

PAXAR CORPORATION

Code of Business Ethics – Statement of Principles

Paxar Corporation's Code of Business Ethics can be summarized very simply: Treat all People Fairly.

Paxar is a global company. In 2006, Paxar will be doing business in more than 75 countries and we continue to expand worldwide. Every hour of every day, somewhere around the globe, Paxar's employees are generating new ideas, creating new products, making sales, purchasing raw materials and components, producing goods, and providing services to Paxar's customers. Within this framework of global operations, Paxar's objectives are to provide value to our shareholders, deliver one-stop shopping to our customers, compete aggressively but fairly, offer good working conditions and competitive compensation and benefits to our employees, comply with all laws and corporate governance obligations and provide value to our shareholders.

Given the global scope of our business, Paxar is subject to a multitude of laws and regulations. We must also conduct our business within many different cultures and be sensitive to local business customs. The goals of making a reasonable profit and being a law-abiding citizen are fully compatible. Both goals, however, require the highest standards of ethical conduct from all Paxar employees, all the time. We will accept nothing less.

Paxar's Code of Business Ethics describes Paxar's positions on many business issues and establishes the level of conduct that is expected from each employee, worldwide. **New employees must read the Code and certify within 15 days after beginning employment that they will follow its guidelines. Thereafter, we will require such certification from all employees, managers, officers and members of our Board of Directors on an annual basis.**

If you ever have any questions or concerns about the Code, or the way it is being implemented, you should speak with your manager. If there is any reason you wish to bring your issue directly to the attention of management at corporate headquarters, don't hesitate to contact Hughtette Crumpler, our Vice President, Human Resources or Bob Stone, our General Counsel. You may also bring such matters directly to my attention. In the Introduction and in the Accurate Books and Records Section, we have also provided employees with a "hot line" phone number for general questions and with a confidential communications channel to the Audit Committee of the Board of Directors for reporting serious financial matters. If you observe or learn of any violations of the Code, it is your responsibility to report it through one of these methods.

Rob van der Merwe

President and Chief Executive Officer

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CODE OF BUSINESS ETHICS

INTRODUCTION

The Paxar Code of Business Ethics establishes work-related standards of behavior for all Paxar employees and applies equally to every one of our global business operations. Paxar employees are expected to use common sense and good judgment in applying the principles of this Code to ensure that its intent is fully carried out.

Each employee has the responsibility to read, understand and comply with the letter and spirit of this Code. Furthermore, the Company requires each employee is responsible for reporting any incident that appears to be in violation of this Code. To report noncompliance or ask questions concerning this Code, you may do so through normal reporting channels; to a division hot-line, if one is available; to the Corporate Ombudsman anonymous and confidential hotline in White Plains, 800-941-0496; or to the General Counsel. **There will be no retaliation taken against any employee as a result of reporting any perceived noncompliance with this Code.**

Infractions by employees of the standards contained in this Code, or retaliation by any employee against anyone who reports a violation of this Code, will be subject to disciplinary action that may include a formal warning, reprimand, probation, reduction in compensation, demotion, suspension or dismissal -- as deemed appropriate in the sole discretion of the Company. In certain circumstances, as determined by the General Counsel, or when legally required, Paxar will inform law enforcement officials of facts discovered by any investigation concerning noncompliance.

No code of conduct can ever encompass all forms of human behavior. Paxar's Code of Business Ethics describes the basic ethical principles that should guide our business lives. We must all follow these principles, and have the good sense and judgment to apply them in all of Paxar's business activities. All of us share the responsibility to implement, execute and continually follow Paxar's Code of Business Ethics.

CODE OF BUSINESS ETHICS

Responsibilities

The Company is responsible for:

- Complying with applicable government laws, rules and regulations
- Distributing the Code of Business Ethics to all employees
- Maintaining an ongoing ethics awareness program
- Providing continuing counseling and guidance on appropriate business behavior, ethical matters and legal issues
- Enforcing compliance with this Code of Business Ethics
- Disclosing any waiver of this Code of Business Ethics (which waiver requires prior approval of the Audit Committee of the Board of Directors) to Company shareholders.

Supervisors are responsible for:

- Assuring that all current and new employees have received a copy of the Code of Business Ethics
- Emphasizing to employees under their supervision the need for ethical behavior
- Demonstrating ethical conduct by their personal action
- Identifying areas in which special training may be needed

All employees are responsible for:

- Reading and understanding the Code of Business Ethics and conducting themselves accordingly
- Seeking assistance when the appropriate course of action is unclear or unknown
- Remaining alert and sensitive to any actions that are in violation of this Code
- Reporting violations through appropriate channels

Treatment of People

Paxar Corporation's overriding principle is that all people will be treated fairly. Accordingly, consistent with the laws and regulations of the countries in which Paxar operates, Paxar will recruit, hire, transfer, promote and compensate its employees without regard to race, color, religion, national origin, gender, sexual orientation or age. Paxar complies, globally, with applicable human rights, employment equity and non-discrimination legislation and does not permit conduct that could create an intimidating or an offensive work environment. Managers must treat their employees with respect and ensure that the working environment is welcoming, efficient, productive and cooperative. Paxar will not tolerate behavior, on or off Paxar's premises, that even implies that continued employment, promotions, or the like are in any way based on personal relations. Personal relationships between managers and their employees are prohibited, even if kept completely outside the working environment. Personal relationships among employees must never interfere with the working environment or the ability of any employee to perform their job for Paxar.

Working Conditions and the Environment

The manager of each Paxar facility is responsible to provide an environmentally safe workplace in our offices and factories and ensure that adequate procedures are being employed to safeguard our employees, the environment and our customers.

The hours of each workday and the days worked each week shall not exceed the legal limitations of countries and jurisdictions in which Paxar operates. Paxar will take all necessary steps to make certain that no involuntary or illegal labor will be used in the manufacture and distribution of Paxar products.

All Paxar facilities must be drug-free. Paxar will cooperate with local, federal and national customs and drug enforcement agencies to guard against the use, shipment and dealing of illegal drugs.

Paxar is committed to the protection of the environment and the conservation of natural resources. We comply with environmental laws and regulations wherever we do business for the benefit of the environment, the health and safety of our employees, our customers, and the communities in which we operate. We will closely monitor our manufacturing, storage, treatment and disposition processes to ensure that Paxar's operations meet or exceed applicable standards for the benefit of the health and safety of our employees, our customers, and the communities in which we operate.

Confidential and Proprietary Information

Paxar Corporation values highly its confidential and proprietary information, whether protected by patents or the results of our manufacturing know-how. Much of the work we do depends on the value of such information. Our marketing objectives, customer lists, interim financial results, workforce and production plans, manufacturing techniques, software and new product development and the like are to be treated as confidential. Unauthorized disclosure can destroy the value of such information. Both present and former employees have a special responsibility to protect information to which they have been given access and to safeguard and monitor this information carefully. All Paxar confidential information in an employee's possession, whether in electronic or printed format, must be returned to his or her manager upon termination of employment.

Conflict of Interest and Gifts

A conflict of interest arises when an individual's private interest is contrary to the Company's interest and when that interest impedes the employee's ability to act objectively and effectively. It is essential that all employees avoid any situation or activity that might affect their judgment with respect to their responsibilities at Paxar and their ability to properly perform their job. Paxar expects all employees to avoid any outside business or financial interests or activity that may interfere with their performance or may be contrary to Paxar's interests. Having a material investment in, or a position with an enterprise that is a competitor, customer or supplier is an inherent conflict and is prohibited. Loans or other personal benefits given to a Paxar employee, or to a close friend or family of an employee, may impair the employee's ability to act in the best interest of the Company. For example, receipt of a gift from a supplier, whether in

cash, property or services, may impair one's ability to make a sound business decision.

Acceptance of any gift that is or could be construed to be a bribe is forbidden. Thus, a gift, favor or entertainment may be given to or received from a supplier or a customer only when all of the following criteria are met:

- It is consistent with established and customary business practices, such as paying the bill for a lunch with a customer;
- It is of such limited value that the business courtesy cannot be construed as a bribe, influence payment or kickback. An example would be accepting a calendar from a supplier that the supplier sends to all its customers annually;
- It does not violate any applicable law or regulation, or the customer's or supplier's ethical practices. An example would be providing a customer with tickets to a sports event where the customer's code of business practices permits its employees to accept such offers;
- It will not embarrass Paxar or the employee if publicly disclosed, such as buying an advertisement in a charity journal sponsored by a customer.

Under no circumstances should a Paxar employee responsible for recommending or purchasing goods or services maintain a personal relationship with a person who provides goods or services to Paxar. Common sense and good judgment must be applied in all such instances.

Corporate Opportunities

All Paxar employees owe a duty of loyalty to the Company to advance the business interests of the Company. No business opportunity that an employee discovers by virtue of his or her Paxar employment should be diverted from Paxar. When dealing with suppliers, employees are expected to act only in Paxar's best interests. Any questions concerning any such opportunity in which an employee is interested, should be referred to the General Counsel for a determination of whether pursuing it is in conflict with the Company's position.

Accurate Books and Records

All financial transactions and funds of the Company must be properly and adequately recorded on the books of the Company and supported by complete documentation in accordance with generally accepted accounting principles and sound business practices. The primary responsibility for Paxar's books of account and the custody of Paxar's bank deposits and accounts rests with the financial organizations of every unit. Safeguards, such as limits on spending authorizations and the requirement for multiple signatures on checks above specified amounts, must also be in place and will be reviewed by Paxar's internal and independent auditors. Every Paxar employee, however, has an individual responsibility to make certain that every financial transaction is properly authorized and documented.

Paxar requires that all officers and directors comply with all disclosure requirements in order to assure that public reports to the Securities and Exchange Commission, the New York Stock Exchange, and similar entities are complete, accurate, timely and in full compliance with applicable standards and free of any misrepresentation.

Paxar has issued a directive to all management, worldwide, to report any complaints regarding accounting, internal accounting controls or auditing matters. Those reports, along with responses to the complainant and any actions taken, are to be sent to Paxar's General Counsel. The General Counsel, who also serves as Secretary to the Audit Committee of the Board of Directors, will treat such reports in confidence, record them, and submit them to the Audit Committee. The Audit Committee will review all such reports and monitor the appropriateness of management's response.

Employees who have any concern regarding accounting or auditing matters that they deem questionable or improper, may, without fear of retaliation, which they do not feel comfortable bringing to management's attention, may submit their concern, anonymously, by calling the Corporate Ombudsman on the confidential hotline (800-941-0496) or submitting it directly to the Audit Committee. To do the latter, either send a letter to Chairman, Audit Committee, Paxar Corporation, 105 Corporate Park Drive, White Plains, NY 10604 or send an e-mail to

<audit.committee@paxar.com>. Only the members of the Audit Committee will receive and open any such communications. The Audit Committee will review and discuss such communications in executive session at its next meeting, or sooner if deemed appropriate by the Committee, without members of management present. The Committee will then advise management and Paxar's independent auditors of any actions that should be taken, and will maintain records of such incidents, and notify the employee (unless anonymous) of those actions.

Personal Use of Company Equipment

Most Paxar employees have access to telephones, e-mail, the Internet, fax machines and other equipment. Such equipment and services are provided solely for Paxar's business purposes. With your manager's approval, an occasional use for emergency or other personal purposes is permissible. Paxar, however, retains the right to monitor all such systems to discover and eliminate any potential abuses. Employees are encouraged to use their own, or public, facilities for all personal matters that occur during the working day. Please remember that, even with your manager's approval, you have no right to privacy when using Paxar's equipment and facilities for private purposes.

Compliance with All Applicable Laws

Paxar Corporation complies with all applicable laws, rules and regulations applicable to fair business and accounting practices. Paxar demands that all employees adhere to the same laws, rules and regulations, including but not limited to those referenced in this Code as well as those concerning antitrust, trade regulation, competitive information, insider trading and fair trade practices.

While it is Paxar's intention to compete vigorously in all of our operations, we will not participate in any business dealings that may violate any applicable antitrust law. A wide range of transactions and practices are prohibited under these laws. Examples of practices that, generally, are deemed to violate antitrust laws are agreements to fix or control prices, to require the

improper purchase of any goods or services, to allocate products, markets or territories, to boycott certain customers or suppliers, or to refrain from or limit the manufacture or sale of any product. The prohibitions on such conduct apply to both formal and informal communications and meetings with competitors, customers or suppliers.

In Paxar's industry, it is possible that our competitors may at some time also be customers or vendors, or both. It is necessary at all times to deal with each relationship separately from the others.

Any questions or issues regarding the antitrust aspects of dealing with competitors, customers or suppliers must be referred to Paxar's General Counsel.

Competitive Information

Gathering information about competitors is a legitimate business activity. It enhances Paxar's knowledge of the markets in which we operate and helps us understand and meet customer needs.

However, there are ethical, as well as legal, constraints on obtaining such information. With the advent of the Internet, more and more information about our competitors can be found with the click of a mouse. Attending a trade show will provide a public forum in which you should be able to gather a great deal of competitive information just by looking and listening. In no case, however, should any Paxar employee resort to obtaining non-public competitive information through bribery, violation of anyone's confidentiality obligations, or misrepresentation of any sort. Paxar expects its employees, customers, suppliers and competitors to respect its confidential and proprietary information. In turn, Paxar demands that its employees respect the confidential and proprietary information of its customers, suppliers and competitors.

Insider Trading

Employees shall not trade in the stock of Paxar Corporation, or in the stock of customer, supplier or competitor companies, if they have access to information arising from their employment that is not generally known to the public. If you know of nonpublic information that could be expected to influence an investor's decision to buy, sell, or hold securities, you may not use such information to trade for your own benefit and you may not disclose such information to anyone else.

To avoid the appearance of insider trading, all employees are strongly discouraged from engaging in trading in options on Paxar stock and from any trading during the three week periods prior to public reporting of Paxar's quarterly financial results. Any questions about trading and the timing of purchases and sales of Paxar stock should be referred to the General Counsel.

Export, Import and Restrictive Trade Practices

The cross-border transfer of the Company's products, the materials and components we purchase, the technology involved in these products, and their accompanying services are controlled by laws and regulations in effect throughout most of the world. Each operating unit is to ensure that the export and import of Paxar products and materials is made only in accordance with applicable laws and regulations pertaining to such export and import.

Paxar will not engage in any action, directly or indirectly, that will have the effect of furthering or supporting international restrictive trade practices or boycotts.

Outside Interests

It is essential that all employees avoid any situation or activity that might affect their judgment with respect to their responsibilities at Paxar and their ability to properly fulfill the responsibilities of their job. Paxar expects all employees to avoid any outside business or financial interests or activity that may interfere with their performance or may be contrary to Paxar's interest. Having a material investment in, or being an official, director of or consultant to

another enterprise, particularly if that enterprise is a competitor or a customer or supplier of products or services to Paxar, is an inherent conflict with Paxar's interests and is prohibited.

On the other hand, Paxar encourages its employees to participate in charitable and civic endeavors through volunteer work and community service.

Political Contributions

Paxar encourages its employees to exercise their individual rights as citizens to participate in the political process. Such participation, however, must be at the employee's expense, on the employee's free time, and cannot interfere with fulfilling one's job responsibilities.

No Paxar assets shall be used for political contributions to any party or individual candidate, foreign or domestic. Contributions include not only money, but also such items as loans, donations of property or services, and the purchase of tickets to political fund-raising events. Employees are also prohibited from making contributions through the use of intermediaries acting on behalf of the Company or from seeking reimbursement from Company funds for any personal political contribution.

PAXAR

ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the Paxar Code of Business Ethics. I understand that it is my responsibility to read the Code within 15 days after receiving it. I also acknowledge my obligation to ask questions of my manager, my Human Resources Director, or Paxar's Vice President, Human Resources or General Counsel about anything that is unclear to me.

To confirm that I will follow the guidelines contained in the Code, I shall print out this Acknowledgement Form, sign below to certify my commitment to follow the guidelines in the Paxar Code of Business Ethics and return it in accordance with instructions from my Human Resources Director. I understand that my failure to sign and submit this Acknowledgment may result in disciplinary action, up to and including termination, as deemed appropriate in the sole discretion of the Company.

Signature: _____

Print Name: _____

Date: _____ Location: _____