

AVERY DENNISON CORPORATION
Form S-3
February 13, 2003
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As filed with the Securities and Exchange Commission on February 13, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

AVERY DENNISON CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

95-1492269
(I.R.S. Employer
Identification Number)

150 North Orange Grove Boulevard

Pasadena, California 91103

(626) 304-2000

(Address, including ZIP Code, and telephone number, including area code, of Registrant's principal executive offices)

Robert G. van Schoonenberg, Esq.

Executive Vice President, General Counsel and Secretary

Avery Dennison Corporation

150 North Orange Grove Boulevard

Pasadena, California 91103

(626) 304-2000

(Name, address, including ZIP code, and telephone number, including area code, of agent for service)

Copies to:

Thomas W. Dobson, Esq.

Latham & Watkins LLP

633 West Fifth Street, Suite 4000

Los Angeles, California 90071

(213) 485-1234

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this Registration Statement, as determined by the Registrant.

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

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

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

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

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

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Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$1.00 par value	743,108	\$43,568,422	\$4,008.29

- (1) In the event of a stock split, stock dividend or similar transaction involving the common stock of the registrant, in order to prevent dilution, the number of shares of common stock registered hereby shall be automatically adjusted to cover the additional shares of common stock in accordance with Rule 416 under the Securities Act of 1933, as amended.
- (2) Estimated in accordance with Rule 457(c) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee based on the average of the high and low sale prices of the common stock of Avery Dennison Corporation reported on the New York Stock Exchange, Inc. on February, 11, 2003.

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

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 13, 2003

PROSPECTUS

743,108 Shares

Common Stock

AVERY DENNISON CORPORATION

This prospectus relates to the resale of up to 743,108 shares of our common stock, par value \$1.00 per share, by L&E Packaging, LLC. The stock was issued to L&E Packaging as part of the consideration for our acquisition of its assets. The selling stockholder may offer for sale the shares covered by this prospectus from time to time through public or private transactions, on or off the New York Stock Exchange, at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. We will not receive any proceeds from the sales of our common stock by the selling stockholder. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution" in this prospectus.

Our common stock is listed on the New York Stock Exchange under the ticker symbol AVY.

See "Risk Factors" beginning on page 4 of this prospectus for a discussion of certain factors relevant to an investment in the common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or completeness of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2003.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that we filed with the United States Securities and Exchange Commission, or the SEC. This prospectus only provides you with a general description of the securities offered. The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered. The registration statement can be read at the SEC website or at the SEC Public Reference Room described under the heading Where You Can Find More Information.

You should rely only on the information contained or incorporated by reference in this prospectus and in any supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. An offer to sell these securities will not be made in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any supplement to this prospectus is accurate as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since then.

When we refer to we, our and us in this prospectus, we mean Avery Dennison Corporation, including, unless the context otherwise requires or as otherwise expressly stated, our subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. Information filed with the SEC by us can be inspected and copied at the public reference room maintained by the SEC at 450 Fifth Street, N.W. 7, Room 1024, Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's public reference room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Our common stock is listed on the New York Stock Exchange (NYSE: AVY), and reports, proxy statements and other information concerning us can also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. Our web site address is <http://www.averydennison.com>. The information on our web site, however, is not, and should not be deemed to be, a part of this prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The rules of the SEC allow us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. The prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC. These documents contain

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important information about us.

our Annual Report on Form 10-K for the year ended December 28, 2001 (filed with the SEC on March 4, 2002), as amended;

our Quarterly Report on Form 10-Q for the quarter ended March 30, 2002 (filed with the SEC on May 9, 2002);

our Quarterly Report on Form 10-Q for the period ended June 29, 2002 (filed with the SEC on August 13, 2002);

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our Quarterly Report on Form 10-Q for the period ended September 28, 2002 (filed with the SEC on November 14, 2002), as amended;

our Current Reports on Form 8-K, filed with the SEC on June 3, 2002 and January 16, 2003;

the description of our preferred share purchase rights contained in our registration statement on Form 8-A filed with the SEC on October, 24, 1997; and

all documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act after the date of this prospectus and before the termination of the offering.

You may request a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) by writing or telephoning us at the following address:

Secretary

Avery Dennison Corporation

150 North Orange Grove Boulevard

Pasadena, California 91103

(626) 304-2000

FORWARD-LOOKING STATEMENTS

This prospectus and the documents they incorporate by reference contain statements that are not historical fact and constitute forward-looking statements. Words such as believes, expects, anticipates, intends, plans, estimates, may, should or similar expressions which refer to events and trends, identify forward-looking statements that involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. Forward-looking information may relate to such matters as sales, unit volume, income, margins, earnings per share, return on equity, return on total capital, economic value added, capital expenditures, dividends, cash flow, debt to capital ratios, growth rates, future economic performance and trends, short- and long-term plans (including financing, operating and strategic plans) and objectives for future operations as well as assumptions, expectations, projections and estimates relating to any of the forward-looking information.

You are cautioned not to rely unduly on any forward-looking statements. Cautionary statements setting forth important factors that could cause actual results to differ materially from our forward-looking statements are discussed in more detail in our Annual Report on Form 10-K for the year ended December 29, 2001, as amended, our Quarterly Report on Form 10-Q for the nine-month period ended September 28, 2002, as amended, and other documents on file with the SEC and under Risk Factors in this prospectus.

AVERY DENNISON CORPORATION

We are a global leader in pressure-sensitive technology and innovative self-adhesive solutions for consumer and converted products. Some of these materials are converted into labels and other products through embossing, printing, stamping and die-cutting, and some are sold in unconverted form as base materials, tapes and reflective sheeting. We also manufacture and sell a variety of consumer and converted products and other items not involving pressure-sensitive components, such as notebooks, three-ring binders, organizing systems, markers, fasteners, business forms, reflective highway safety products, tickets, tags and imprinting equipment.

We manufacture and sell these products from approximately 200 manufacturing facilities and sales offices located in over 40 countries, and employ approximately 20,500 persons worldwide as of fiscal year end 2002. International operations, principally in Western Europe, constitute a significant portion of our business. In addition, we are currently expanding our operations in Asia Pacific and Latin America.

Our principal executive offices are located at 150 North Orange Grove Boulevard, Pasadena, California 91103 and our telephone number is (626) 304-2000.

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The following selected financial information for the fiscal years ended 1999, 2000 and 2001 and for the nine-month periods ended September 29, 2001 and September 28, 2002 are derived from our consolidated financial statements. The selected financial information for the nine-month period ended September 28, 2002 is not necessarily indicative of results for the entire year. The selected financial information set forth below should be read in conjunction with the detailed information, consolidated financial statements and related notes and applicable management's discussion and analysis included in the 2001 Annual Report on Form 10-K, as amended, and our third quarter 2002 Quarterly Report on Form 10-Q, as amended, which are incorporated herein by reference.

	For the Nine						
	Months Ended		Fiscal Year Ended				
	Sept. 28, 2002	Sept. 29, 2001	2001	2000	1999	1998	1997
(Dollars in millions)							
Income Statement:							
Net sales	\$ 3,101.6	\$ 2,890.7	\$ 3,803.3	\$ 3,893.5	\$ 3,768.2	\$ 3,459.9	\$ 3,345.7
Gross profit	1,008.6	943.6	1,240.2	1,332.2	1,281.4	1,144.5	1,082.7
Marketing, general and administrative expense	676.6	627.2	830.5	851.3	842.6	773.2	739.8
Other (income) expense (net)	15.2		(0.3)		65.0	0.0	0.0
Interest expense	30.7	39.7	50.2	54.6	43.4	34.6	31.7
Income before taxes and accounting change	286.1	276.7	359.8	426.3	330.4	336.7	311.2
Taxes on income	84.4	91.4	116.4	142.8	115.0	113.4	106.4
Net income	201.7	185.1	243.2	283.5	215.4	223.3	204.8
Net income per common share	2.05	1.89	2.49	2.88	2.17	2.20	1.99
Net income per common share assuming dilution	2.03	1.88	2.47	2.84	2.13	2.15	1.93
Balance Sheet (end of period):							
Total assets	3,302.1	2,855.1	2,809.4	2,699.1	2,592.5	2,187.4	2,065.5
Long-term debt	768.7	701.7	626.7	772.9	617.5	465.9	404.1
Total debt	1,037.6	889.6	849.7	827.2	685.7	537.2	447.7
Shareholders' equity	1,020.2	930.3	929.4	828.1	809.9	833.3	837.2
Other information:							
Number of employees	19,200	17,600	17,300	17,900	17,400	16,100	16,200
Research and development expense	\$ 53.4	\$ 51.9	\$ 69.9	\$ 67.8	\$ 64.3	\$ 65.0	\$ 61.1
Total debt as a percent of total capital	50.4%	48.9%	47.8%	50.0%	45.8%	39.2%	34.8%

The Company adopted SFAS 142, Goodwill and Other Intangible Assets, effective at the beginning of fiscal 2002 and as a result, ceased amortization of goodwill as of that date. Had the Company accounted for its goodwill under SFAS 142 for all periods presented, the Company's net income and earnings per share would have been as follows:

	For the Nine				
	Months Ended		Fiscal Year Ended		
	Sept. 28, 2002	Sept. 29, 2001	2001	2000	1999

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				(Dollars in millions)
Reported net income	201.7	185.1	243.2	