

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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Form 8-K

CURRENT REPORT

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

Date of Report: December 14, 1994  
Date of Earliest Event Reported: December 9, 1994

AVERY DENNISON CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware	1-7685	95-1492269
(State or Other	(Commission File Number)	(IRS Employer
Jurisdiction of		Identification No.)
Incorporation)		

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

(818) 304-2000  
(Registrant's telephone number)

Item 5. Other Events.

On December 9, 1994 Avery Dennison Corporation (formerly known as Avery International Corporation) (the "Company") and First Interstate Bank of California (as successor to Security Pacific National Bank, by amendment), as Rights Agent amended the Rights Agreement dated as of June 30, 1988 (the "Rights Agreement"), between the Company and the Rights Agent pursuant to and on the terms set forth in Exhibit 1 attached hereto.

Item 7. Exhibits.

1. Amendment to Rights Agreement, dated as of December 9, 1994.



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

Date: December 14, 1994

By: /s/ Robert C. vanSchoonenberg  
Robert C. van Schoonenberg  
Vice President  
General Counsel and Secretary

EXHIBIT INDEX

Exhibit  
No.

1. Amendment to Rights Agreement,  
dated as of December 9, 1994

AMENDMENT TO RIGHTS AGREEMENT

AMENDMENT, dated as of December 9, 1994, to the Rights Agreement, dated as of June 30, 1988 (the "Rights Agreement"), between Avery International Corporation (now Avery Dennison Corporation), a Delaware corporation (the "Company"), and Security Pacific National Bank (now First Interstate Bank of California as successor to Security Pacific National Bank, by amendment), as Rights Agent (the "Rights Agent").

The Company and the Rights Agent have heretofore executed and entered into the Rights Agreement. Pursuant to Section 27 of the Rights Agreement, the Company and the Rights Agent may from time to time supplement or amend the Rights Agreement in accordance with the provisions of Section 27 thereof. All acts and things necessary to make this Amendment a valid agreement, enforceable according to its terms, have been done and performed, and the execution and delivery of this Amendment by the Company and the Rights Agent have been in all respects duly authorized by the Company and the Rights Agent.

In consideration of the foregoing and the mutual agreements set forth herein, the parties hereto agree as follows:

1. Section 1(a) of the Rights Agreement is hereby modified and amended by adding the following sentence to the end thereof:

Notwithstanding the foregoing, if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person", as defined pursuant to the foregoing provisions of this paragraph (a), has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of

Common Shares so that such Person would no longer be an "Acquiring Person", as defined pursuant to the foregoing provisions of this paragraph (a), then such Person shall not be deemed to be an "Acquiring Person" for any purposes of this Agreement.

2. Section 1 of the Rights Agreement is hereby modified and amended by deleting paragraph (n) thereof (and all cross references thereto in the Rights Agreement) in its entirety.

3. Section 11(a) of the Rights Agreement is hereby modified and amended by deleting subparagraph (iii) thereof in its entirety, renumbering subparagraph (iv) thereof as subparagraph (iii), and amending and modifying subparagraph (ii) thereof to read in its entirety as follows:

(ii) Subject to Section 24 of this Agreement, in the event any Person becomes an Acquiring Person, each holder of a Right shall thereafter have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one-hundredths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of Common Shares of the Company as shall equal the result obtained by (x) multiplying the then current Purchase Price by the number of one-hundredths of a Preferred Share for which a Right is then exercisable and dividing that product by (y) 50% of the then current per share market price of the Company's Common Shares (determined pursuant to Section 11(d) hereof) on the date of the occurrence of such event. In the event that any Person shall become an Acquiring Person and the Rights shall then be outstanding, the Company shall not take any action which would eliminate or diminish the benefits intended to be afforded by the Rights.

From and after the occurrence of such event, any Rights that are or were acquired or beneficially owned by any Acquiring Person (or any Associate or Affiliate of such Acquiring Person) shall be void and any holder of such Rights shall thereafter have no right to exercise such Rights under any provision of this Agreement. No

Right Certificate shall be issued pursuant to Section 3 that represents Rights beneficially owned by an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof; no Right Certificate shall be issued at any time upon the transfer of any Rights to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof or to any nominee of such Acquiring Person, Associate or Affiliate; and any Right Certificate delivered to the Rights Agent for transfer to an Acquiring Person whose Rights would be void pursuant to the preceding sentence shall be cancelled.

4. Section 11(a) of the Rights Agreement is hereby further modified and amended by adding to the end of newly renumbered subparagraph (iii) thereof the following sentence:

In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exercise of a Right, a number of Preferred Shares or fraction thereof such that the current per share market price of one Preferred Share multiplied by such number or fraction is equal to the current per share



market price of one Common Share as of the date of issuance of such Preferred Shares or fraction thereof.

5. Section 24(a) of the Rights Agreement is hereby modified and amended by deleting the phrase "at any time after the occurrence of a Trigger Event" from the first sentence thereof and substituting therefor the phrase "at any time after any Person becomes an Acquiring Person".

6. Section 24 of the Rights Agreement is hereby modified and amended by deleting paragraph (c) thereof in its entirety, relettering paragraphs (d) and (e) thereof as paragraphs (c) and (d), respectively, and amending and modifying the newly relettered paragraph (c) thereof to read in its entirety as follows:

In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exchange of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exchange of a Right, a number

of Preferred Shares or fraction thereof such that the current per share market price of one Preferred Share multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares or fraction thereof.

7. Section 27 of the Rights Agreement is hereby modified and amended by changing the percentage "15%" in the last sentence thereof to "10%".

8. This Amendment to the Rights Agreement shall be governed by and construed in accordance with the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

9. This Amendment to the Rights Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument. Terms not defined herein shall, unless the context otherwise requires, have the meanings assigned to such terms in the Rights Agreement.

10. In all respects not inconsistent with the terms and provisions of this Amendment to the Rights Agreement, the

Rights Agreement is hereby ratified, adopted, approved and confirmed. In executing and delivering this Amendment, the Rights Agent shall be entitled to all the privileges and immunities afforded to the Rights Agent under the terms and conditions of the Rights Agreement.

11. If any term, provision, covenant or restriction of this Amendment to the Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment to the Rights Agreement, and of the Rights Agreement, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and attested, all as of the date and year first above written.

Attest: AVERY DENNISON CORPORATION

By:/s/ Richard P. Randill By:/s/ Robert C. vanSchoonenberg

Attest: FIRST INTERSTATE BANK OF CALIFORNIA

By:/s/ Rosa Maria Bautist By:/s/ Joseph K. Cannata