



Fastener Solutions

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June 1, 2011

Dear Valued Customer,

In July of 2008 Avery Dennison's Fastener Division announced a 9% price increase across all product lines. While we were able to mitigate a larger impact on our customers, we could not absorb the entire inflationary effect on hydrocarbon feed stocks that were driven by crude oil pricing that had risen 179% between January of 2007 and July of 2008.

Subsequent to that increase, North American economies began an economic decline in 4Q'08 that continued through 2009, driven in large part by the Automotive and housing sector depressions. As we saw economies start to rebound, raw material supply issues were compounded by the significant capacity reductions of key polymers (e.g., Nylon) marketed to these very large consuming sectors. The capacity reductions led to a short supply situation in 2010 that forced allocation into regional markets. Over the course of the North America economic rebound and the offshore market allocations, oil pricing has also risen 70% from the May '09 baseline through May 20, 2011.

Nearly every product we manufacture is polymer-based, cracked off of oil. Our reinvestments in lean manufacturing and advanced processes in both 2009 and 2010 have helped us to offset the inflationary effects of raw materials and increased labor we have seen across all of our manufacturing regions over that time period. We are grateful that we were capable of preventing any pricing changes to you since July of 2008, despite the tumultuous economy and supply situations we all have been part of.

Regrettably, we cannot offset all of the pricing impact we have endured and continue to be subject to in order to assure you continuous supply. We must therefore pass a small percentage of the increases we have incurred over the past eighteen months through to the markets we serve.

Effective July 1, 2011, the Fastener Solutions Division of Avery Dennison will be increasing prices on the following product lines as noted:

Product Line	Percent Increase
- Cable Tie; including parts, tools and accessories	5%
- Elastic/ Plastic Staple; including machines, parts, needles and accessories	5%
- Swiftach; including parts, tools, needles and accessories	7%

We assure you of our continued commitment to advanced processes and manufacturing productivity to continue to provide you the products and services you have come to expect from us at the best price we can deliver.

We thank you for your business, your understanding and your partnership.

Sincerely,

John M. Albert

Director: Fastener Solutions-Americas