

AVERY DENNISON CORPORATION
Form 8-K
October 25, 2005

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

Asset impairment charges

0.1	

Adjusted non-GAAP operating income

\$7.1	\$8.5	5.1%	6.6%

(1) For 2005, amount includes transition costs of \$.4 related to a plant closure.

-more-

AVERY DENNISON
PRELIMINARY SUPPLEMENTARY INFORMATION

(In millions)

(UNAUDITED)

Nine Months Year-to-Date

	NET SALES		OPERATING INCOME		OPERATING MARGINS	
	2005	2004	2005 ⁽¹⁾	2004 ⁽²⁾	2005	2004
Pressure-sensitive Materials	\$ 2,369.2	\$ 2,214.0	\$ 213.3	\$ 156.8	9.0%	7.1%
Office and Consumer Products	843.2	844.7	119.8	121.8	14.2%	14.4%
Retail Information Services	504.5	460.9	36.6	35.5	7.3%	7.7%
Other specialty converting businesses	410.5	387.3	12.5	32.6	3.0%	8.4%
Corporate Expense	N/A	N/A	October 25, 2005	N/A		

Date of Report

AVERY DENNISON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction
of incorporation)

1 -7685
(Commission
File Number)

95-1492269
(IRS Employer
Identification No.)

**150 North Orange Grove
Boulevard**

Pasadena, California

91103

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(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)

Interest Expense	(30.5)	(39.9)	N/A	N/A	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
	N/A	N/A	(45.0)	(43.1)	N/A

- 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 news release dated October 25, 2005, regarding its preliminary financial results for the third quarter, is attached hereto as Exhibit 99.1. This information is being furnished (not filed) under this Form 8-K. Additionally, the Company will discuss its preliminary financial results during a webcast and teleconference call today at 2:00 p.m. (EDT). To access our webcast and teleconference call, please go to our website at <http://www.investors.averydennison.com>.

Section 8 - Other Events

Item 8.01 Other Events.

The Australian Competition and Consumer Commission (ACCC) notified two Company subsidiaries, Avery Dennison Materials Pty Limited and Avery Dennison Australia Pty Ltd, that it was seeking information in connection with a label stock investigation. The Company is cooperating with the investigation.

The Company has contacted relevant authorities in the U.S. with respect to the preliminary results of an internal investigation of potential violations of the U.S. Foreign Corrupt Practices Act, and intends to make a full report to these authorities shortly. The transactions at issue were carried out by a small number of employees of the Company's reflective business in the Peoples Republic of China, and involved, among other things, impermissible payments or attempted impermissible payments. The payments or attempts

TOTAL	\$ 4,127.4	\$	3,906.9	\$	306.7	\$ 263.7	7.4%	6.7%
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Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

On October 25, 2005, Avery Dennison Corporation issued a news release announcing its preliminary financial results for the third quarter ending October 1, 2005, along with earnings guidance for the current quarter and 2005 fiscal year, as set forth in Exhibit 99.1.

SPECIAL NOTE
REGARDING
FORWARD
LOOKING
STATEMENTS

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Certain statements contained in this report on Form 8-K and Exhibit 99.1 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 are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or expected results depending on a variety of factors, including but not limited to fluctuations in cost and availability of raw materials; ability of the Company to achieve and sustain targeted cost reductions; foreign

exchange rates;
worldwide and local
economic conditions;
selling prices; impact
of legal proceedings,
including the U.S.
Department of Justice
(DOJ) criminal
investigation, as well as
the European
Commission (EC),
Canadian Department
of Justice, and
Australian Competition
and Consumer
Commission
investigations, into
industry competitive
practices and any
related proceedings or
lawsuits pertaining to
these investigations or
to the subject matter
thereof (including
purported class actions
seeking treble damages
for alleged unlawful
competitive practices,
and purported class
actions related to
alleged disclosure
violations pertaining to
alleged unlawful
competitive practices,
which were filed after
the announcement of
the DOJ investigation,
as well as a likely fine
by the EC in respect of
certain employee
misconduct in Europe);
impact of potential
violations of the U.S.
Foreign Corrupt
Practices Act based on
issues in China; impact
of epidemiological
events on the economy
and the Company's
customers and
suppliers; successful
integration of acquired
companies, financial
condition and inventory
strategies of customers;
development,
introduction and
acceptance of new
products; fluctuations
in demand affecting
sales to customers; and
other matters referred

to in the Company's
SEC filings.

The financial
information presented
in this news release
represents preliminary
financial results.

The Company believes
that the most
significant risk factors
that could affect its
ability to achieve its
stated financial
expectations in the
near-term include
(1) potential adverse
developments in legal
proceedings and/or
investigations
regarding competitive
activities; (2) the
degree to which higher
raw material costs can
be passed on to
customers through
selling price increases
(and previously
implemented selling
price increases can be
sustained), without a
significant loss of
volume; (3) the impact
of economic conditions
on underlying demand
for the Company's
products; and
(4) ability of the
Company to achieve
and sustain targeted
cost reductions.

For a more detailed
discussion of these and
other factors, see the
Exhibit 99.1

Cautionary Statement
For Purposes Of The
Safe Harbor Provisions
Of The Private
Securities Litigation
Reform Act Of 1995 in
the Company's Form
10-K, filed on

March 17, 2005. 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 the forward-looking statements to reflect subsequent events or circumstances.

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:
October 25,
2005

By: /s/ Daniel
R.
O Bryant
Name: Daniel R.
O Bryant
Title: Executive
Vice
President,
Finance

and Chief
Financial
Officer

EXHIBIT LIST

Exhibit No.	Description
99.1	News release dated October 25, 2005.