Miller Corporate Center

For Immediate Release

AVERY DENNISON ANNOUNCES FOURTH QUARTER AND FULL-YEAR 2010 RESULTS

PASADENA, Calif., February 2, 2011 – Avery Dennison Corporation (NYSE:AVY) today announced preliminary, unaudited fourth quarter and full-year 2010 results. All non-GAAP financial measures are reconciled to GAAP in the attached tables.

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

	4Q 2010	4Q 2009	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$922.0	$846.6	9%	11%
Retail Information Services	386.3	350.6	10%	11%
Office and Consumer Products	196.7	205.2	-4%	-3%
Other specialty converting businesses	132.1	119.4	11%	13%
Total net sales	$1,637.1	$1,521.8	8%	9%

	As Reported (GAAP)					Adjusted Non-GAAP (b)				
	4Q 2010	4Q 2009	% Change Fav(Unf)	% of Sales 2010	% of Sales 2009	4Q 2010	4Q 2009	% Change Fav(Unf)	% of Sales 2010	% of Sales 2009
Operating income (loss) before interest and taxes, by segment:										
Pressure-sensitive Materials	$70.3	$58.6		***7.6%***	***6.9%***	$71.5	$63.7		***7.8%***	***7.5%***
Retail Information Services	18.5	(11.9)		***4.8%***	***-3.4%***	18.5	2.7		***4.8%***	***0.8%***
Office and Consumer Products	20.2	19.2		***10.3%***	***9.4%***	20.3	27.7		***10.3%***	***13.5%***
Other specialty converting businesses	(4.7)	(5.8)		***-3.6%***	***-4.9%***	(2.5)	(5.1)		***-1.9%***	***-4.3%***
Corporate expense	(13.8)	(15.3)				(11.0)	(15.3)			
Total operating income before interest and taxes	$90.5	$44.8	102%	***5.5%***	***2.9%***	$96.8	$73.7	31%	***5.9%***	***4.8%***
Interest expense	18.9	18.3				18.9	18.3			
Income from operations before taxes	$71.6	$26.5	170%	***4.4%***	***1.7%***	$77.9	$55.4	41%	***4.8%***	***3.6%***
(Benefit from) provision for income taxes	($42.6)	($23.4)				($27.4)	$8.6			
Net income	$114.2	$49.9	129%	***7.0%***	***3.3%***	$105.3	$46.8	125%	***6.4%***	***3.1%***
Net income per common share, assuming dilution	$1.06	$0.47	126%			$0.98	$0.44	123%		
						2010	***2009***			
YTD Free Cash Flow (c)						*$378.9*	*$468.2*			

(a) Percentage change in sales before foreign currency translation and an extra week in the fiscal year 2009.
(b) Excludes restructuring and asset impairment charges and other items (see accompanying schedules A-3 and A-4 for reconciliation to GAAP financial measures).
(c) Free Cash Flow (a non-GAAP financial measure) as used herein is defined as net cash from operating activities (as reported), less net purchases of property, plant, equipment, software, and other deferred charges, plus proceeds from sale (purchases) of investments, net (see accompanying schedule A-3 for reconciliation to GAAP financial measures)

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

	2010	2009	% Change vs. P/Y Reported	% Change vs. P/Y Organic (a)
Net sales, by segment:				
Pressure-sensitive Materials	$3,639.8	$3,300.0	10%	11%
Retail Information Services	1,521.7	1,320.9	15%	15%
Office and Consumer Products	815.2	849.3	-4%	-4%
Other specialty converting businesses	536.0	482.5	11%	12%
Total net sales	$6,512.7	$5,952.7	9%	10%

	As Reported (GAAP)					Adjusted Non-GAAP (b)				
			% Change	% of Sales				% Change	% of Sales	
	2010	2009	Fav(Unf)	2010	2009	2010	2009	Fav(Unf)	2010	2009
Operating income (loss) before interest and taxes, by segment:										
Pressure-sensitive Materials	$317.8	$184.7		***8.7%***	***5.6%***	$324.7	$260.0		***8.9%***	***7.9%***
Retail Information Services	65.0	(899.0)		***4.3%***	***-68.1%***	70.8	(15.4)		***4.7%***	***-1.2%***
Office and Consumer Products	91.5	118.1		***11.2%***	***13.9%***	99.9	132.1		***12.3%***	***15.6%***
Other specialty converting businesses	4.8	(44.1)		***0.9%***	***-9.1%***	7.9	(14.9)		***1.5%***	***-3.1%***
Corporate expense	(51.2)	(65.3)				(47.7)	(44.1)			
Total operating income (loss) before interest and taxes	$427.9	($705.6)	161%	***6.6%***	***-11.9%***	$455.6	$317.7	43%	***7.0%***	***5.3%***
Interest expense	76.6	85.3				76.6	85.3			
Income (loss) from operations before taxes	$351.3	($790.9)	144%	***5.4%***	***-13.3%***	$379.0	$232.4	63%	***5.8%***	***3.9%***
Provision for (benefit from) income taxes	$34.4	($44.2)				$42.8	$28.1			
Net income (loss)	$316.9	($746.7)	142%	***4.9%***	***-12.5%***	$336.2	$204.3	65%	***5.2%***	***3.4%***
Net income (loss) per common share, assuming dilution	$2.97	($7.21)	141%			$3.15	$1.97	60%		
						2010	***2009***			
YTD Free Cash Flow (c)						*$378.9*	*$468.2*			

(a) Percentage change in sales before foreign currency translation and an extra week in the fiscal year 2009.
(b) Excludes restructuring and asset impairment charges and other items (see accompanying schedules A-3 to A-5 for reconciliation to GAAP financial measures).
(c) Free Cash Flow (a non-GAAP financial measure) as used herein is defined as net cash from operating activities (as reported), less net purchases of property, plant, equipment, software, and other deferred charges, plus proceeds from sale (purchases) of investments, net (see accompanying schedule A-3 for reconciliation to GAAP financial measures)

"We delivered solid results in 2010, led by sales growth and expanded margins in Pressure-sensitive Materials and Retail Information Services," said Dean A. Scarborough, Avery Dennison chairman, president and CEO. "Our employees did a great job serving our customers, and I want to thank them for their outstanding performance.

"In addition, we generated strong free cash flow and exceeded our debt reduction goal for the year," Scarborough said. "Having strengthened our balance sheet, we have begun to return more cash to shareholders, through our fourth-quarter share repurchases and the dividend increase and repurchase authorization we announced today.

"For 2011, we expect to continue our solid sales growth and margin expansion," Scarborough said. "We also will continue to invest in marketing and R&D to further advance our market leadership and generate long-term growth."

For more details on the Company's results, see the Company's supplemental presentation materials, "Fourth Quarter and Full-Year 2010 Financial Review and Analysis," posted at the Company's Web site at www.investors.averydennison.com, and furnished under Form 8-K with the SEC.

Fourth Quarter 2010 Results by Segment

All references to sales reflect comparisons on an organic basis, which exclude the impact of foreign currency translation and, where applicable, an extra week in the fiscal year 2009. All references to operating margin exclude the impact of restructuring, asset impairment charges, and other items.

Pressure-sensitive Materials (PSM)

- Roll Materials sales grew at a low-double digit rate, reflecting strength in all regions. Sales grew at a mid-single digit rate in the Graphics and Reflective Products division.

- Operating margin increased as the benefits of increased volume, pricing actions, and productivity initiatives more than offset raw material inflation. Operating margin declined sequentially as raw material inflation continued to outpace price increases.

Retail Information Services (RIS)

- Sales growth reflected increased demand from retailers and brands in the U.S. and Europe.

- Operating margin increased due to increased volume and restructuring and productivity initiatives, partially offset by higher employee costs. Operating margin increased sequentially due to higher volume, reflecting the normal seasonal trend.

Office and Consumer Products (OCP)

- The decline in sales reflected weak end-market demand and increased competition in the label category.

- Operating margin declined due to increased investment in demand creation, consumer promotions, and innovation, raw material inflation, and lower volume.

Other specialty converting businesses

- Sales growth primarily reflected increased demand for specialty tapes.

- Operating margin improved as the benefits of increased volume and productivity actions more than offset raw material inflation.

Other

The Board of Directors today announced a 25 percent increase in the first quarter 2011 dividend to $0.25 per share, and an authorization to repurchase an additional five million shares.

During the fourth quarter of 2010, the Company repurchased approximately three million shares for a total cost of $109 million (offsetting dilution), and contributed $78 million to pension obligations (more than $50 million above requirements).

The fourth quarter effective GAAP tax rate of negative 60 percent included $0.42 per share from a discrete tax planning event. The adjusted tax rate for the fourth quarter was negative 35 percent.

Outlook

In the Company's supplemental presentation materials, "Fourth Quarter and Full-Year 2010 Financial Review and Analysis," the Company provides a list of factors that it believes will contribute to its 2011 financial results. Based on the factors listed and

other assumptions, the Company expects adjusted (non-GAAP) earnings per share of $3.00 to $3.30. The Company expects free cash flow in 2011 of $325 to $350 million.

First quarter 2011 earnings as a percentage of full-year 2011 earnings are expected to be at the low end of the historical range of 15 to 20 percent, reflecting normal seasonality as well as the timing of inflation and pricing actions.

Note: Throughout this release and the supplemental presentation materials, all calculations of 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, retail branding and information solutions, and organization and identification products for offices and consumers. A FORTUNE 500 company with sales of $6.5 billion in 2010, 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:

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. Such 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 investment in development activities and new production facilities; fluctuations in cost and availability of raw materials; ability of the Company to achieve and sustain targeted cost reductions; ability of the Company to generate sustained productivity improvement; successful integration of acquisitions; 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; the financial condition and inventory strategies of customers; customer and supplier concentrations; changes in customer order patterns; loss of significant contract(s) or customer(s); timely development and market acceptance of new products; fluctuations in demand affecting sales to customers; collection of receivables from customers; impact of competitive products and pricing; selling prices; business mix shift; volatility of capital and credit markets; impairment of capitalized assets, including goodwill and other intangibles; credit risks; ability of the Company to obtain adequate financing arrangements and to maintain access to capital; fluctuations in interest and tax rates; fluctuations in pension, insurance and employee benefit costs; impact of legal proceedings; changes in tax laws and regulations; changes in governmental regulations; changes in political conditions; fluctuations in foreign currency exchange rates and other risks associated with foreign operations; worldwide and local economic 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) 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; (2) the impact of competitors' actions, including pricing, expansion in key markets, and product offerings; (3) the impact of economic conditions on underlying demand for the Company's products; and (4) the impact of changes in tax laws and regulations throughout the world.

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 most recent Form 10-K, filed on March 1, 2010 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 the forward-looking 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 Web site at www.investors.averydennison.com

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