

AVERY DENNISON CORPORATION  
Form 4  
October 31, 2006

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DIXON DIANE B

2. Issuer Name and Ticker or Trading Symbol  
AVERY DENNISON CORPORATION [AVY]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)  
150 N. ORANGE GROVE BLVD  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/30/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. VP, Worldwide Comm. & Adv.

PASADENA, CA 91103

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	10/30/2006		M	7,000 A \$ 34.9375	9,879	D	
Common Stock	10/30/2006		F	3,995 D \$ 63.11	5,884	D	
Common Stock	10/30/2006		G	100 D \$ 0	5,784	D	
Common Stock	10/30/2006		G	100 A \$ 0	678.789	I	by Trust
Common Stock					3,256.581	I	SHARE Plan

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Common Stock 7,084.544 I Savings Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Common Stock Units	\$ 0	10/30/2006		J <sup>(1)</sup>	58.58	08/08/1988 08/08/1988	Common Stock	58.5
Employee Stock Option (Right to Buy)	\$ 34.9375	10/30/2006		M	7,000	09/05/2006 12/05/2006	Common Stock	7,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DIXON DIANE B 150 N. ORANGE GROVE BLVD PASADENA, CA 91103			Sr. VP, Worldwide Comm. & Adv.	

## Signatures

By: Irene Marquard For: Diane B. Dixon 10/31/2006  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Includes stock units acquired upon the reinvestment of dividend equivalents under the Avery Capital Accumulation Plan ("CAP") in a transaction exempt under Rule 16a-11

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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