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## Avery Dennison Corporation Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thank you, ladies and gentlemen. (Operator instructions) Our first question, from the line of George Staphos from Banc of America Securities/Merrill Lynch. You may go ahead, sir.

**George Staphos – Banc of America Securities/Merrill Lynch**

Thanks. Hi, everyone. Good morning and good afternoon.

**Dean Scarborough**

Hi, George.

**George Staphos – Banc of America Securities/Merrill Lynch**

First question, I just want to make sure – Dean you said and I'm paraphrasing here – that you have a number of things that you expect you'll be able accomplish with the generation of the strong free cash flow – a solid free cash flow, as you termed it. And one of them was to pay a dividend. You're not saying that you won't – wanted to maintain the dividend or is there some chance you might not be able to maintain the dividend at the current level?

**Dean Scarborough**

Well, I just – basically, our goal is to this year is to – because we do have ample free cash flows is to pay our dividends as well as a – and this year we maintained our dividend. And that's our goal. As well as pay down debt and continue to fund some of our growth program.

**George Staphos – Banc of America Securities/Merrill Lynch**

Okay. Just want to double check on that.

**Dean Scarborough**

No hidden message, George

**George Staphos – Banc of America Securities/Merrill Lynch**

Okay. Fair enough. Second question, can you comment, at all, in terms of what the sequential volume trends would look like over the course of the quarter? And as we exit it and enter into the second quarter?

**Dean Scarborough**

Yes, well–

**George Staphos – Banc of America Securities/Merrill Lynch**

Particularly in RIS and PSM.

**Dean Scarborough**

Well, RIS, of course is very seasonal so sequential trends really don't tell us much. I would say that the – It looked to me like the year-over-year declines were a little bit worse in the first quarter than in the fourth quarter. Especially in some of the businesses in retail information services that tend to be more hardware related like our printer systems division.

The actual apparel business years-over-year declines were roughly consistent. But the – some of the other businesses, pressure sensitive – I think sequentially, above flat. And the other specialties on converting businesses were worst on year-over-year basis. Really starting to get much hit – much harder by automotive and construction. Office products, again, very seasonal, but I would say on a year-over-year basis because our customers did not reduce inventory as much in the first quarter as they did in the fourth quarter –you would say, we have a little bit of a benefit there.

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