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

FORM 8-K

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

Date of Report (Date of earliest event reported) **July 24, 2018**

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.)

207 Goode Avenue Glendale, California	**91203**
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth companyo

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition.

Avery Dennison Corporation's (the "Company's") press release, dated July 24, 2018, regarding the Company's preliminary, unaudited financial results for second quarter 2018 and updated guidance for the 2018 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 July 24, 2018, regarding the Company's preliminary, unaudited financial review and analysis for second quarter 2018 and updated guidance for the 2018 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, July 24, 2018, at 12:00 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 July 24, 2018, regarding the Company's preliminary, unaudited second quarter 2018 financial results.

99.2 Supplemental presentation materials, dated July 24, 2018, regarding the Company's preliminary, unaudited financial review and analysis for second quarter 2018.

"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 are not limited to, risks and uncertainties relating to the following: fluctuations in demand affecting sales to customers; worldwide and local economic conditions; changes in political conditions; changes in governmental laws and regulations; fluctuations in foreign currency exchange rates and other risks associated with foreign operations, including in emerging markets; the financial condition and inventory strategies of customers; changes in customer preferences; fluctuations in cost and availability of raw materials; the Company's ability to generate sustained productivity improvement; the Company's ability to achieve and sustain targeted cost reductions; the impact of competitive products and pricing; loss of significant contracts or customers; collection of receivables from customers; selling prices; business mix shift; execution and integration of acquisitions; timely development and market acceptance of new products, including sustainable or sustainably-sourced products; investment in development activities and new production facilities; 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, including cyber-attacks or other intrusions to network security; successful installation of new or upgraded information technology systems; data security breaches; volatility of financial markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; the Company's ability to obtain adequate financing arrangements and maintain access to capital; fluctuations in interest and tax rates; changes in tax laws and regulations including the Tax Cuts and Jobs Act, and uncertainties associated with interpretations of such laws and regulations; outcome of tax audits; fluctuations in pension, insurance, and employee benefit costs, including risks related to the planned termination of our U.S. pension plan; the

impact of legal and regulatory proceedings, including with respect to environmental, health and safety; protection and infringement of intellectual property; the 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) the impacts of global economic conditions and political uncertainty on underlying demand for the Company's products and foreign currency fluctuations; (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; (3) competitors' actions, including pricing, expansion in key markets, and product offerings; and (4) the execution and integration of acquisitions.

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 2017 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2018 , 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, other than as may be required by law.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release, dated July 24, 2018, regarding the Company's preliminary, unaudited second quarter 2018 financial results.
99.2	Supplemental presentation materials, dated July 24, 2018, regarding the Company's preliminary, unaudited financial review and analysis for second quarter 2018.

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: July 24, 2018

By: /s/ Gregory S. Lovins
Name: Gregory S. Lovins
Title: Senior Vice President and Chief Financial Officer

Exhibit 99.1

For Immediate Release

AVERY DENNISON ANNOUNCES SECOND QUARTER 2018 RESULTS

- 2Q18 Reported EPS of $1.07
  - Adjusted EPS (non-GAAP) of $1.66
- 2Q18 Net sales increased 14.0% to $1.85 billion
  - Sales change ex. currency (non-GAAP) of 10.0%
- FY18 Reported EPS guidance midpoint reduced by $0.33, driven by ~$0.60 estimated impact of recently announced termination of U.S. pension plan
  - Raised FY18 guidance midpoint for Adjusted EPS by $0.08

GLENDALE, Calif., July 24, 2018 – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited results for its second quarter ended June 30, 2018. All non-GAAP financial measures referenced in this document are reconciled to GAAP in the attached tables. Unless otherwise indicated, comparisons are to the same period in the prior year.

"We had another good quarter, with strong top-line growth and adjusted EPS up 27 percent, driven primarily by strong operating results," said Mitch Butier, President and CEO. "Label and Graphic Materials delivered high-single digit organic growth and sustained its strong operating margin; Retail Branding and Information Solutions expanded its margin significantly on organic growth of nearly 10 percent, driven by strength in both RFID and the base business; and Industrial and Healthcare Materials delivered modest organic growth with margin in line with expectations.

"Our current year outlook for adjusted earnings has improved despite currency-related headwinds in the back half of the year," added Butier. "Our ability to consistently achieve our strategic and financial goals in the face of significant changes in the macro environment, including the strengthening of the dollar and higher than expected inflation, demonstrates the resilience of our business and the talent of our team."

For more details on the company's results, see the summary table accompanying this news release, as well as the supplemental presentation materials, "Second Quarter 2018 Financial Review and Analysis", posted on the company's website at www.investors.averydennison.com, and furnished to the SEC on Form 8-K.

Second Quarter 2018 Results by Segment

Sales change ex. currency refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations. Organic sales change refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation, product line exits, and acquisitions and divestitures. Adjusted operating margin refers to income before taxes, interest expense, other non-operating expense, and other expense, net, as a percentage of sales.

Label and Graphic Materials

- Reported sales increased 11.9 percent; on an organic basis, sales grew 7.3 percent. Sales on an organic basis increased at high-single digit rates in both Label and Packaging Materials and the combined Graphics and Reflective Solutions businesses.
- Reported operating margin decreased 430 basis points to 9.2 percent, reflecting the impact of previously announced restructuring plan. Adjusted operating margin decreased 10 basis points to 13.8 percent as the benefit from higher volume/mix was more than offset by higher employee-related costs and the net impact of pricing and raw material costs, excluding the effects of currency.

Retail Branding and Information Solutions

- Reported sales increased 11.1 percent; on an organic basis, sales grew 9.5 percent, driven by strength in both radio frequency identification (RFID) solutions and the base business.

- Reported operating margin increased 300 basis points to 10.9 percent as the benefits from higher volume, productivity, and reduced amortization expense were partially offset by higher employee-related costs and investments. Adjusted operating margin increased 260 basis points to 11.2 percent.

Industrial and Healthcare Materials

- Reported sales increased 40.0 percent. Sales ex. currency increased 35.3 percent; on an organic basis, sales grew 3.1 percent. Sales in industrial categories grew approximately 50 percent ex. currency and mid-single digits on an organic basis. Sales in healthcare categories were up low-single digits on an organic basis.

- Reported operating margin increased 10 basis points to 9.2 percent, as a decline in adjusted operating margin was more than offset by the lack of M&A transaction costs incurred in the prior year. Adjusted operating margin declined 170 basis points to 9.3 percent, reflecting acquisition effects and the net impact of pricing and raw material costs, partially offset by the benefit of organic volume growth.

Other

Share Repurchases / Equity Dilution

The company repurchased 0.5 million shares in the second quarter at an aggregate cost of $51 million. Net of dilution from long-term incentives, the company's share count at the end of the quarter was down by 1.0 million compared to the same time last year. Year-to-date, the company returned $188 million in cash to shareholders through a

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combination of share repurchases and dividends, up from $147 million for the same period last year.

Income Taxes

The second quarter GAAP effective tax rate was 31.4 percent, up from 19.1 percent in the prior year. The full year GAAP effective tax rate is estimated to be approximately 20 percent, reflecting the effect of the anticipated third quarter pension contribution, which is expected to be deducted on the company's 2017 U.S. income tax return.

The adjusted non-GAAP tax rate for the quarter was 25 percent, consistent with the company's previous guidance.

Cost Reduction Actions

In the second quarter, the company realized approximately $9 million in pretax savings from restructuring, net of transition costs, and incurred pretax restructuring charges of approximately $59 million. Most of these charges relate to severance costs associated with a previously announced restructuring plan in Europe, the vast majority of which will be paid in 2019.

U.S. Pension Plan Termination

As announced in a Form 8-K furnished on July 11, 2018, the company has begun the process to terminate the Avery Dennison Pension Plan, a tax-qualified U.S. defined benefit plan. The company expects to contribute $200 million in cash to the plan in 2018, and an estimated $40 million in cash during 2019, to fully fund the plan and complete the transaction. The company estimates that the after-tax impact of actions connected with the termination will reduce reported EPS by $0.50 to $0.70 in 2018, and an additional $4.25 to $4.45 during 2019, reflecting estimated total pre-tax settlement charges in the range of $575 million to $600 million.

Outlook

In its supplemental presentation materials, "Second Quarter 2018 Financial Review and Analysis," the company provides a list of factors that it believes will contribute to its 2018 financial results. Based on the factors listed and other assumptions, the company now expects 2018 reported earnings per share of $4.50 to $4.85. Excluding an estimated $1.25 to $1.45 per share for restructuring charges, pension settlement charges, and other items, the company now expects adjusted earnings per share (non-GAAP) of $5.95 to $6.10.

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) is a global materials science company specializing in the design and manufacture of a wide variety of labeling and functional materials. The company's products, which are used in nearly every major industry, include pressure-sensitive materials for labels and graphic applications; tapes and other bonding solutions for industrial, medical, and retail applications; tags, labels and embellishments for apparel; and radio frequency identification (RFID) solutions serving retail apparel and other markets. Headquartered in Glendale, California, the company employs approximately 30,000 employees in more than 50 countries. Reported sales in 2017 were $6.6 billion. Learn more at www.averydennison.com.

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We believe that the most significant risk factors that could affect our financial performance in the near-term include: (1) the impacts of global economic conditions and political uncertainty on underlying demand for our products and foreign currency fluctuations; (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; (3) competitors' actions, including pricing, expansion in key markets, and product offerings; and (4) the execution and integration of acquisitions.

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 our 2017 Form 10-K, filed with the Securities and Exchange Commission on February 21, 2018, 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 we undertake no obligation to update these statements to reflect subsequent events or circumstances, other than as may be required by law.

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

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Second Quarter Financial Summary - Preliminary, unaudited
(In millions, except % and per share amounts)

	2Q 2018	2Q 2017	% Change vs. P/Y Reported	Ex. Currency (a)	Organic (b)
Net sales, by segment:					
Label and Graphic Materials	**$1,257.3**	**$1,123.1**	**11.9%**	7.3%	7.3%
Retail Branding and Information Solutions	**416.7**	**375.1**	**11.1%**	9.5%	9.5%
Industrial and Healthcare Materials	**180.2**	**128.7**	**40.0%**	35.3%	3.1%
Total net sales	**$1,854.2**	**$1,626.9**	**14.0%**	10.0%	7.5%

As Reported (GAAP)				Adjusted Non-GAAP (c)			
2Q	2Q	%	% of Sales	2Q	2Q	%	% of Sales

	2018	2017	Change	2018	2017	2018	2017	Change	2018	2017
Operating income (loss) / operating margins before interest, other non-operating expense, and taxes, by segment:										
Label and Graphic Materials	**$115.5**	**$151.4**		**9.2%**	**13.5%**	$173.3	$156.4		13.8%	13.9%
Retail Branding and Information Solutions	**45.3**	**29.5**		**10.9%**	**7.9%**	46.7	32.3		11.2%	8.6%
Industrial and Healthcare Materials	**16.6**	**11.7**		**9.2%**	**9.1%**	16.8	14.1		9.3%	11.0%
Corporate expense	**(20.6)**	**(21.0)**				(22.9)	(21.0)			
Total operating income / operating margins before interest, other non-operating expense, and taxes	**$156.8**	**$171.6**	**(9%)**	**8.5%**	**10.5%**	$213.9	$181.8	18%	11.5%	11.2%
Interest expense	**$14.3**	**$16.2**				$14.3	$16.2			
Other non-operating expense (d)	**$2.6**	**$5.9**				$2.4	$5.9			
Income before taxes	**$139.9**	**$149.5**	**(6%)**	**7.5%**	**9.2%**	$197.2	$159.7	23%	10.6%	9.8%
Provision for income taxes (e)	**$43.9**	**$28.6**				$49.3	$41.9			
Equity method investment net losses	**($0.4)**	---				($0.4)	---			
Net income	**$95.6**	**$120.9**	**(21%)**	**5.2%**	**7.4%**	$147.5	$117.8	25%	8.0%	7.2%
Net income per common share, assuming dilution	**$1.07**	**$1.34**	**(20%)**			$1.66	$1.31	27%		
						2018	2017			
2Q Free Cash Flow (f)						$ 147.3	$ 115.1			
YTD Free Cash Flow (f)						$ 127.6	$ 93.0			

See accompanying schedules A-4 to A-8 for reconciliations from GAAP to non-GAAP financial measures.

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

(b) Percentage change in sales excluding the estimated impact of foreign currency translation, product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

(c) Excludes impact of restructuring charges and other items.

(d) In the first quarter of 2018, we adopted ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost, other than service cost, outside of operating income. Prior year results have been reclassified as required by the ASU.

"Other non-operating expense" for the second quarter of 2018 includes pension settlement of $.2.

(e) We continue to assess our fourth quarter 2017 provisional estimate defined under SEC Staff Accounting Bulletin No. 118 related to the U.S. Tax Cut and Jobs Act of 2017. There was no significant impact to our provisional estimate as of the end of the second quarter of 2018. We expect to complete our assessment within the allowed one-year measurement period.

(f) Free cash flow refers to cash flow from operations, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from sales (purchases) of investments and proceeds from insurance. Free cash flow will also be adjusted for the cash contributions and cash tax effects of the planned termination of our U.S. pension plan.

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

	(UNAUDITED)			
	Three Months Ended		**Six Months Ended**	
	Jun. 30, 2018	**Jul. 1, 2017**	**Jun. 30, 2018**	**Jul. 1, 2017**
Net sales	$ 1,854.2	$ 1,626.9	$ 3,630.6	$ 3,199.0
Cost of products sold	1,352.8	1,174.3	2,645.8	2,304.0
Gross profit	501.4	452.6	984.8	895.0
Marketing, general and administrative expense	287.5	270.8	582.5	550.6
Other expense, net(1)	57.1	10.2	69.9	16.7
Interest expense	14.3	16.2	27.5	32.9
Other non-operating expense(2)	2.6	5.9	5.9	9.4
Income before taxes	139.9	149.5	299.0	285.4
Provision for income taxes(3)	43.9	28.6	77.2	52.3
Equity method investment net losses	(0.4)	---	(1.0)	---

Net income	$	95.6	$	120.9	$	220.8	$	233.1
Per share amounts:								
Net income per common share, assuming dilution	$	1.07	$	1.34	$	2.47	$	2.59
Weighted average number of common shares outstanding, assuming dilution		89.0		89.9		89.4		90.0

(1) "Other expense, net" for the second quarter of 2018 includes severance and related costs of $58.8 and asset impairment and lease cancellation charges of $.6, partially offset by gain on sale of assets of $2.3.

"Other expense, net" for the second quarter of 2017 includes severance and related costs of $7.3, asset impairment and lease cancellation charges of $.3, and transaction costs of $2.6.

"Other expense, net" for the first half of 2018 includes severance and related costs of $63.1, asset impairment and lease cancellation charges of $9, and other restructuring-related charge of $.5, partially offset by net gain on sales of assets of $2.7.

"Other expense, net" for the first half of 2017 includes severance and related costs of $13, asset impairment and lease cancellation charges of $.3, and transaction costs of $3.4.

(2) In the first quarter of 2018, we adopted Accounting Standards Update (ASU) No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* on a retrospective basis. This ASU requires employers with defined benefit plans to present the components of net periodic benefit cost, other than service cost, outside of operating income. Prior year results have been reclassified as required by the ASU.

"Other non-operating expense" for the first half of 2018 includes pension settlements of $.7.

(3) We continue to assess our fourth quarter 2017 provisional estimate defined under SEC Staff Accounting Bulletin No. 118 related to the U.S. Tax Cut and Jobs Act of 2017. There was no significant impact to our provisional estimate as of the end of the second quarter of 2018. We expect to complete our assessment within the allowed one-year measurement period.

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AVERY DENNISON CORPORATION
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	(UNAUDITED)			
ASSETS		**Jun. 30, 2018**		**Jul. 1, 2017**
Current assets:				
Cash and cash equivalents	$	215.8	$	209.4
Trade accounts receivable, net		1,236.2		1,138.1
Inventories, net		660.8		618.5
Assets held for sale		1.9		8.3
Other current assets		213.4		235.5
Total current assets		2,328.1		2,209.8
Property, plant and equipment, net		1,084.5		1,017.8
Goodwill and other intangibles resulting from business acquisitions, net		1,109.7		1,118.5
Non-current deferred income taxes		199.0		325.1
Other assets		441.8		420.6
	$	5,163.1	$	5,091.8
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings and current portion of long-term debt and capital leases	$	384.3	$	444.0
Accounts payable		1,034.4		930.9
Other current liabilities		690.5		597.5
Total current liabilities		2,109.2		1,972.4
Long-term debt and capital leases		1,289.7		1,276.3
Other long-term liabilities		742.3		773.3
Shareholders' equity:				
Common stock		124.1		124.1

Capital in excess of par value	854.5	845.9
Retained earnings	2,702.1	2,621.8
Treasury stock at cost	(1,939.1)	(1,805.6)
Accumulated other comprehensive loss	(719.7)	(716.4)
Total shareholders' equity	1,021.9	1,069.8
	$ 5,163.1	$ 5,091.8

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

	(UNAUDITED) Six Months Ended	
	Jun. 30, 2018	**Jul. 1, 2017**
Operating Activities:		
Net income	$ 220.8	$ 233.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	69.1	59.7
Amortization	20.2	31.1
Provision for doubtful accounts and sales returns	23.1	19.8
Net losses from impairments, sales of assets, and investment settlements	8.4	---
Stock-based compensation	16.4	13.2
Loss from settlement of pension obligations	0.7	---
Deferred income taxes	(7.1)	6.0
Other non-cash expense and loss	28.1	28.1
Changes in assets and liabilities and other adjustments	(170.2)	(215.4)
Net cash provided by operating activities	209.5	175.6
Investing Activities:		
Purchases of property, plant and equipment	(79.5)	(66.5)
Purchases of software and other deferred charges	(13.9)	(14.9)
Proceeds from sales of property, plant and equipment	9.3	0.2
Sales (purchases) of investments and proceeds from insurance, net	2.2	(1.4)
Payments for acquisitions, net of cash acquired, and investments in businesses	(0.2)	(300.9)
Net cash used in investing activities	(82.1)	(383.5)
Financing Activities:		
Net increase (decrease) in borrowings (maturities of three months or less)	108.3	(159.5)
Additional long-term borrowings	---	526.6
Repayments of long-term debt and capital leases	(2.7)	(1.5)
Dividends paid	(85.3)	(76.2)
Share repurchases	(102.9)	(70.3)
Proceeds from exercises of stock options, net	0.2	17.5
Tax withholding for stock-based compensation	(32.6)	(20.0)
Payment of contingent consideration	(16.8)	---
Net cash (used in) provided by financing activities	(131.8)	216.6
Effect of foreign currency translation on cash balances	(4.2)	5.6
(Decrease) increase in cash and cash equivalents	(8.6)	14.3
Cash and cash equivalents, beginning of year	224.4	195.1
Cash and cash equivalents, end of period	$ 215.8	$ 209.4

In the first quarter of 2018, we adopted ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments,* on a retrospective basis. This ASU reduces the diversity in the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. Prior year results have been reclassified as required by the ASU.

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Reconciliation of Non-GAAP Financial Measures to GAAP

We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement presentation of our financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity.

Our 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 our underlying performance in a single period. By excluding the accounting effects, both positive or negative, of certain items (e.g., restructuring charges, legal settlements, certain effects of strategic transactions and related costs, losses from debt extinguishments, gains and losses from curtailment and settlement of pension obligations, gains or losses on sales of certain assets, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. These non-GAAP financial measures are used internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for a single period. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency, or timing.

We use the following non-GAAP financial measures in the accompanying news release and presentation:

Sales change ex. currency refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.

Organic sales change refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation, product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

We believe that sales change ex. currency and organic sales change assist investors in evaluating the sales growth from the ongoing activities of our businesses and provide greater ability to evaluate our results from period to period.

Adjusted operating income refers to income before taxes, interest expense, other non-operating expense, and other expense, net.

Adjusted operating margin refers to adjusted operating income as a percentage of sales.

Adjusted tax rate refers to the projected full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact the GAAP tax rate, such as updates to the year-end 2017 TCJA provisional amount, as well as additional items which could include other impacts related to the planned U.S. pension plan termination and the effects of certain potential tax planning actions.

Adjusted net income refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.

Adjusted net income per common share, assuming dilution (adjusted EPS) refers to adjusted net income divided by weighted average number of common shares outstanding, assuming dilution.

We believe that adjusted operating margin, adjusted net income, and adjusted EPS assist investors in understanding our core operating trends and comparing our results with those of our competitors.

Free cash flow refers to cash flow from operations, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from sales (purchases) of investments and proceeds from insurance. Free cash flow will also be adjusted for the cash contributions and cash tax effects of the planned termination of our U.S. pension plan. We believe that free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.

The following reconciliations are provided in accordance with Regulations G and S-K and reconcile our non-GAAP financial measures with the most directly comparable GAAP financial measures.

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AVERY DENNISON CORPORATION
PRELIMINARY RECONCILIATION FROM GAAP TO NON-GAAP FINANCIAL MEASURES
(In millions, except % and per share amounts)

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 30, 2018	Jul. 1, 2017	Jun. 30, 2018	Jul. 1, 2017
Reconciliation from GAAP to Non-GAAP operating margins:				
Net sales	$ 1,854.2	$ 1,626.9	$ 3,630.6	$ 3,199.0
Income before taxes	$ 139.9	$ 149.5	$ 299.0	$ 285.4
Income before taxes as a percentage of sales	7.5%	9.2%	8.2%	8.9%
Adjustments:				
Interest expense	$ 14.3	$ 16.2	$ 27.5	$ 32.9
Other non-operating expense	2.6	5.9	5.9	9.4
Operating income before interest expense, other non-operating expense, and taxes	$ 156.8	$ 171.6	$ 332.4	$ 327.7
Operating margins	8.5%	10.5%	9.2%	10.2%
Income before taxes	$ 139.9	$ 149.5	$ 299.0	$ 285.4
Adjustments:				
Restructuring charges:				
Severance and related costs	58.8	7.3	63.1	13.0
Asset impairment and lease cancellation charges	0.6	0.3	9.0	0.3
Other restructuring-related charge	---	---	0.5	---
Net gain on sales of assets	(2.3)	---	(2.7)	---
Transaction costs	---	2.6	---	3.4
Interest expense	14.3	16.2	27.5	32.9
Other non-operating expense	2.6	5.9	5.9	9.4
Adjusted operating income before interest expense, other non-operating expense, and taxes (non-GAAP)	$ 213.9	$ 181.8	$ 402.3	$ 344.4
Adjusted operating margins (non-GAAP)	11.5%	11.2%	11.1%	10.8%
Reconciliation from GAAP to Non-GAAP net income:				
As reported net income	$ 95.6	$ 120.9	$ 220.8	$ 233.1
Adjustments:				
Restructuring charges	59.4	7.6	72.1	13.3
Other restructuring-related charge	---	---	0.5	---
Net gain on sales of assets	(2.3)	---	(2.7)	---
Transaction costs	---	2.6	---	3.4
Pension settlements	0.2	---	0.7	---
Tax effect on pre-tax adjustments and impact of adjusted tax rate[1]	(5.4)	(13.3)	(15.2)	(32.3)
Adjusted net income (non-GAAP)	$ 147.5	$ 117.8	$ 276.2	$ 217.5

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AVERY DENNISON CORPORATION
PRELIMINARY RECONCILIATION FROM GAAP TO NON-GAAP FINANCIAL MEASURES
(In millions, except % and per share amounts)

	(UNAUDITED)			
	Three Months Ended		Six Months Ended	
	Jun. 30, 2018	Jul. 1, 2017	Jun. 30, 2018	Jul. 1, 2017
Reconciliation from GAAP to Non-GAAP net income per common share:				

As reported net income per common share, assuming dilution	$ 1.07	$ 1.34	$ 2.47	$ 2.59
Adjustments per common share, net of tax:				
Restructuring charges, other restructuring-related charge, pension settlements, transaction costs, and net gain on sales of assets[1]	0.59	(0.03)	0.62	(0.17)
Adjusted net income per common share, assuming dilution (non-GAAP)	$ 1.66	$ 1.31	$ 3.09	$ 2.42
Weighted average number of common shares outstanding, assuming dilution	89.0	89.9	89.4	90.0

[1] The adjusted tax rate was 25% for the three and six months ended June 30, 2018, and 26% and 28% for the three and six months ended July 1, 2017, respectively.

	(UNAUDITED)			
	Three Months Ended		**Six Months Ended**	
	Jun. 30, 2018	**Jul. 1, 2017**	**Jun. 30, 2018**	**Jul. 1, 2017**
Reconciliation of free cash flow:				
Net cash provided by operating activities	$ 193.5	$ 161.7	$ 209.5	$ 175.6
Purchases of property, plant and equipment	(43.9)	(36.2)	(79.5)	(66.5)
Purchases of software and other deferred charges	(6.6)	(8.0)	(13.9)	(14.9)
Proceeds from sales of property, plant and equipment	2.4	0.2	9.3	0.2
Sales (purchases) of investments and proceeds from insurance, net	1.9	(2.6)	2.2	(1.4)
Free cash flow (non-GAAP)	$ 147.3	$ 115.1	$ 127.6	$ 93.0

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions, except %)
(UNAUDITED)

	Second Quarter Ended					
	NET SALES		OPERATING INCOME (LOSS)		OPERATING MARGINS	
	2018	2017	2018 [1]	2017 [2]	2018	2017
Label and Graphic Materials	$ 1,257.3	$ 1,123.1	$ 115.5	$ 151.4	9.2%	13.5%
Retail Branding and Information Solutions	416.7	375.1	45.3	29.5	10.9%	7.9%
Industrial and Healthcare Materials	180.2	128.7	16.6	11.7	9.2%	9.1%
Corporate Expense	N/A	N/A	(20.6)	(21.0)	N/A	N/A
TOTAL FROM OPERATIONS	$ 1,854.2	$ 1,626.9	$ 156.8	$ 171.6	8.5%	10.5%

[1] Operating income for the second quarter of 2018 includes severance and related costs of $58.8 and asset impairment and lease cancellation charges of $.6, partially offset by gain on sale of assets of $2.3. Of the total $57.1, the Label and Graphic Materials segment recorded $57.8, the Retail Branding and Information Solutions segment recorded $1.4, the Industrial and Healthcare Materials segment recorded $.2, and Corporate recorded ($2.3).

[2] Operating income for the second quarter of 2017 includes severance and related costs of $7.3, asset impairment and lease cancellation charges of $.3, and transaction costs of $2.6. Of the total $10.2, the Label and Graphic Materials segment recorded $5, the Retail Branding and Information Solutions segment recorded $2.8, and the Industrial and Healthcare Materials segment recorded $2.4.

RECONCILIATION FROM GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Second Quarter Ended			
	OPERATING INCOME		OPERATING MARGINS	
	2018	2017	2018	2017
Label and Graphic Materials				
Operating income and margins, as reported	$ 115.5	$ 151.4	9.2%	13.5%
Adjustments:				
Restructuring charges:				
Severance and related costs	57.8	4.7	4.6%	0.4%

Asset impairment charges	---	0.1	---	---
Transaction costs	---	0.2	---	---
Adjusted operating income and margins (non-GAAP)	$ 173.3	$ 156.4	13.8%	13.9%
Retail Branding and Information Solutions				
Operating income and margins, as reported	$ 45.3	$ 29.5	10.9%	7.9%
Adjustments:				
Restructuring charges:				
Severance and related costs	0.8	2.6	0.2%	0.7%
Asset impairment and lease cancellation charges	0.6	0.2	0.1%	---
Adjusted operating income and margins (non-GAAP)	$ 46.7	$ 32.3	11.2%	8.6%
Industrial and Healthcare Materials				
Operating income and margins, as reported	$ 16.6	$ 11.7	9.2%	9.1%
Adjustments:				
Restructuring charges:				
Severance and related costs	0.2	---	0.1%	---
Transaction costs	---	2.4	---	1.9%
Adjusted operating income and margins (non-GAAP)	$ 16.8	$ 14.1	9.3%	11.0%

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(In millions, except %)
(UNAUDITED)

	Six Months Year-to-Date					
	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2018	2017	2018 [1]	2017 [2]	2018	2017
Label and Graphic Materials	$ 2,475.5	$ 2,212.7	$ 265.2	$ 289.1	10.7%	13.1%
Retail Branding and Information Solutions	802.7	741.9	80.0	56.8	10.0%	7.7%
Industrial and Healthcare Materials	352.4	244.4	29.6	24.9	8.4%	10.2%
Corporate Expense	N/A	N/A	(42.4)	(43.1)	N/A	N/A
TOTAL FROM OPERATIONS	$ 3,630.6	$ 3,199.0	$ 332.4	$ 327.7	9.2%	10.2%

(1) Operating income for the first half of 2018 includes severance and related costs of $63.1, asset impairment and lease cancellation charges of $9, and other restructuring-related charge of $.5, partially offset by net gain on sales of assets of $2.7. Of the total $69.9, the Label and Graphic Materials segment recorded $65.9, the Retail Branding and Information Solutions segment recorded $6.1, the Industrial and Healthcare Materials segment recorded $.2, and Corporate recorded ($2.3).

(2) Operating income for the first half of 2017 includes severance and related costs of $13, asset impairment and lease cancellation charges of $.3, and transaction costs of $3.4. Of the total $16.7, the Label and Graphic Materials segment recorded $7.2, the Retail Branding and Information Solutions segment recorded $6.6, and the Industrial and Healthcare Materials segment recorded $2.9.

RECONCILIATION FROM GAAP TO NON-GAAP SUPPLEMENTARY INFORMATION

	Six Months Year-to-Date			
	OPERATING INCOME		OPERATING MARGINS	
	2018	2017	2018	2017
Label and Graphic Materials				
Operating income and margins, as reported	$ 265.2	$ 289.1	10.7%	13.1%
Adjustments:				
Restructuring charges:				
Severance and related costs	58.4	6.7	2.4%	0.3%
Asset impairment charges	6.9	0.1	0.3%	---
Other restructuring-related charge	0.5	---	---	---
Loss on sale of assets	0.1	---	---	---
Transaction costs	---	0.4	---	---
Adjusted operating income and margins (non-GAAP)	$ 331.1	$ 296.3	13.4%	13.4%
Retail Branding and Information Solutions				
Operating income and margins, as reported	$ 80.0	$ 56.8	10.0%	7.7%
Adjustments:				
Restructuring charges:				
Severance and related costs	4.5	6.1	0.5%	0.8%
Asset impairment and lease cancellation charges	2.1	0.2	0.3%	---
Net gain on sales of assets	(0.5)	---	(0.1%)	---
Transaction costs related to sale of product line	---	0.3	---	---
Adjusted operating income and margins (non-GAAP)	$ 86.1	$ 63.4	10.7%	8.5%

Industrial and Healthcare Materials				
Operating income and margins, as reported	$ 29.6	$ 24.9	8.4%	10.2%
Adjustments:				
Restructuring charges:				
Severance and related costs	0.2	0.2	0.1%	0.1%
Transaction costs	---	2.7	---	1.1%
Adjusted operating income and margins (non-GAAP)	$ 29.8	$ 27.8	8.5%	11.4%

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AVERY DENNISON CORPORATION
PRELIMINARY SUPPLEMENTARY INFORMATION
(UNAUDITED)

	Second Quarter 2018			
	Total Company	Label and Graphic Materials	Retail Branding and Information Solutions	Industrial and Healthcare Materials
Reconciliation from GAAP to Non-GAAP sales change				
Reported sales change	14.0%	11.9%	11.1%	40.0%
Foreign currency translation	(4.0%)	(4.6%)	(1.6%)	(4.7%)
Sales change ex. currency (non-GAAP)	10.0%	7.3%	9.5%	35.3%
Acquisitions	(2.5%)	---	---	(32.2%)
Organic sales change (non-GAAP)	7.5%	7.3%	9.5%	3.1%

	Six Months Year-to-Date 2018			
	Total Company	Label and Graphic Materials	Retail Branding and Information Solutions	Industrial and Healthcare Materials
Reconciliation from GAAP to Non-GAAP sales change				
Reported sales change	13.5%	11.9%	8.2%	44.2%
Foreign currency translation	(5.1%)	(6.1%)	(1.8%)	(5.6%)
Sales change ex. currency (non-GAAP)(1)	8.4%	5.8%	6.3%	38.5%
Acquisitions	(2.9%)	(0.3%)	---	(35.6%)
Organic sales change (non-GAAP)(1)	5.5%	5.4%	6.3%	3.0%

(1)Totals may not sum due to rounding

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Second Quarter 2018
Financial Review and Analysis
(preliminary, unaudited)

Supplemental Presentation Materials

Unless otherwise indicated, comparisons are to the same period in the prior year.

July 24, 2018

Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures as defined by SEC rules. We report our financial results in conformity with accounting principles generally accepted in the United States of America, or GAAP, and also communicate with investors using certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with, nor are they a substitute for or superior to, the comparable GAAP financial measures. These non-GAAP financial measures are intended to supplement presentation of our financial results that are prepared in accordance with GAAP. Based upon feedback from investors and financial analysts, we believe that the supplemental non-GAAP financial measures we provide are useful to their assessment of our performance and operating trends, as well as liquidity. In accordance with Regulations G and S-K, 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 (see Attachments A-4 through A-8 to news release dated July 24, 2018).

Our 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 our underlying performance in a single period. By excluding the accounting effects, both positive or negative, of certain items (e.g., restructuring charges, legal settlements, certain effects of strategic transactions and related costs, losses from debt extinguishments, gains and losses from curtailment and settlement of pension obligations, gains or losses on sales of certain assets, and other items), we believe that we are providing meaningful supplemental information that facilitates an understanding of our core operating results and liquidity measures. These non-GAAP financial measures are used internally to evaluate trends in our underlying performance, as well as to facilitate comparison to the results of competitors for a single period. While some of the items we exclude from GAAP financial measures recur, they tend to be disparate in amount, frequency, or timing.

We use the following non-GAAP financial measures in this presentation:
- *Sales change ex. currency* refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation. The estimated impact of foreign currency translation is calculated on a constant currency basis, with prior period results translated at current period average exchange rates to exclude the effect of currency fluctuations.
- *Organic sales change* refers to the increase or decrease in sales excluding the estimated impact of foreign currency translation, product line exits, acquisitions and divestitures, and, where applicable, the extra week in our fiscal year.

We believe that sales change ex. currency and organic sales change assist investors in evaluating the sales growth from the ongoing activities of our businesses and provide greater ability to evaluate our results from period to period.

- *Adjusted operating income* refers to income before taxes, interest expense, other non-operating expense, and other expense, net.
- *Adjusted operating margin* refers to adjusted operating income as a percentage of sales.
- *Adjusted tax* rate refers to the projected full-year GAAP tax rate, adjusted to exclude certain unusual or infrequent events that are expected to significantly impact the GAAP tax rate, such as updates to the year-end 2017 TCJA provisional amount, as well as additional items which could include other impacts related to the planned U.S. pension plan termination and the effects of certain potential tax planning actions.
- *Adjusted net income* refers to income before taxes, tax-effected at the adjusted tax rate, and adjusted for tax-effected restructuring charges and other items.
- *Adjusted net income per common share, assuming dilution (adjusted EPS)* refers to adjusted net income divided by weighted average number of common shares outstanding, assuming dilution.

We believe that adjusted operating margin, adjusted net income, and adjusted EPS assist investors in understanding our core operating trends and comparing our results with those of our competitors.

- *Free cash flow* refers to cash flow from operations, less payments for property, plant and equipment, software and other deferred charges, plus proceeds from sales of property, plant and equipment, plus (minus) net proceeds from sales (purchases) of investments and proceeds from insurance. Free cash flow will also be adjusted for the cash contributions and cash tax effects of the planned termination of our U.S. pension plan. We believe that free cash flow assists investors by showing the amount of cash we have available for debt reductions, dividends, share repurchases, and acquisitions.

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

Second Quarter Review

Reported EPS of $1.07; Adj. EPS (non-GAAP) of $1.66, up 27% driven primarily by strong operating results and currency translation

- Reported sales increased 14%; sales change ex. currency (non-GAAP) of 10%
  - Organic sales change (non-GAAP) of 7.5%, beating our expectations following a softer Q1
- Reported operating margin down 200 bps, reflecting charges associated with previously announced restructuring plan
  - Adjusted operating margin (non-GAAP) improved 30 bps as the benefit of higher volume was partially offset by higher employee-related costs and investments for growth

LGM delivered a strong quarter; sales growth above our expectations, with continued strong margin

RBIS beat sales expectations, with strong growth in both RFID and the base; margin up significantly

IHM posted solid organic growth in industrial categories; margin down vs. P/Y, up sequentially, as expected

FY18 Reported EPS guidance midpoint reduced by $0.33, driven by ~$0.60 estimated impact of recently announced termination of U.S. pension plan

- **Raised FY18 guidance midpoint for Adj. EPS by $0.08**

Sales Trend Analysis

	2Q17	3Q17	4Q17	1Q18	2Q18
Reported Sales Change	5.5%	11.3%	11.9%	13.0%	14.0%
Organic Sales Change	2.9%	5.3%	4.7%	3.4%	7.5%
Acquisitions	3.7%	4.7%	4.4%	3.3%	2.5%
Sales Change Ex. Currency*	6.7%	10.0%	9.1%	6.8%	10.0%
Currency Translation	(1.1)%	1.3%	2.8%	6.2%	4.0%
Reported Sales Change*	5.5%	11.3%	11.9%	13.0%	14.0%

* Totals may not sum due to rounding.

Second Quarter Sales and Margin Analysis

	2Q18		
	Reported	Ex. Currency	Organic
Sales Change:			
Label and Graphic Materials	11.9%	7.3%	7.3%
Retail Branding and Information Solutions	11.1%	9.5%	9.5%
Industrial and Healthcare Materials	40.0%	35.3%	3.1%
Total Company	14.0%	10.0%	7.5%

	Reported		Adjusted (Non-GAAP)	
	2Q18	2Q17	2Q18	2Q17
Operating Margin:				
Label and Graphic Materials	9.2%	13.5%	13.8%	13.9%
Retail Branding and Information Solutions	10.9%	7.9%	11.2%	8.6%
Industrial and Healthcare Materials	9.2%	9.1%	9.3%	11.0%
Total Company	8.5%	10.5%	11.5%	11.2%

Second Quarter Segment Overview

LABEL AND GRAPHIC MATERIALS

- Reported sales of $1.26 bil., up 11.9%
  - Sales up 7.3% on organic basis
    - Both Label and Packaging Materials and combined Graphics and Reflective Solutions up high-single digits on organic basis
- Reported operating margin decreased 430 basis points to 9.2% reflecting the impact of previously announced restructuring plan
  - Adjusted operating margin decreased 10 basis points to 13.8% as the benefit from higher volume/mix was more than offset by higher employee-related costs and the net impact of pricing and raw material costs, excluding the effects of currency

RETAIL BRANDING AND INFORMATION SOLUTIONS

- Reported sales of $417 mil., up 11.1%
  - Sales up 9.5% on organic basis, driven by strength in both RFID and the base business
- Reported operating margin increased 300 basis points to 10.9% as the benefits from higher volume, productivity, and reduced amortization expense were partially offset by higher employee-related costs and investments
  - Adjusted operating margin increased 260 basis points to 11.2%

Second Quarter Segment Overview (cont.)

INDUSTRIAL AND HEALTHCARE MATERIALS

- Reported sales of $180 mil., up 40.0%
  - Sales up 35.3% ex. currency; up 3.1% on organic basis
    - Industrial categories up ~50% ex-currency; up mid-single digits on organic basis
    - Healthcare categories up low-single digits on organic basis
- Reported operating margin increased 10 basis points to 9.2%, as a decline in adjusted operating margin was more than offset by the lack of M&A transaction costs incurred in the prior year
  - Adjusted operating margin declined 170 basis points to 9.3%, reflecting acquisition effects and the net impact of pricing and raw material costs, partially offset by the benefit of organic volume growth

2018 EPS Guidance

	Previous	Updated
Reported EPS	$4.90 – $5.10	$4.50 – $4.85
Add Back:		
Est. restructuring costs, pension settlement charges, and other items	~$0.95	$1.25 – $1.45
Adjusted EPS (non-GAAP)	$5.85 – $6.05	$5.95 – $6.10

Contributing Factors to 2018 Results

- Reported sales growth of ~8.5% (previously ~9.5%), including 2 pts. from currency translation (previously 4 pts.)
  - Sales change ex. currency of ~6.5% (previously ~5.5%)
  - Organic sales change of 5.0% to 5.5% (previously ~4.0%)
- Currency translation tailwind to operating income of ~$18 mil., assuming recent rates (previously ~$35 mil.)
- Incremental savings of $25 mil. to $30 mil. from restructuring actions, net of transition costs
- Tax rate in the mid-twenty percent range
- Fixed and IT capital spending of $250 mil. to $270 mil.
- Average shares outstanding (assuming dilution) of ~89 mil. (previously 89 mil. to 90 mil.)
- The net effect of non-cash charges and tax impact related to the recently announced planned termination of the U.S. pension plan is expected to reduce reported EPS by $0.50 to $0.70