| Form 5500 | Annual Return/Report of Employee Benefit Plan | OMB Nos. 1210-0110 1210-0089 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br>▶ **Complete all entries in accordance with the instructions to the Form 5500.** | **2010**<br>**This Form is Open to Public Inspection** |

## Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [X] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 11/01/1984

**2a** Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
AVERY DENNISON

150 N ORANGE GROVE BLVD
PASADENA, CA 91103

**2b** Employer Identification Number (EIN) 95-1492269

**2c** Sponsor's telephone number 626-304-2000

**2d** Business code (see instructions) 423990

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 11/18/2011 | GREGORY LAWLER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.**

| | |
|---|---|
| **3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>AVERY DENNISON<br><br>150 N ORANGE GROVE BLVD<br>PASADENA, CA 91103 | **3b** Administrator's EIN<br>95-1492269<br>**3c** Administrator's telephone number<br>626-304-2000 |

| | | |
|---|---|---|
| **4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | | **4b** EIN |
| **a** Sponsor's name | | **4c** PN |
| **5** Total number of participants at the beginning of the plan year | **5** | 1381 |
| **6** Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** Active participants | **6a** | 0 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 0 |
| **d** Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 0 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 0 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 0 |
| **h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2G 2J 2K 3F 2A 2F 2R 2T

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** [X] | Insurance | **(1)** [X] | Insurance |
| **(2)** [ ] | Code section 412(e)(3) insurance contracts | **(2)** [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** [X] | Trust | **(3)** [X] | Trust |
| **(4)** [ ] | General assets of the sponsor | **(4)** [ ] | General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

| **a Pension Schedules** | **b General Schedules** | |
|---|---|---|
| **(1)** [X] **R** (Retirement Plan Information) | **(1)** [X] | **H** (Financial Information) |
| **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary | **(2)** [ ] | **I** (Financial Information – Small Plan) |
| | **(3)** [X] 1 | **A** (Insurance Information) |
| | **(4)** [X] | **C** (Service Provider Information) |
| **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | **(5)** [X] | **D** (DFE/Participating Plan Information) |
| | **(6)** [ ] | **G** (Financial Transaction Schedules) |

| SCHEDULE A (Form 5500) | Insurance Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.**<br>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2). | **2010**<br>**This Form is Open to Public Inspection** |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN | 002 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500. | **D** Employer Identification Number (EIN) |
| AVERY DENNISON | 95-1492269 |

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year **(f)** From | **(g)** To |
|---|---|---|---|---|---|
| 06-1050034 | 93629 | 38359-001 | 0 | 01/01/2010 | 12/31/2010 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| 0 | 0 |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid **(c)** Amount | **(d)** Purpose | **(e)** Organization code |
|---|---|---|---|
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid **(c)** Amount | **(d)** Purpose | **(e)** Organization code |
|---|---|---|---|
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | | |

## Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 334382 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 578898 |

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

| | | | | |
|---|---|---|---|---|
| b | Balance at the end of the previous year | | 7b | 39679268 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 80784 | |
| | (2) Dividends and credits | 7c(2) | | |
| | (3) Interest credited during the year | 7c(3) | 1238548 | |
| | (4) Transferred from separate account | 7c(4) | 4194354 | |
| | (5) Other (specify below) | 7c(5) | 1860022 | |
| | ▶ LOAN REPAYMENTS TRANSFERS MISCELLANEOUS | | | |
| | (6)Total additions | | 7c(6) | 7373708 |
| d | Total of balance and additions (add **b** and **c(6)**). | | 7d | 47052976 |
| e | Deductions: | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 42403750 | |
| | (2) Administration charge made by carrier | 7e(2) | 1647 | |
| | (3) Transferred to separate account | 7e(3) | 3025972 | |
| | (4) Other (specify below) | 7e(4) | 1042709 | |
| | ▶ LOAN INITIATIONS TRANSFERS MISCELLANEOUS, FORFEITURES | | | |
| | (5) Total deductions | | 7e(5) | 46474078 |
| f | Balance at the end of the current year (subtract **e(5)** from **d**) | | 7f | 578898 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | 9a(1) | | | |
| (2) Increase (decrease) in amount due but unpaid | 9a(2) | | | |
| (3) Increase (decrease) in unearned premium reserve | 9a(3) | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | 9a(4) | |
| **b** Benefit charges (1) Claims paid | 9b(1) | | | |
| (2) Increase (decrease) in claim reserves | 9b(2) | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | 9b(3) | |
| (4) Claims charged | | | 9b(4) | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | 9c(1)(A) | | | |
| (B) Administrative service or other fees | 9c(1)(B) | | | |
| (C) Other specific acquisition costs | 9c(1)(C) | | | |
| (D) Other expenses | 9c(1)(D) | | | |
| (E) Taxes | 9c(1)(E) | | | |
| (F) Charges for risks or other contingencies | 9c(1)(F) | | | |
| (G) Other retention charges | 9c(1)(G) | | | |
| (H) Total retention | | | 9c(1)(H) | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | 9c(2) | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | 9d(1) | |
| (2) Claim reserves | | | 9d(2) | |
| (3) Other reserves | | | 9d(3) | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.) | | | 9e | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | 10a | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. | | | 10b | |

Specify nature of costs ▶

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). | 2010 |
| Department of Labor Employee Benefits Security Administration | ▶ **File as an attachment to Form 5500.** | **This Form is Open to Public Inspection.** |
| Pension Benefit Guaranty Corporation | | |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
AVERY DENNISON

**D** Employer Identification Number (EIN)
95-1492269

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

**(b)** Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 15 37 50 60 64 | NONE | 33991 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

PRUDENTIAL INVESTMENT MANAGEMENT SE

13-4122960

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 63 71 | NONE | 13280 | Yes [X] No [ ] | Yes [ ] No [X] | 1 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

NATIONAL FINANCIAL SERVICES, LLC

04-3523567

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 | NONE | 0 | Yes [X] No [ ] | Yes [X] No [ ] | 512 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN; |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN; |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| SCHEDULE D (Form 5500) | DFE/Participating Plan Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2010**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
AVERY DENNISON

**D** Employer Identification Number (EIN)
95-1492269

## Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INTERN BLEND/ARTIO
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-349 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8117

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LC GR/TURNER INV PARTNERS
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-141 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6470

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP GROWTH/ARTISAN
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-185 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8767

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP VALUE/WELL MGMT
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-187 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27602

**a** Name of MTIA, CCT, PSA, or 103-12 IE: CORE PLUS BOND/PIMCO
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-299 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 121697

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP GROWTH/TIMESSQ
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-132 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 75949

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE/TS & W
**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.
**c** EIN-PN 06-1050034-256 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7870

| | | | |
|---|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: SA/JANUS BALANCED STRAT | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-180 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 30897 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFETIME AGGRESSIVE | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-166 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 4694 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-123 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 1639 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP VALUE/AJO FUND | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-129 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 40680 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP BLEND/VICTORY | | | |
| **b** Name of sponsor of entity listed in (a): 06-1050034 | | | |
| **c** EIN-PN 06-1050034-177 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 0 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LIEFTIME GROWTH FD | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-167 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 0 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFETIME BALANCED FD | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-168 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 0 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFETIME INCOME & EQUITY | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-170 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 0 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFETIME CONSERVATIVE | | | |
| **b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS. | | | |
| **c** EIN-PN 06-1050034-169 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 0 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | | | |
| **b** Name of sponsor of entity listed in (a): | | | |
| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | |

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| SCHEDULE H (Form 5500) | Financial Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br>▶ **File as an attachment to Form 5500.** | **2010**<br>**This Form is Open to Public Inspection** |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
AVERY DENNISON

**D** Employer Identification Number (EIN)
95-1492269

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 2526311 | 44678 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 60627864 | 334382 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 3877217 | 7698 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 39679268 | 578898 |
| **(15)** Other | 1c(15) | 605865 | 7955 |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 107316525 | 973611 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | 973611 |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 973611 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 107316525 | 0 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| Income | | (a) Amount | (b) Total |
|---|---|---|---|
| **a Contributions:** | | | |
| **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 118618 | |
| **(B)** Participants | 2a(1)(B) | | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 118618 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | 148386 | |
| **(F)** Other | 2b(1)(F) | 1238548 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 1386934 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 7988 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 7988 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| **2b** **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |
| **(6)** Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 8594131 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 221315 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 10328986 |

## Expenses

| | | | |
|---|---|---|---|
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 13183269 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | | |
| **(3)** Other | 2e(3) | | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 13183269 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | -1334 |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| **(2)** Contract administrator fees | 2i(2) | | |
| **(3)** Investment advisory and management fees | 2i(3) | | |
| **(4)** Other | 2i(4) | 54378 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 54378 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 13236313 |

## Net Income and Reconciliation

| | | | |
|---|---|---|---|
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -2907327 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | 104409198 |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: LESTER HALPERN & COMPANY P.C. **(2)** EIN: 04-2653334

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** Was this plan covered by a fidelity bond? | 4e | X | | 25000000 |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | | X | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | X | | |
| **l** Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | X | | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | X | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| AVERY DENNISON CORPORATION EMPLOYEE SAVINGS PLAN | 95-1492269 | 004 |
| | | |
| | | |
| | | |

| SCHEDULE R (Form 5500) | Retirement Plan Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br>▶ **File as an attachment to Form 5500.** | **2010**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

**A** Name of plan
THE PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
AVERY DENNISON

**D** Employer Identification Number (EIN)
95-1492269

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670 _____

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

# PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
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*Lester Halpern & Company P.C.*
Certified Public Accountants

Thomas A. Terry CPA ♦ Betty Jane Bourdon CPA ♦ Mary-Anne S. Stearns CPA ♦ Robert B. McKay CPA ♦ Lester L. Halpern CPA Retired

**INDEPENDENT AUDITOR'S REPORT**

October 17, 2011

To The Plan Administrator
Paxar Corporation Employee Savings and Protection Plan
Avery Dennison Corporation

We were engaged to audit the financial statements of Paxar Corporation Employee Savings and Protection Plan as of December 31, 2010 and 2009, and for the years then ended, and the supplemental schedule as of December 31, 2010 as listed in the accompanying index. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Prudential Retirement Insurance and Annuity Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that Prudential Retirement Insurance and Annuity Company holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from Prudential Retirement Insurance and Annuity Company as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by Prudential Retirement Insurance and Annuity Company is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by Prudential Retirement Insurance and Annuity Company, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Very truly yours,

Lester Halpern & Company P.C.

Certified Public Accountants



14 Bobala Road ♦ Holyoke, Massachusetts 01040 ♦ www.halperncpa.com ♦ Telephone 413-536-3970 ♦ Fax 413-532-8285

Exhibit A

## PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Investments at fair value | $ 928,933 | $ 104,790,214 |
| Notes receivable from participants | 44,678 | 2,526,311 |
| Net Assets Available For Benefits | $ 973,611 | $ 107,316,525 |

See accompanying notes.

Exhibit B

## PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | FOR THE YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Additions To Net Assets Attributed To: | | |
| Interest and dividend income | $ 1,246,536 | $ 1,393,467 |
| Net appreciation in fair value of investments | 8,815,446 | 14,393,605 |
| Employer contribution | 118,618 | |
| Interest on notes receivable from participants | 148,386 | 196,385 |
| Total Additions | 10,328,986 | 15,983,457 |
| Deductions From Net Assets Attributed To: | | |
| Benefit payments | 13,181,935 | 15,517,770 |
| Deemed distributions | | 33,201 |
| Expense deductions | 54,378 | 26,275 |
| Total Deductions | 13,236,313 | 15,577,246 |
| Transfers to Other Plan | 103,435,587 | |
| Net Increase (Decrease) | (106,342,914) | 406,211 |
| Net assets available for benefits - beginning | 107,316,525 | 106,910,314 |
| Net Assets Available For Benefits - Ending | $ 973,611 | $ 107,316,525 |

See accompanying notes.

PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
13 - 5670050, PLAN NUMBER 002
DECEMBER 31, 2010

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | Cost | Current Value |
| * | Prudential Retirement Insurance and Annuity Company | Prudential Retirement Insurance Small Cap Value Fund/TS &W 416.5688 units | ** | $ 7,870 |
| | | Prudential Retirement Insurance Small Cap Growth Fund/Times Square 2,317.3695 units | | 75,949 |
| | | Prudential Retirement Brokerage Services Self Directed Brokerage Funds 7,955.0003 units | | 7,955 |
| | | Prudential Retirement Insurance Mid Cap Value Fund/Wellington Mgmt Fund 1,177.9584 units | | 27,602 |
| | | Prudential Retirement Insurance Mid Cap Growth Fund/Artisan Partners 531.5822 units | | 8,767 |
| | | Prudential Retirement Insurance Lifetime Aggressive Fund 267.4815 units | | 4,694 |
| | | Prudential Retirement Insurance LC Growth Fund/Turner Investment Partners 499.4757 units | | 6,470 |
| | | Prudential Retirement Insurance Large Cap Value Fund/AJO Fund 2,713.0287 units | | 40,680 |
| | | Prudential Retirement Insurance Janus Advisor Balanced Fund 689.7614 units | | 30,897 |
| | | Prudential Retirement Insurance International Blend Fund/Artio 380.2378 units | | 8,117 |
| | | Prudential Retirement Insurance Dryden S&P 500 Index Fund 19.9055 units | | 1,639 |
| | | Prudential Retirement Insurance Core Plus Bond Fund/PIMCO 7,264.5252 units | | 121,697 |
| | | Prudential Retirement Insurance Guaranteed Income Fund 14,784.6549 units | | 578,898 |
| | | Janus Funds Janus Twenty Fund 117.1209 units | | 7,698 |
| | | | | $ 928,933 |
| | Participant Loans | Various maturity dates Interest rate 4.25% - 9.25% | $ 0 | $ 44,678 |

* A party-in-interest as defined by ERISA
** Cost omitted for participant directed investments

1. Description of the Plan:

Paxar Corporation (the "Employer" or the "Sponsor") formed an Employee Savings and Protection Plan (the "Plan") for the benefit of all eligible employees of Paxar Corporation within the United States. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General - The Plan is a defined contribution plan. Effective as of the close of business on December 31, 2008, the Plan was closed to participation and contributions. Prior to that time, the Plan covered all eligible employees of the Sponsor within the United States. An employee was eligible to participate in the Plan after the completion of thirty (30) days of credited service and upon attaining the age of 21. In addition, eligible employees could not be union members covered by other plans or non-resident aliens who did not receive U.S. source income. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

B. Plan Merger - On December 31, 2010, the Plan merged into the Avery Dennison Corporation Employee Savings Plan (Avery Plan) and the remaining net assets therein were transferred into the Avery Plan in January, 2011. Account balances valued as of the transfer date were mapped to the investment options under the Avery Plan that were closest to participants' investment elections in the Plan.

C. Contributions - During the year ended December 31, 2010, $118,618 of employer contributions were made which relate to compliance corrections for plan years 2002 through 2007.

D. Participant Accounts - Since the Plan was closed to participation and contributions effective December 31, 2008, beginning January 1, 2009, each participant's account is only credited with an allocation of Plan earnings. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

E. Investment Options - A participant may direct the Sponsor to invest their account balances in a variety of investment options allowed by the Plan. All investments are participant directed.

F. Vesting of Benefits - Participants are immediately 100% vested in employer and employee contributions and earnings within their participant accounts.

G. Payment of Benefits - On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or annual installments.

H. Notes Receivable from Participants - Participants may borrow up to 50% of their vested account balance subject to an aggregate maximum loan amount of $50,000. No loans can be made for less than $500. Loans are secured by the balances of the participants' accounts and bear interest at a rate equal to the prime rate plus one percent (1%). Principal and interest is paid ratably through payroll deductions, over a period of time not to exceed sixty (60) months unless the purpose of the loan is to acquire, construct or rehabilitate a primary personal residence, in which case the period of time cannot exceed fifteen (15) years. Participants may only have one loan outstanding at a time.

I. Forfeitures - Forfeitures occur when Employer contributions for highly compensated employees exceed the limitations as defined by the Internal Revenue Code. At December 31, 2010 and 2009, forfeitures totaled $-0- and $11,225, respectively, and are included in the net assets available for benefits. For the year ended December 31, 2010, $11,506 of forfeitures were used to pay plan expenses.

J. Retirement - The normal retirement date is the first day of the month following the date on which the employee attains age 65. In addition, a participant is eligible to withdraw his or her vested benefits at age 59 ½.

2. Summary of Significant Accounting Policies:

A. Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

B. Investment Valuation - The Plan's investments are stated at fair value as measured by quoted or estimated market prices or at contract value which equals fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

D. Notes Receivable From Participants - Notes receivable from participants are measured at their unpaid principal balance. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

E. Payment of Benefits - Benefits are recorded when paid.

F. Subsequent Events - The Plan has evaluated events that have occurred subsequent to December 31, 2010, through October 17, 2011, the date these financial statements were available to be issued, and has determined there were no material events requiring recognition or disclosure.

3. Investment Contract with Insurance Company:

The Plan participates in a group annuity insurance contract with Prudential Retirement Insurance and Annuity Company (PRIAC) by investing in the PRIAC Guaranteed Income Fund. The PRIAC Guaranteed Income Fund is backed by assets of PRIAC's general account. The PRIAC Guaranteed Income Fund is included in the statement of net assets available for benefits at contract value, which approximates fair value. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The contract is effected directly between the plan sponsor (or their trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. Given these provisions, PRIAC considers this contract to be benefit responsive.

PRIAC prospectively guaranteed the interest rates credited for the PRIAC Guaranteed Income Fund for six months. The guaranteed interest rate is determined by Prudential Financial, the parent company of PRIAC. Prudential Financial determines the guaranteed rate of interest based on its projected investment earnings, the current interest environment, its investment expenses, and a profit and risk component for the six-month period. The minimum crediting interest rate under the terms of the contract is 1.50%. The Plan's investment in the PRIAC Guaranteed Income Fund had the following average yields for the years ended December 31, 2010 and 2009:

| Average yields | 2010 | 2009 |
|---|---|---|
| Earned by the Plan | 3.15% | 3.15% |
| Credited to participants | 3.15% | 3.15% |

Generally there are not any events that could limit the ability of the plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

4. Investments:

At December 31, 2010 and 2009, investments representing more than 5% of the Plan's net assets are as follows:

| | 2010 | 2009 |
|---|---|---|
| Prudential Retirement Insurance and Annuity Company: | | |
| LC Growth Fund/Turner Investment Partners | | $ 8,139,438 |
| Large Cap Value/AJO Fund | | $ 8,037,035 |
| Guaranteed Income Fund | $ 578,898 | $39,679,268 |
| Small Cap Growth Fund/Times Square | $ 75,949 | $ 6,663,790 |
| Large Cap Blend Fund/Victory | | $ 7,642,421 |
| International Blend Fund/Artio | | $ 5,953,124 |
| Core Plus Bond Fund/PIMCO | $ 121,697 | |

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $8,815,446 and $14,393,605, respectively, as follows:

| | 2010 | 2009 |
|---|---|---|
| Mutual Fund | $ 221,315 | $ 1,299,317 |
| Self Directed Brokerage Accounts | 87,750 | (2,787) |
| Separate Investment Accounts: | | |
| Balanced Funds | 748,391 | 1,692,257 |
| International Stocks | 373,900 | 1,051,039 |
| U.S. Bonds | 197,509 | 267,996 |
| U.S. Stocks | 7,186,581 | 10,085,783 |
| Net Appreciation | $8,815,446 | $14,393,605 |

5. Fair Value Measurements:

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009:

*Guaranteed Income Fund:* Represents deposits made to the contract plus earnings at guaranteed crediting rates, less withdrawals and fees.

*Mutual Fund*: Valued at the Net Asset Value of shares held by the Plan at year end.

*Separate Investment Accounts:* Unit value calculated based on the observable net asset value of the underlying investment.

The preceding methods described may procedure a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

| | Assets At Fair Value as of December 31, 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Fund | $ 7,698 | | | $ 7,698 |
| Self Directed Brokerage Accounts | | $ 7,955 | | 7,955 |
| Separate Investment Accounts: | | | | |
| Balanced Funds | | 35,591 | | 35,591 |
| International Stocks | | 8,117 | | 8,117 |
| U.S. Bonds | | 121,697 | | 121,697 |
| U.S. Stocks | | 168,977 | | 168,977 |
| Guaranteed Income Fund | | | $ 578,898 | 578,898 |
| Total Assets at Fair Value | $ 7,698 | $ 342,337 | $ 578,898 | $ 928,933 |

| | Assets At Fair Value as of December 31, 2009 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Fund | $3,877,217 | | | $ 3,877,217 |
| Self Directed Brokerage Accounts | | $ 605,865 | | 605,865 |
| Separate Investment Accounts: | | | | |
| Balanced Funds | | 8,515,899 | | 8,515,899 |
| International Stocks | | 5,953,124 | | 5,953,124 |
| U.S. Bonds | | 3,247,653 | | 3,247,653 |
| U.S. Stocks | | 42,911,188 | | 42,911,188 |
| Guaranteed Income Fund | | | $39,679,268 | 39,679,268 |
| Total Assets at Fair Value | $3,877,217 | $61,233,729 | $39,679,268 | $104,790,214 |

Level 3 Gains and Losses -

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended December 31, 2010 and 2009.

| | 2010 | 2009 |
|---|---|---|
| | Guaranteed Income Fund | |
| Balance, beginning of year at fair value | $ 39,679,268 | $44,575,882 |
| Net cash flow activity at contract value | (39,100,370) | (4,896,614) |
| Balance, end of year at fair value | $ 578,898 | $39,679,268 |

6. Plan Termination:

On June 15, 2007, the Sponsor was acquired by Avery Dennison Corporation. Effective December 31, 2008, the Plan was closed to participation and contributions. Effective January 1, 2009, all eligible employees who were participants in the Plan became eligible to participate in the Avery Dennison Corporation Employee Savings Plan. The employer has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

7. Transactions and Agreements with Parties in Interest:

Some costs incurred in connection with the Plan are paid by the Sponsor. Certain of the Plan's investments are managed by affiliates of Prudential Retirement Insurance and Annuity Company, the Plan's recordkeeper and trustee. Therefore, these transactions qualify as party in interest transactions and are denoted as such on the supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2010. There are no prohibited transactions with any parties in interest.

8. Information Certified by the Plan's Trustee (Unaudited):

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the accompanying Statement of Net Assets Available for Benefits as of December 31, 2010 and 2009, the supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2010 and the related investment and notes receivable from participant's activities reflected in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2010 and 2009.

9. Income Tax Status:

The Internal Revenue Service (IRS) informed the Employer in a determination letter dated October 1, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. On April 30, 2010, an application was filed with the IRS for a new determination letter. However, the plan administrator and the Plan's in house legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires the Sponsor to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Sponsor has concluded that, as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits of the Plan for any tax periods in progress. The Sponsor believes it is no longer subject to income tax examinations by tax authorities for plan years ended prior to January 1, 2008.

10. Risks and Uncertainties:

The Plan invests in various investments that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

11. Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of transfers requested but unpaid per the financial statements to transfers requested but unpaid per the Form 5500 for the year ended December 31, 2010:

| | |
|---|---|
| Transfers requested but unpaid per the financial statements | $ 0 |
| Adjustment for transfers requested but unpaid at December 31 | 973,611 |
| Total per Form 5500 | $973,611 |

12. Plan Amendments:

The following plan amendments were executed for the years ended December 31, 2010 and 2009 with various effective dates. Each amendment should be referred to for the specific changes.

| Amendment/Restatement | Executed |
|---|---|
| Amendment | November 18, 2010 |
| Restatement and amendment | April 20, 2010 |
| Fifth | December 17, 2009 |

13. Reclassifications:

Certain reclassifications of information for the year ended December 31, 2009 have been made to conform to the presentation for the year ended December 31, 2010. The reclassifications have no effect on the net increase in net assets available for benefits for the year ended December 31, 2009.

14. Net Plan Mergers and Transfers:

On December 31, 2010, the Plan was merged into the Avery Dennison Corporation Savings Plan.

# PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
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*Lester Halpern & Company P.C.*
Certified Public Accountants

Thomas A. Terry CPA ♦ Betty Jane Bourdon CPA ♦ Mary-Anne S. Stearns CPA ♦ Robert B. McKay CPA ♦ Lester L. Halpern CPA Retired

**INDEPENDENT AUDITOR'S REPORT**

October 17, 2011

To The Plan Administrator
Paxar Corporation Employee Savings and Protection Plan
Avery Dennison Corporation

We were engaged to audit the financial statements of Paxar Corporation Employee Savings and Protection Plan as of December 31, 2010 and 2009, and for the years then ended, and the supplemental schedule as of December 31, 2010 as listed in the accompanying index. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Prudential Retirement Insurance and Annuity Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that Prudential Retirement Insurance and Annuity Company holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from Prudential Retirement Insurance and Annuity Company as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by Prudential Retirement Insurance and Annuity Company is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by Prudential Retirement Insurance and Annuity Company, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Very truly yours,

Lester Halpern & Company P.C.

Certified Public Accountants



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Exhibit A

## PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

| | DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Investments at fair value | $ 928,933 | $ 104,790,214 |
| Notes receivable from participants | 44,678 | 2,526,311 |
| Net Assets Available For Benefits | $ 973,611 | $ 107,316,525 |

See accompanying notes.

Exhibit B

## PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | FOR THE YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | 2010 | 2009 |
| Additions To Net Assets Attributed To: | | |
| Interest and dividend income | $ 1,246,536 | $ 1,393,467 |
| Net appreciation in fair value of investments | 8,815,446 | 14,393,605 |
| Employer contribution | 118,618 | |
| Interest on notes receivable from participants | 148,386 | 196,385 |
| Total Additions | 10,328,986 | 15,983,457 |
| Deductions From Net Assets Attributed To: | | |
| Benefit payments | 13,181,935 | 15,517,770 |
| Deemed distributions | | 33,201 |
| Expense deductions | 54,378 | 26,275 |
| Total Deductions | 13,236,313 | 15,577,246 |
| Transfers to Other Plan | 103,435,587 | |
| Net Increase (Decrease) | (106,342,914) | 406,211 |
| Net assets available for benefits - beginning | 107,316,525 | 106,910,314 |
| Net Assets Available For Benefits - Ending | $ 973,611 | $ 107,316,525 |

See accompanying notes.

PAXAR CORPORATION EMPLOYEE SAVINGS AND PROTECTION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
13 - 5670050, PLAN NUMBER 002
DECEMBER 31, 2010

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| | Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | Cost | Current Value |
| * | Prudential Retirement Insurance and Annuity Company | Prudential Retirement Insurance Small Cap Value Fund/TS &W 416.5688 units | ** | $ 7,870 |
| | | Prudential Retirement Insurance Small Cap Growth Fund/Times Square 2,317.3695 units | | 75,949 |
| | | Prudential Retirement Brokerage Services Self Directed Brokerage Funds 7,955.0003 units | | 7,955 |
| | | Prudential Retirement Insurance Mid Cap Value Fund/Wellington Mgmt Fund 1,177.9584 units | | 27,602 |
| | | Prudential Retirement Insurance Mid Cap Growth Fund/Artisan Partners 531.5822 units | | 8,767 |
| | | Prudential Retirement Insurance Lifetime Aggressive Fund 267.4815 units | | 4,694 |
| | | Prudential Retirement Insurance LC Growth Fund/Turner Investment Partners 499.4757 units | | 6,470 |
| | | Prudential Retirement Insurance Large Cap Value Fund/AJO Fund 2,713.0287 units | | 40,680 |
| | | Prudential Retirement Insurance Janus Advisor Balanced Fund 689.7614 units | | 30,897 |
| | | Prudential Retirement Insurance International Blend Fund/Artio 380.2378 units | | 8,117 |
| | | Prudential Retirement Insurance Dryden S&P 500 Index Fund 19.9055 units | | 1,639 |
| | | Prudential Retirement Insurance Core Plus Bond Fund/PIMCO 7,264.5252 units | | 121,697 |
| | | Prudential Retirement Insurance Guaranteed Income Fund 14,784.6549 units | | 578,898 |
| | | Janus Funds Janus Twenty Fund 117.1209 units | | 7,698 |
| | | | | $ 928,933 |
| | Participant Loans | Various maturity dates Interest rate 4.25% - 9.25% | $ 0 | $ 44,678 |

* A party-in-interest as defined by ERISA
** Cost omitted for participant directed investments

1. Description of the Plan:

Paxar Corporation (the "Employer" or the "Sponsor") formed an Employee Savings and Protection Plan (the "Plan") for the benefit of all eligible employees of Paxar Corporation within the United States. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

A. General - The Plan is a defined contribution plan. Effective as of the close of business on December 31, 2008, the Plan was closed to participation and contributions. Prior to that time, the Plan covered all eligible employees of the Sponsor within the United States. An employee was eligible to participate in the Plan after the completion of thirty (30) days of credited service and upon attaining the age of 21. In addition, eligible employees could not be union members covered by other plans or non-resident aliens who did not receive U.S. source income. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

B. Plan Merger - On December 31, 2010, the Plan merged into the Avery Dennison Corporation Employee Savings Plan (Avery Plan) and the remaining net assets therein were transferred into the Avery Plan in January, 2011. Account balances valued as of the transfer date were mapped to the investment options under the Avery Plan that were closest to participants' investment elections in the Plan.

C. Contributions - During the year ended December 31, 2010, $118,618 of employer contributions were made which relate to compliance corrections for plan years 2002 through 2007.

D. Participant Accounts - Since the Plan was closed to participation and contributions effective December 31, 2008, beginning January 1, 2009, each participant's account is only credited with an allocation of Plan earnings. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

E. Investment Options - A participant may direct the Sponsor to invest their account balances in a variety of investment options allowed by the Plan. All investments are participant directed.

F. Vesting of Benefits - Participants are immediately 100% vested in employer and employee contributions and earnings within their participant accounts.

G. Payment of Benefits - On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or annual installments.

H. Notes Receivable from Participants - Participants may borrow up to 50% of their vested account balance subject to an aggregate maximum loan amount of $50,000. No loans can be made for less than $500. Loans are secured by the balances of the participants' accounts and bear interest at a rate equal to the prime rate plus one percent (1%). Principal and interest is paid ratably through payroll deductions, over a period of time not to exceed sixty (60) months unless the purpose of the loan is to acquire, construct or rehabilitate a primary personal residence, in which case the period of time cannot exceed fifteen (15) years. Participants may only have one loan outstanding at a time.

I. Forfeitures - Forfeitures occur when Employer contributions for highly compensated employees exceed the limitations as defined by the Internal Revenue Code. At December 31, 2010 and 2009, forfeitures totaled $-0- and $11,225, respectively, and are included in the net assets available for benefits. For the year ended December 31, 2010, $11,506 of forfeitures were used to pay plan expenses.

J. Retirement - The normal retirement date is the first day of the month following the date on which the employee attains age 65. In addition, a participant is eligible to withdraw his or her vested benefits at age 59 ½.

2. Summary of Significant Accounting Policies:

A. Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

B. Investment Valuation - The Plan's investments are stated at fair value as measured by quoted or estimated market prices or at contract value which equals fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

D. Notes Receivable From Participants - Notes receivable from participants are measured at their unpaid principal balance. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

E. Payment of Benefits - Benefits are recorded when paid.

F. Subsequent Events - The Plan has evaluated events that have occurred subsequent to December 31, 2010, through October 17, 2011, the date these financial statements were available to be issued, and has determined there were no material events requiring recognition or disclosure.

3. Investment Contract with Insurance Company:

The Plan participates in a group annuity insurance contract with Prudential Retirement Insurance and Annuity Company (PRIAC) by investing in the PRIAC Guaranteed Income Fund. The PRIAC Guaranteed Income Fund is backed by assets of PRIAC's general account. The PRIAC Guaranteed Income Fund is included in the statement of net assets available for benefits at contract value, which approximates fair value. Contract value represents deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The contract is effected directly between the plan sponsor (or their trustee) and the issuer. The repayment of principal and interest credited to participants is a financial obligation of the issuer. Given these provisions, PRIAC considers this contract to be benefit responsive.

PRIAC prospectively guaranteed the interest rates credited for the PRIAC Guaranteed Income Fund for six months. The guaranteed interest rate is determined by Prudential Financial, the parent company of PRIAC. Prudential Financial determines the guaranteed rate of interest based on its projected investment earnings, the current interest environment, its investment expenses, and a profit and risk component for the six-month period. The minimum crediting interest rate under the terms of the contract is 1.50%. The Plan's investment in the PRIAC Guaranteed Income Fund had the following average yields for the years ended December 31, 2010 and 2009:

| Average yields | 2010 | 2009 |
|---|---|---|
| Earned by the Plan | 3.15% | 3.15% |
| Credited to participants | 3.15% | 3.15% |

Generally there are not any events that could limit the ability of the plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

4. Investments:

At December 31, 2010 and 2009, investments representing more than 5% of the Plan's net assets are as follows:

| | 2010 | 2009 |
|---|---|---|
| Prudential Retirement Insurance and Annuity Company: | | |
| LC Growth Fund/Turner Investment Partners | | $ 8,139,438 |
| Large Cap Value/AJO Fund | | $ 8,037,035 |
| Guaranteed Income Fund | $ 578,898 | $39,679,268 |
| Small Cap Growth Fund/Times Square | $ 75,949 | $ 6,663,790 |
| Large Cap Blend Fund/Victory | | $ 7,642,421 |
| International Blend Fund/Artio | | $ 5,953,124 |
| Core Plus Bond Fund/PIMCO | $ 121,697 | |

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $8,815,446 and $14,393,605, respectively, as follows:

| | 2010 | 2009 |
|---|---|---|
| Mutual Fund | $ 221,315 | $ 1,299,317 |
| Self Directed Brokerage Accounts | 87,750 | (2,787) |
| Separate Investment Accounts: | | |
| Balanced Funds | 748,391 | 1,692,257 |
| International Stocks | 373,900 | 1,051,039 |
| U.S. Bonds | 197,509 | 267,996 |
| U.S. Stocks | 7,186,581 | 10,085,783 |
| Net Appreciation | $8,815,446 | $14,393,605 |

5. Fair Value Measurements:

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009:

*Guaranteed Income Fund:* Represents deposits made to the contract plus earnings at guaranteed crediting rates, less withdrawals and fees.

*Mutual Fund*: Valued at the Net Asset Value of shares held by the Plan at year end.

*Separate Investment Accounts:* Unit value calculated based on the observable net asset value of the underlying investment.

The preceding methods described may procedure a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

| | Assets At Fair Value as of December 31, 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Fund | $ 7,698 | | | $ 7,698 |
| Self Directed Brokerage Accounts | | $ 7,955 | | 7,955 |
| Separate Investment Accounts: | | | | |
| Balanced Funds | | 35,591 | | 35,591 |
| International Stocks | | 8,117 | | 8,117 |
| U.S. Bonds | | 121,697 | | 121,697 |
| U.S. Stocks | | 168,977 | | 168,977 |
| Guaranteed Income Fund | | | $ 578,898 | 578,898 |
| Total Assets at Fair Value | $ 7,698 | $ 342,337 | $ 578,898 | $ 928,933 |

| | Assets At Fair Value as of December 31, 2009 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Fund | $3,877,217 | | | $ 3,877,217 |
| Self Directed Brokerage Accounts | | $ 605,865 | | 605,865 |
| Separate Investment Accounts: | | | | |
| Balanced Funds | | 8,515,899 | | 8,515,899 |
| International Stocks | | 5,953,124 | | 5,953,124 |
| U.S. Bonds | | 3,247,653 | | 3,247,653 |
| U.S. Stocks | | 42,911,188 | | 42,911,188 |
| Guaranteed Income Fund | | | $39,679,268 | 39,679,268 |
| Total Assets at Fair Value | $3,877,217 | $61,233,729 | $39,679,268 | $104,790,214 |

Level 3 Gains and Losses -

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended December 31, 2010 and 2009.

| | 2010 | 2009 |
|---|---|---|
| | Guaranteed Income Fund | |
| Balance, beginning of year at fair value | $ 39,679,268 | $44,575,882 |
| Net cash flow activity at contract value | (39,100,370) | (4,896,614) |
| Balance, end of year at fair value | $ 578,898 | $39,679,268 |

6. Plan Termination:

On June 15, 2007, the Sponsor was acquired by Avery Dennison Corporation. Effective December 31, 2008, the Plan was closed to participation and contributions. Effective January 1, 2009, all eligible employees who were participants in the Plan became eligible to participate in the Avery Dennison Corporation Employee Savings Plan. The employer has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

7. Transactions and Agreements with Parties in Interest:

Some costs incurred in connection with the Plan are paid by the Sponsor. Certain of the Plan's investments are managed by affiliates of Prudential Retirement Insurance and Annuity Company, the Plan's recordkeeper and trustee. Therefore, these transactions qualify as party in interest transactions and are denoted as such on the supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2010. There are no prohibited transactions with any parties in interest.

8. Information Certified by the Plan's Trustee (Unaudited):

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Retirement Insurance and Annuity Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the accompanying Statement of Net Assets Available for Benefits as of December 31, 2010 and 2009, the supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2010 and the related investment and notes receivable from participant's activities reflected in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2010 and 2009.

9. Income Tax Status:

The Internal Revenue Service (IRS) informed the Employer in a determination letter dated October 1, 2003, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. On April 30, 2010, an application was filed with the IRS for a new determination letter. However, the plan administrator and the Plan's in house legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires the Sponsor to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Sponsor has concluded that, as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits of the Plan for any tax periods in progress. The Sponsor believes it is no longer subject to income tax examinations by tax authorities for plan years ended prior to January 1, 2008.

10. Risks and Uncertainties:

The Plan invests in various investments that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

11. Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of transfers requested but unpaid per the financial statements to transfers requested but unpaid per the Form 5500 for the year ended December 31, 2010:

| | |
|---|---|
| Transfers requested but unpaid per the financial statements | $ 0 |
| Adjustment for transfers requested but unpaid at December 31 | 973,611 |
| Total per Form 5500 | $973,611 |

12. Plan Amendments:

The following plan amendments were executed for the years ended December 31, 2010 and 2009 with various effective dates. Each amendment should be referred to for the specific changes.

| Amendment/Restatement | Executed |
|---|---|
| Amendment | November 18, 2010 |
| Restatement and amendment | April 20, 2010 |
| Fifth | December 17, 2009 |

13. Reclassifications:

Certain reclassifications of information for the year ended December 31, 2009 have been made to conform to the presentation for the year ended December 31, 2010. The reclassifications have no effect on the net increase in net assets available for benefits for the year ended December 31, 2009.

14. Net Plan Mergers and Transfers:

On December 31, 2010, the Plan was merged into the Avery Dennison Corporation Savings Plan.