



Force majeure pigments stockout impacts product availability Avery Graphics and Reflective Products Europe

August 23rd, 2010 - Avery Dennison announces that one of its key suppliers for pigments has declared *force majeure* in relation to immediate stockouts of a few critical pigments, and continuing limited availability for the coming months. This has a significant effect on the availability of many of our coloured cast films. According to our supplier's projections as to when the pigments will once again become available, we expect to resume our production within four to five weeks from now. However, we estimate that the stock out might impact our service levels for coloured cast films till the end of the fourth quarter 2010, and will also affect our colour matching service.

Early this year Avery Dennison Graphics and Reflective Products Division (GRPD) notified the market that the global shortage of raw materials -- film, paper and chemicals -- affected product availability. Due to the economic crisis, many raw materials suppliers had shut down or reduced their production, and as a result their customers were facing longer lead-times than normal or even total non-availability of some products. Since then we have been working hard to implement measures that will resolve these issues. The raw materials market, however, remains highly volatile, and disruptions anywhere along the supply chain can adversely affect our stock or service levels.

Currently, we are evaluating all outstanding orders and may have to revise some of our indicated delivery dates. If the situation improves earlier than anticipated, we will of course inform you immediately.

We deeply regret the current situation, and hope to restore normal service as soon as possible.

In the meantime we advise you to discuss the coloured cast lead-times for critical projects with your Customer Service Representative prior to ordering as they will have the up-to-date information available.

With kind regards,

Bron Hekkema

Sales Director Graphics and Reflective Products Division Europe

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