excluding the estimated impact of currency translation, acquisitions and divestitures;
- *Operating margin* refers to earnings before interest expense and taxes as a percentage of sales;
- *Adjusted operating margin* refers to earnings before interest expense and taxes, excluding restructuring costs and other items, as a percentage of sales;
- *Adjusted EPS* refers to as reported net income per common share, assuming dilution, adjusted for the full year estimated tax effect of restructuring costs and other items; and
- *Free cash flow* refers to cash flow from operations, less net payments for property, plant, and equipment, software and other deferred charges, plus net proceeds from sale (purchase) of investments. Free cash flow excludes mandatory debt service requirements and other uses of cash that do not directly or immediately support the underlying business (such as discretionary debt reductions, dividends, share repurchases, and certain effects of acquisitions and divestitures).

The Company excludes the full year estimated tax effect of restructuring costs and other items from the estimated tax rate to determine its adjusted tax rate to derive non-GAAP net income.

This document has been furnished (not filed) on Form 8-K with the SEC and may be found on the Company's website at www.investors.averydennison.com.

Overview

Challenging 2011

- Sales grew 1.7% on organic basis as pricing offset modest volume decline
- Operating margin declined 50 basis points as increased raw material costs and higher costs associated with restructuring were partially offset by pricing actions and productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.
- Free cash flow of $292 mil. (includes discontinued operations)

Maintained financial strength and increased return of cash to shareholders

- Net debt/EBITDA of 1.7x at year-end
- Announced definitive agreement to sell Office and Consumer Products business
- Implemented restructuring actions to reduce fixed costs
- Raised dividend

Overview (continued)

Fourth quarter results in line with recent guidance

- Sales grew slightly on organic basis as pricing offset modest volume decline
- Operating margin declined 80 basis points to 3.8% as increased raw material costs, the impact of lower volume, and increased costs associated with restructuring were partially offset by pricing actions and productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.

2012 Outlook

- Earnings improvement and solid free cash flow on modest organic sales growth driven largely by emerging markets
- Maintain strong balance sheet (net debt/EBITDA <2.0x)
- Increased return of cash to shareholders
  - Quarterly dividend increased in 1Q12

Fourth Quarter P&L Summary

- Net sales increased 0.7% on organic basis
- Operating margin declined 80 basis points compared to prior year
  - Excluding costs associated with restructuring and other items, operating margin was roughly flat
- Interest expense down slightly compared to prior year
- Effective tax rate of 22%
  - Full-year tax rate on continuing operations increased from -1% to 34%, reflecting a significant discrete tax event in 4Q10, geographic income mix, and other discrete items
  - Fourth quarter results from continuing and discontinued operations included a negative $0.12 per share tax settlement primarily related to OCP (discontinued operations)
- Reported EPS (including discontinued operations) of $0.21
- Adjusted (non-GAAP, continuing operations) EPS of $0.36 ($0.51 from continuing and discontinued operations excluding the tax settlement)

AVERY DENNISON

Sales Trend Analysis

	4Q10	1Q11	2Q11	3Q11	4Q11
Organic Sales Change	*10.8%*	*8.9%*	*(1.5%)*	*(0.8%)*	*0.7%*
Product Line Divestiture	-	-	-	-	(0.2%)
Currency	(1.5%)	0.4%	5.0%	5.8%	(1.0%)
Reported Sales Change	9.3%	9.3%	3.5%	5.0%	(0.5%)

Margin Analysis

	As Reported			Adjusted (Non-GAAP)*		
	4Q11	4Q10	3Q11	4Q11	4Q10	3Q11
Gross Profit Margin (total Company)	24.7%	24.9%	24.5%			
Operating Margin:						
Pressure-sensitive Materials	6.9%	7.3%	7.7%	7.3%	7.4%	8.3%
Retail Branding and Information Solutions	2.7%	4.5%	0.7%	4.4%	4.5%	3.3%
Other specialty converting businesses	(5.2%)	(3.7%)	(1.2%)	(4.6%)	(2.1%)	(0.8%)
Total Company	3.8%	4.6%	4.3%	4.9%	5.0%	5.5%

* Excludes restructuring costs and other items (see slides 14 and 15 for reconciliation).

Fourth Quarter Segment Overview

PRESSURE-SENSITIVE MATERIALS

- Reported sales of $961 mil., up 2% compared to prior year
  - Sales up approx. 3% on organic basis
- Label and Packaging Materials sales up low single digits on organic basis driven by pricing actions
- Graphics and Reflective Solutions sales up mid single digits on organic basis due to higher volume
- Operating margin declined 40 basis points to 6.9% as increased raw material costs and costs associated with restructuring were largely offset by the benefit of pricing actions and productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.

Fourth Quarter Segment Overview (continued)

RETAIL BRANDING AND INFORMATION SOLUTIONS

- Reported sales of $368 mil., down approx. 5% compared to prior year
  - Sales down approx. 4% on organic basis
- Operating margin declined 180 basis points to 2.7% as lower volume and increased costs associated with restructuring were partially offset by the benefit of productivity initiatives. Excluding costs associated with restructuring, operating margin was roughly flat.

OTHER SPECIALTY CONVERTING BUSINESSES

- Reported sales of $126 mil., down approx. 6% compared to prior year
  - Sales down approx. 3% excluding currency and divestiture of a product line
- Operating margin declined 150 basis points to negative 5.2% as lower volume and increased costs associated with restructuring were partially offset by a gain on the sale of a product line. Excluding costs associated with restructuring and the gain on the sale, operating margin declined.

Contributing Factors to 2012 Results

- Organic sales growth of 1% to 4%
- Currency translation (at January rates, represents approx. 3% headwind to reported sales growth; approx. $18 mil. negative impact to EBIT vs. 2011)
- Tax rate in low to mid-thirty percent range; cash tax rate in upper-twenty percent range
- Restructuring costs and other items of ~$25 mil.
- Capital expenditures (including IT) of ~$150 mil.
- Pension contributions of at least $75 mil.
- Estimated net proceeds and free cash flow from OCP of approx. $400 mil.
- Average shares outstanding (assuming dilution) of 103 mil.

2012 Earnings and Free Cash Flow Guidance (Continuing Operations)

Reported (GAAP) Earnings Per Share	\$1.65 - \$2.00
Add Back:	
Estimated Restructuring Costs and Other Items	~ \$0.15
Adjusted (non-GAAP) Earnings Per Share	\$1.80 - \$2.15
Free Cash Flow	\$275 - \$325 mil.

1Q12 earnings expected to be 20% to 25% of full year earnings

Appendix: Results from Continuing Operations

Avery Dennison
Results from Continuing Operations (Excluding severance and related costs, asset impairment and lease cancellation charges, and other items)
Dollars in millions, except per share amounts

	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
Total Company (continuing operations)										
Reported Sales	$1,397.0	$1,492.8	$1,429.6	$1,462.6	$5,782.0	$1,526.5	$1,544.8	$1,500.4	$1,454.6	$6,026.3
Organic Sales Change	9%	17%	10%	11%	12%	9%	-2%	-1%	1%	2%
Adjusted operating income from continuing operations before interest expense and taxes (non-GAAP)	$75.7	$113.9	$72.0	$73.3	$334.9	$84.6	$113.1	$81.9	$70.9	$350.5
Adjusted Operating Margin (non-GAAP)	5.4%	7.6%	5.0%	5.0%	5.8%	5.5%	7.3%	5.5%	4.9%	5.8%
Effective Tax Rate	17.2%	19.5%	19.1%	-64.4%	1.2%	24.4%	32.8%	49.4%	28.1%	33.7%
Adjusted non-GAAP net income per common share from continuing operations, assuming dilution	$0.45	$0.70	$0.40	$0.83	$2.39	$0.47	$0.60	$0.30	$0.36	$1.74
Pressure-sensitive Materials										
Reported Sales	$918.4	$942.1	$914.4	$942.5	$3,717.4	$1,009.4	$1,006.2	$995.5	$960.5	$3,971.6
Organic Sales Change	8%	14%	8%	11%	10%	9%	1%	2%	3%	4%
Adjusted Operating Income (non-GAAP)	$87.2	$87.3	$69.8	$69.8	$314.1	$86.9	$90.7	$82.3	$69.8	$329.7
Adjusted Operating Margin (non-GAAP)	9.5%	9.3%	7.6%	7.4%	8.4%	8.6%	9.0%	8.3%	7.3%	8.3%
Retail Branding and Information Solutions										
Reported Sales	$344.9	$412.0	$378.8	$386.4	$1,522.1	$375.2	$396.5	$360.7	$368.4	$1,500.8
Organic Sales Change	10%	23%	18%	11%	16%	9%	-6%	-7%	-4%	-3%
Adjusted Operating Income (non-GAAP)	$1.9	$34.6	$11.9	$17.3	$65.7	$12.5	$27.4	$11.9	$16.3	$68.1
Adjusted Operating Margin (non-GAAP)	0.6%	8.4%	3.1%	4.5%	4.3%	3.3%	6.9%	3.3%	4.4%	4.5%
Other specialty converting businesses										
Reported Sales	$133.7	$138.7	$136.4	$133.7	$542.5	$141.9	$142.1	$144.2	$125.7	$553.9
Organic Sales Change	12%	21%	6%	13%	13%	7%	-2%	1%	-3%	1%
Adjusted Operating Income (loss) (non-GAAP)	$1.7	$3.2	$0.7	-$2.8	$2.8	-$1.4	$4.1	-$1.2	-$5.8	-$4.3
Adjusted Operating Margin (non-GAAP)	1.3%	2.3%	0.5%	-2.1%	0.5%	-1.0%	2.9%	-0.8%	-4.6%	-0.8%

Appendix: Results from Continuing Operations (Reconciliation)

Total Company (continuing operations) **Reconciliation of Operating Margins:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
Net Sales **(A)**	$1,397.0	$1,492.8	$1,429.6	$1,462.6	$5,782.0	$1,526.5	$1,544.8	$1,500.4	$1,454.6	$6,026.3
Income from continuing operations before taxes **(B)**	52.7	90.0	48.0	48.3	239.0	62.6	87.1	46.1	37.1	232.9
Adjustment:										
Interest expense	17.4	21.1	19.0	18.8	76.3	17.7	17.7	17.7	17.9	71.0
Income from continuing operations before interest expense and taxes **(C)**	70.1	111.1	67.0	67.1	315.3	80.3	104.8	63.8	55.0	303.9
Adjustments:										
Severance and related costs	4.0	2.0	1.2	2.8	10.0	2.7	7.2	14.6	11.0	35.5
Asset impairment and lease cancellation charges	0.2	0.6	1.3	0.6	2.7	3.3	0.1	0.3	5.3	9.0
Other items(1)	1.4	0.2	2.5	2.8	6.9	-1.7	1.0	3.2	-0.4	2.1
Adjusted operating income from continuing operations before interest expense and taxes (non-GAAP) **(D)**	$75.7	$113.9	$72.0	$73.3	$334.9	$84.6	$113.1	$81.9	$70.9	$350.5
Income from continuing operations before taxes as a percentage of sales **(B)/(A)**	3.8%	6.0%	3.4%	3.3%	4.1%	4.1%	5.6%	3.1%	2.6%	3.9%
Operating Margin **(C)/(A)**	5.0%	7.4%	4.7%	4.6%	5.5%	5.3%	6.8%	4.3%	3.8%	5.0%
*Adjusted Operating Margin (non-GAAP) **(D)/(A)***	5.4%	7.6%	5.0%	5.0%	5.8%	5.5%	7.3%	5.5%	4.9%	5.8%

Total Company (continuing operations) **Reconciliation of GAAP to Non-GAAP Net Income Per Common Share from Continuing Operations:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
As reported net income from continuing operations per common share, assuming dilution	$0.35	$0.54	$0.44	$0.93	$2.27	$0.35	$0.50	$0.33	$0.27	$1.45
Non-GAAP adjustments per common share, net of tax:										
Severance and related costs , asset impairment and lease cancellation charges, and other items	$0.10	$0.16	-$0.04	-$0.10	$0.12	$0.12	$0.10	-$0.03	$0.09	$0.29
Adjusted non-GAAP net income from continuing operations per common share, assuming dilution	$0.45	$0.70	$0.40	$0.83	$2.39	$0.47	$0.60	$0.30	$0.36	$1.74

Appendix: Results from Continuing Operations (Reconciliation)

Pressure-sensitive Materials **Reconciliation of Operating Margins:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
Net Sales	$918.4	$942.1	$914.4	$942.5	$3,717.4	$1,009.4	$1,006.2	$995.5	$960.5	$3,971.6
Operating income, as reported	85.3	85.8	67.3	68.6	307.0	83.5	86.4	76.8	66.1	312.8
Adjustments:										
Severance and related costs	1.5	2.0	-	1.0	4.5	1.9	4.3	4.7	1.8	12.7
Asset impairment and lease cancellation charges	0.2	-	0.9	0.2	1.3	1.5	-	0.3	1.9	3.7
Other items	0.2	-0.5	1.6	-	1.3	0.0	-	0.5	-	0.5
Adjusted operating income (non-GAAP)	$87.2	$87.3	$69.8	$69.8	$314.1	$86.9	$90.7	$82.3	$69.8	$329.7
Operating Margin	9.3%	9.1%	7.4%	7.3%	8.3%	8.3%	8.6%	7.7%	6.9%	7.9%
Adjusted Operating Margin (non-GAAP)	9.5%	9.3%	7.6%	7.4%	8.4%	8.6%	9.0%	8.3%	7.3%	8.3%

Retail Branding and Information Solutions **Reconciliation of Operating Margins:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
Net Sales	$344.9	$412.0	$378.8	$386.4	$1,522.1	$375.2	$396.5	$360.7	$368.4	$1,500.8
Operating (loss) income, as reported	-1.4	34.0	10.0	17.3	59.9	12.2	25.1	2.6	10.0	49.9
Non-GAAP adjustments:										
Severance and related costs	2.1	-	1.0	-0.4	2.7	0.6	2.2	9.4	6.3	18.5
Asset impairment and lease cancellation charges	-	0.6	0.3	0.4	1.3	1.4	0.1	-0.1	0.0	1.4
Other items	1.2	-	0.6	-	1.8	-1.7	-	-	-	-1.7
Adjusted operating income (non-GAAP)	$1.9	$34.6	$11.9	$17.3	$65.7	$12.5	$27.4	$11.9	$16.3	$68.1
Operating Margin	-0.4%	8.3%	2.6%	4.5%	3.9%	3.3%	6.3%	0.7%	2.7%	3.3%
Adjusted Operating Margin (non-GAAP)	0.6%	8.4%	3.1%	4.5%	4.3%	3.3%	6.9%	3.3%	4.4%	4.5%

Other specialty converting businesses **Reconciliation of Operating Margins:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
Net Sales	$133.7	$138.7	$136.4	$133.7	$542.5	$141.9	$142.1	$144.2	$125.7	$553.9
Operating income (loss), as reported	1.3	3.2	0.1	-5.0	-0.4	-2.0	3.4	-1.8	-6.5	-6.9
Non-GAAP adjustments:										
Severance and related costs	0.4	-	0.2	2.2	2.8	0.2	0.7	0.5	2.9	4.3
Asset impairment and lease cancellation charges	-	-	0.1	-	0.1	0.4	-	0.1	3.4	3.9
Other items	-	-	0.3	-	0.3	-	-	-	-5.6	-5.6
Adjusted operating income (loss) (non-GAAP)	$1.7	$3.2	$0.7	-$2.8	$2.8	-$1.4	$4.1	-$1.2	-$5.8	-$4.3
Operating Margin	1.0%	2.3%	0.1%	-3.7%	-0.1%	-1.4%	2.4%	-1.2%	-5.2%	-1.2%
Adjusted Operating Margin (non-GAAP)	1.3%	2.3%	0.5%	-2.1%	0.5%	-1.0%	2.9%	-0.8%	-4.6%	-0.8%

Appendix: Results from Continuing Operations (Reconciliation)

Total Company (continuing operations) **Estimated change in sales due to:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
As reported sales change	11%	19%	8%	9%	12%	9%	4%	5%	-1%	4%
Foreign currency translation	-5%	-2%	3%	2%	-1%	0%	-5%	-6%	1%	-3%
Acquisitions, net of divestitures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Extra week in fiscal year	3%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Organic sales change[1]	9%	17%	10%	11%	12%	9%	-2%	-1%	1%	2%

Pressure-sensitive Materials **Estimated change in sales due to:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
As reported sales change	11%	16%	5%	9%	10%	10%	7%	9%	2%	7%
Foreign currency translation	-6%	-2%	3%	2%	-1%	-1%	-6%	-7%	1%	-3%
Acquisitions, net of divestitures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Extra week in fiscal year	3%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Organic sales change[1]	8%	14%	8%	11%	10%	9%	1%	2%	3%	4%

Retail Branding and Information Solutions **Estimated change in sales due to:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
As reported sales change	9%	25%	17%	10%	15%	9%	-4%	-5%	-5%	-1%
Foreign currency translation	-3%	-1%	1%	0%	-1%	0%	-2%	-3%	1%	-1%
Acquisitions, net of divestitures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Extra week in fiscal year	3%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Organic sales change[1]	10%	23%	18%	11%	16%	9%	-6%	-7%	-4%	-3%

Other specialty converting businesses **Estimated change in sales due to:**	1Q10	2Q10	3Q10	4Q10	FY10	1Q11	2Q11	3Q11	4Q11	FY11
As reported sales change	13%	21%	3%	11%	12%	6%	3%	6%	-6%	2%
Foreign currency translation	-4%	0%	3%	2%	0%	0%	-4%	-5%	0%	-2%
Acquisitions, net of divestitures	0%	0%	0%	0%	0%	0%	0%	0%	2%	1%
Extra week in fiscal year	3%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Organic sales change[1]	12%	21%	6%	13%	13%	7%	-2%	1%	-3%	1%

[1] Totals may not sum due to rounding.