

David W. Meline

Senior Vice President and Chief Financial Officer



Deutsche Bank Global Industrials & Basic Materials Conference  
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## Forward Looking Statements

This presentation contains forward-looking information about 3M's financial results and estimates and business prospects that involve substantial risks and uncertainties. You can identify these statements by the use of words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans or prospects. Among the factors that could cause actual results to differ materially are the following: (1) worldwide economic and capital markets conditions and other factors beyond the Company's control, including natural and other disasters affecting the operations of the Company or its customers and suppliers; (2) the Company's credit ratings and its cost of capital; (3) competitive conditions and customer preferences; (4) foreign currency exchange rates and fluctuations in those rates; (5) the timing and market acceptance of new product offerings; (6) the availability and cost of purchased components, compounds, raw materials and energy (including oil and natural gas and their derivatives) due to shortages, increased demand or supply interruptions (including those caused by natural and other disasters and other events); (7) the impact of acquisitions, strategic alliances, divestitures, and other unusual events resulting from portfolio management actions and other evolving business strategies, and possible organizational restructuring; (8) generating fewer productivity improvements than estimated; (9) security breaches and other disruptions to the Company's information technology infrastructure; and (10) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in the company's Annual Report on Form 10-K for the year ended December 31, 2011 and its subsequent quarterly reports on Form 10-Q (the "Reports"). Changes in such assumptions or factors could produce significantly different results. A further description of these factors is located in the Reports under "Cautionary Note Concerning Factors That May Affect Future Results" and "Risk Factors" in Part I, Items 1 and 1A (Annual Report) and in Part I, Item 2 and Part II, Item 1A (Quarterly Report). The information contained in this presentation is as of the date indicated. The company assumes no obligation to update any forward-looking statements contained in this presentation as a result of new information or future events or developments.



## Our Six Market-Leading Businesses



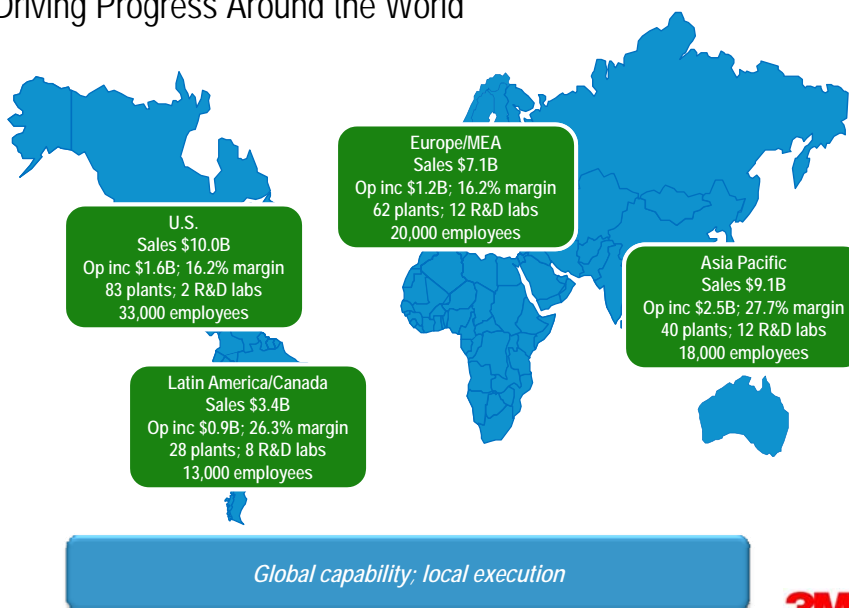
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## Driving Progress Around the World



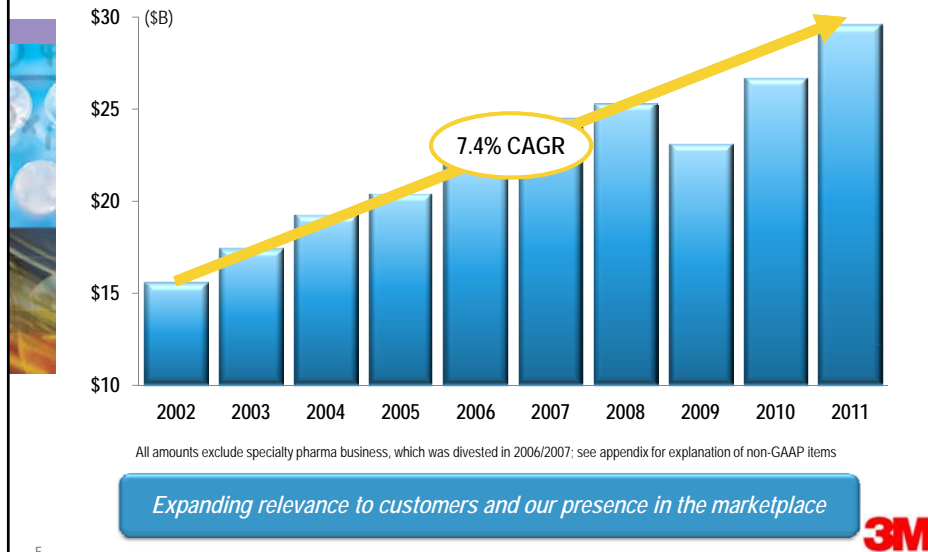
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## 3M Sales Continue to Grow

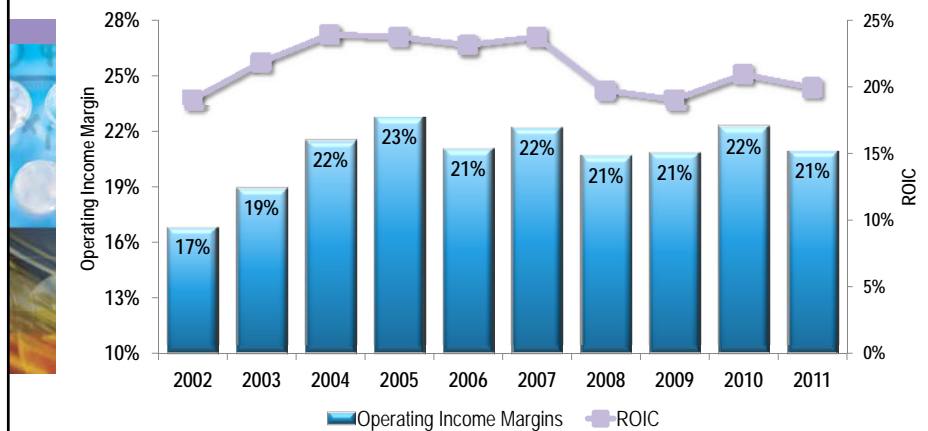


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## 3M's Business Model Produces Premium Returns



\* All amounts exclude specialty pharma business, which was divested in 2006/2007. Refer to appendix for non-GAAP financial measures discussion.

Driving superior, consistent levels of operational excellence

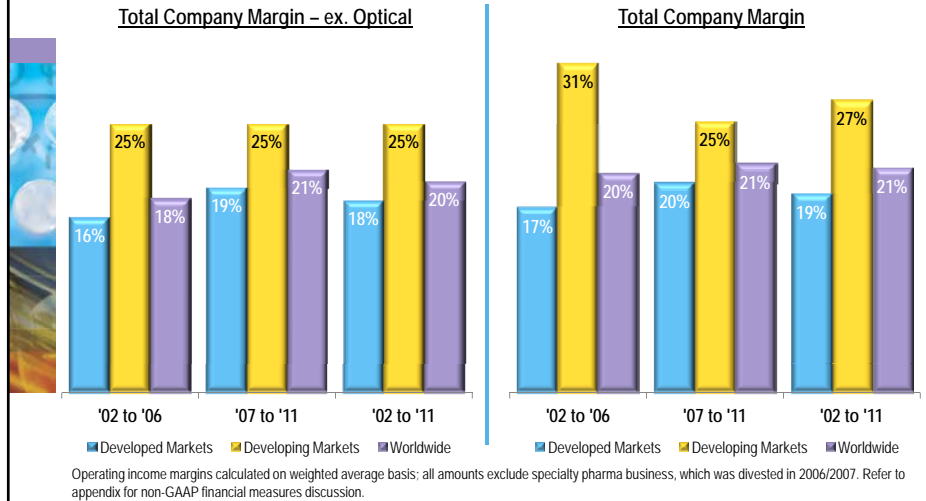
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## Outstanding Operational Execution Across Globe



*Maintaining margins in developing economies while driving leverage in developed economies*

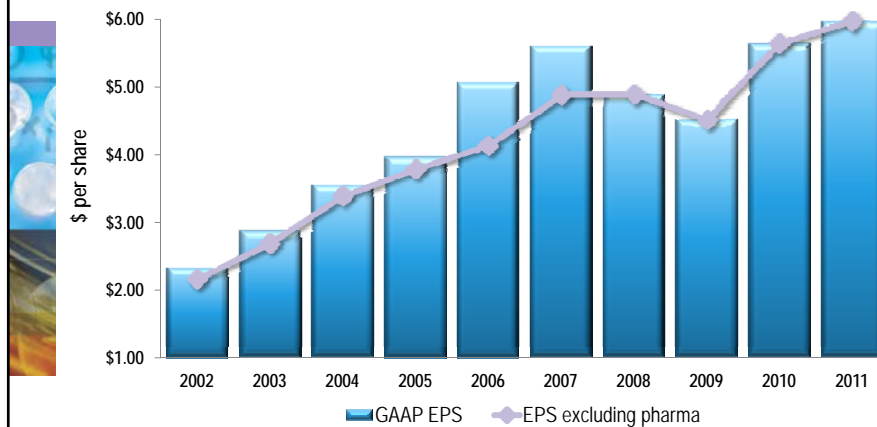


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## Double-Digit EPS Growth Over the Past Decade



*GAAP EPS has grown 11% CAGR over last decade*



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## Technology and New Products Help Fuel Our Results

### 3M Technology Platforms



### New Product Vitality Index (NPVI)



NPVI = New product vitality index (products introduced within the past five years, divided by total sales)

Driving both growth and profitability



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## Off to a Good Start in 2012

### Q1 Results Driven by Strength in Industrial-Related Businesses

- GAAP EPS of \$1.59, up 7% YOY; includes \$0.04 per share charge for voluntary early retirement program and selective restructuring actions
- Q1 2012 operating income of \$1.6 billion, up 3.5% YOY
  - Operating margins of 21.8%, up 20 bps YOY
  - 20%+ operating margins in 5 of 6 business segments
  - Strong factory performance, driven by LEAN
  - Costs under good control; actions were well-underway beginning H2 2011
- Q1 2012 sales of \$7.5 billion, up 2.4%
  - Increases in industrial, safety, consumer and health care
  - Declines in electronics-related businesses
- Returned \$934 million to shareholders via dividends and share repurchases

Operating margin of 21.8%, up 0.2 percentage points:

Price/RMs	+0.8 pts
Productivity	+0.3
Pension/OPEB	(0.6)
FX	(0.3)
Net change	+0.2 pts

Maintaining firm discipline, and accelerating investment in key growth areas



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## 2012 Organic Local Currency Growth Projections

By Business	Range	By Geographic Region	Range
Industrial & Transportation	+4% to +8%	Asia Pacific	+3% to +8%
Health Care	+4% to +6%	Excluding optical business	+8% to +13%
Safety, Security & Protection Services	+4% to +8%	West Europe	-2% to +3%
Consumer & Office	+4% to +7%	Central East Europe	+8% to +11%
Display & Graphics	-5% to -2%	Middle East, Africa	+12% to +14%
Electro & Communications	0% to +5%	Latin America	+7% to +10%
Total Company	+2% to +6%	Canada	+2% to +5%
		United States	+2% to +5%
		Total Company	+2% to +6%

Organic local currency growth = organic volume + price

*Growth expectations on track*

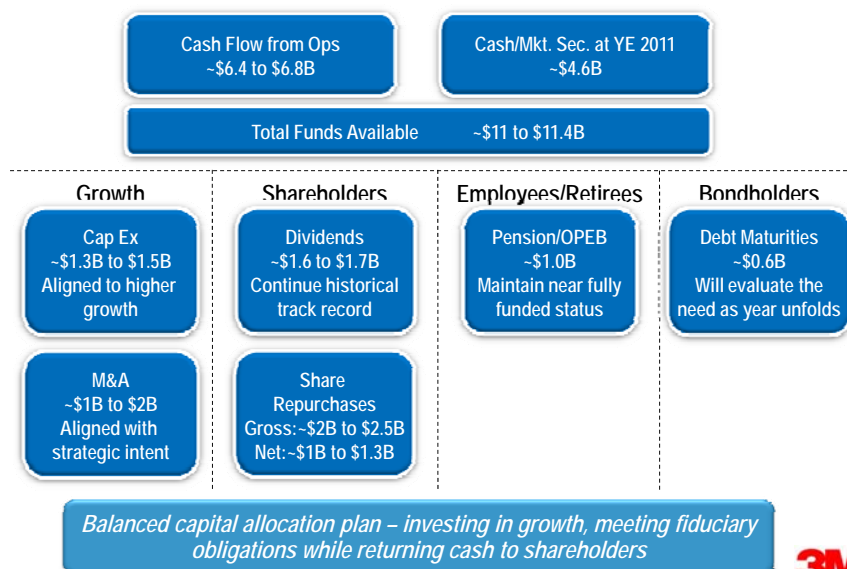


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## Capital Allocation Model – 2012















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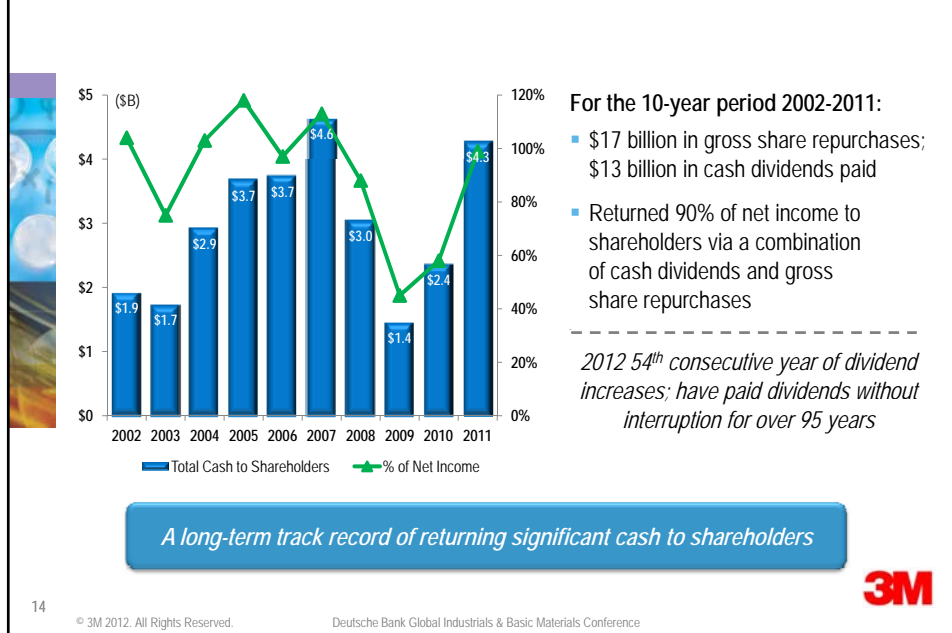
## Recent Deals Bolster the Portfolio

  <p>Patient &amp; Fluid Warming</p> <p>Aligned to key regulatory trends Gaining traction outside U.S. Exceeding sales and OI plan</p>	  <p>Biometric Identification Systems</p> <p>Key growth adjacency, expands market Winning tenders Exceeding sales and OI plan</p>	  <p>Bonded Abrasives</p> <p>Expands served market Fills critical portfolio gap Exceeding sales and OI plan</p>
  <p>Electronic Monitoring Technologies</p> <p>Key growth adjacency, expands market Further consolidation is happening Behind sales and OI plan, more to do</p>	  <p>Masking and Box Sealing Tapes</p> <p>Core expansion in Asia Establishes Asia source of supply Exceeding sales and OI plan</p>	  <p>Masking, Packaging and Mounting Solutions</p> <p>Core expansion in Europe Accelerates penetration of DIY channel Exceeding sales and OI plan</p>

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## Cash Back to Shareholders



## Poised for Future Success

- Strong, diverse and global portfolio
- Global capability, local execution
- Innovation at the center of our plan
- Driving superior, consistent levels of operational excellence
- Balance sheet and cash generation strong
- Long record of returns to shareholders

*Driving for double-digit earnings growth, premium returns  
and accelerated sales improvement*

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## Appendix



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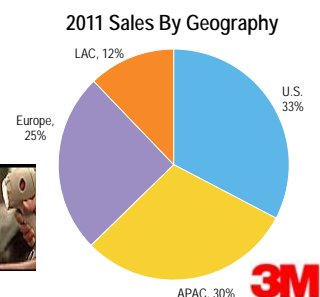
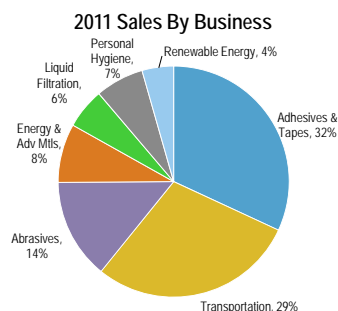


## Industrial & Transportation

(\$M)	2009	2010	2011	CAGR
Sales	\$7,120	\$8,429	\$10,073	19%
GAAP Operating Income	\$1,230	\$1,754	\$2,057	29%
GAAP Operating Margin	17.3%	20.8%	20.4%	

### With Leading Market Positions In:

- Industrial abrasives
- Auto body repair solutions
- Car care DIY
- Structural adhesive & tapes
- Filtration and purification systems
- Specialty additives
- Tapes and fasteners for personal hygiene products



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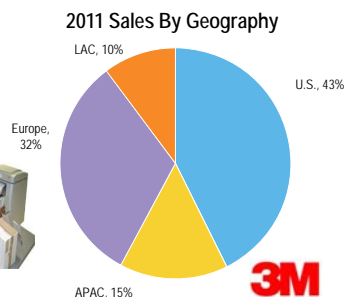
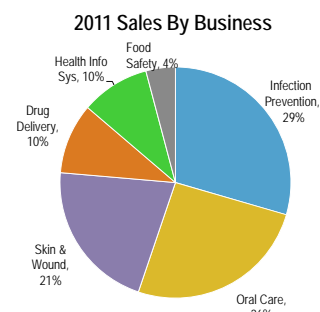
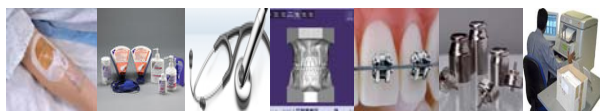
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## Health Care

(\$M)	2009	2010	2011	CAGR
Sales	\$4,282	\$4,513	\$5,031	8%
GAAP Operating Income	\$1,347	\$1,362	\$1,489	5%
GAAP Operating Margin	31.4%	30.2%	29.6%	

### With Leading Market Positions In:

- Skin and wound care – transparent IV dressings, tapes
- Infection prevention – auscultation, specialty drapes, surgical clippers
- Oral care solutions
- Coding and reimbursement software
- Drug delivery (inhalation systems)
- Food safety indicator solutions



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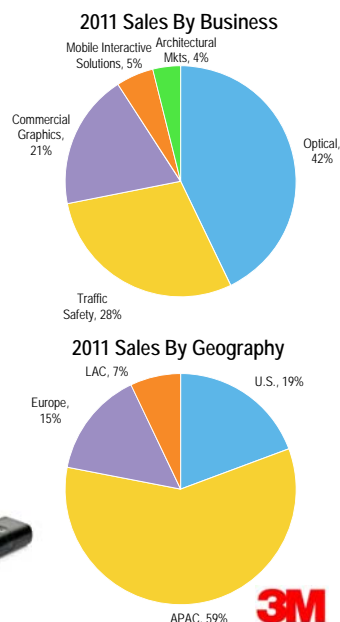
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## Display & Graphics

(\$M)	2009	2010	2011	CAGR
Sales	\$3,132	\$3,884	\$3,674	8%
GAAP Operating Income	\$590	\$946	\$788	16%
GAAP Operating Margin	18.8%	24.4%	21.5%	

### With Leading Market Positions In:

- Reflective signage for highway and construction safety and license plates
- Light management films that enhance brightness and provide energy efficiency in liquid crystal displays (LCD).
- Premium large format graphic films for advertising & fleet signage
- Mobile projection systems



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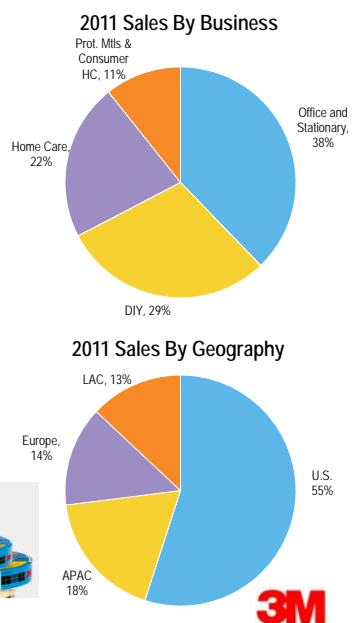
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## Consumer & Office

(\$M)	2009	2010	2011	CAGR
Sales	\$3,471	\$3,853	\$4,153	9%
GAAP Operating Income	\$748	\$840	\$840	6%
GAAP Operating Margin	21.5%	21.8%	20.2%	

### With Leading Market Positions In:

- Consumer tapes
- Repositionable notes
- Home air filtration
- Cleaning products for the home
- Consumer bandages, braces & supports
- Retail abrasives



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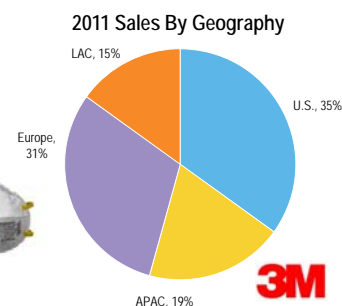
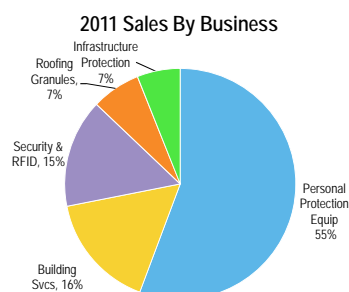
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## Safety, Security & Protection Services

(\$M)	2009	2010	2011	CAGR
Sales	\$3,076	\$3,316	\$3,821	11%
GAAP Operating Income	\$728	\$709	\$814	6%
GAAP Operating Margin	23.7%	21.4%	21.3%	

### With Leading Market Positions In:

- Respiratory protection
- Hearing and eye protection
- Roofing granules for asphalt shingles
- Automated library systems
- Personal identification issuance and authentication products
- Building safety solutions



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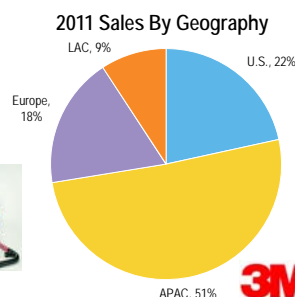
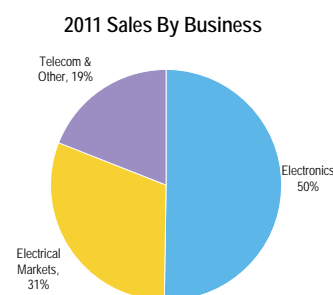
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## Electro & Communications

(\$M)	2009	2010	2011	CAGR
Sales	\$2,387	\$3,043	\$3,306	18%
GAAP Operating Income	\$351	\$670	\$712	42%
GAAP Operating Margin	14.7%	22.0%	21.5%	

### With Leading Market Positions In:

- Optically clear adhesives, Novec™ fluorochemicals and transport solutions for electronic components
- Printer flexible circuits
- Electrical vinyl, rubber, and mastic tapes
- Medium voltage cable accessories OEM insulation tapes
- Telecommunications copper splicing
- Fiber splicing/connectivity



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# Non-GAAP Financial Measures

## 3M Company and Subsidiaries SUPPLEMENTAL CONSOLIDATED INFORMATION NON-GAAP FINANCIAL MEASURES (Unaudited)

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the company also provides non-GAAP measures that exclude certain items. Operating income, diluted earnings per share, and other measures that exclude certain items are not in accordance with, nor are they a substitute for, GAAP measures. Certain items represent significant charges or credits that are important to an understanding of the company's ongoing operations. The company uses these non-GAAP measures to evaluate and manage the company's operations. The company believes that discussion of results excluding certain items provides a useful analysis of ongoing operating trends. The determination of these items may not be comparable to similarly titled measures used by other companies. In addition, in certain cases, the Company has provided disaggregated information (without Pharmaceuticals business, which was divested in 2006 and 2007) that the Company believes provides useful information. In addition, in certain cases, the Optical business is also excluded to more clearly show the impact of Optical on 3M's results.

Where these items are presented with respect to diluted earnings per share, 3M also provides the GAAP number for comparison purposes.

The below tables show the impact of excluding Pharmaceuticals sales from 3M total reported sales and also shows the impact on operating income and operating income margins of excluding pharmaceuticals.

	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Sales Volume</b>										
Reported GAAP	\$ 16,332	\$ 16,212	\$ 16,211	\$ 17,367	\$ 18,823	\$ 20,492	\$ 21,122	\$ 22,962	\$ 24,811	\$ 26,811
Pharmaceutical	\$ (752)	\$ (875)	\$ (758)	\$ (752)	\$ (775)	\$ (775)	\$ (775)	\$ (775)	\$ (775)	\$ (775)
Reported GAAP Excl. Pharmaceuticals	\$ 15,580	\$ 15,337	\$ 15,453	\$ 16,615	\$ 18,048	\$ 19,717	\$ 20,347	\$ 22,187	\$ 24,036	\$ 26,036
<b>Operating Income</b>										
Reported GAAP	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590	\$ 3,590
Pharmaceutical	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)	\$ (300)
Reported GAAP Excl. Pharmaceuticals	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290	\$ 3,290

The Company uses non-GAAP measures to focus on shareholder value creation. 3M uses Return on Invested Capital, defined as after-tax operating income divided by average operating capital. This measure excludes the impact of the Pharmaceuticals business on year 2007 and prior historical results. These measures are not recognized under U.S. generally accepted accounting principles and may not be comparable to similarly titled measures used by other companies.

	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Return on Invested Capital</b>	19.1%	22.1%	26.1%	26.4%	27.1%	27.1%	27.1%	27.1%	27.1%	27.1%
<b>Return on Invested Capital - Excluding Pharmaceuticals</b>	19.1%	21.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%	25.1%

The Company also uses non-GAAP measures to facilitate better understanding of components of sales growth. The Company may use organic volume growth or organic local-currency sales growth (which includes organic volume and selling price changes) as an indication of its economic growth. Organic local-currency sales growth excludes the impact of translation or currency exchange rates, and also excludes acquisition and divestiture impacts. In previous quarterly earnings releases and Form 10-Q and 10-K filings, the Company has reconciled the components of historical reported sales to total sales growth, including the impact of translation or currency exchange rates, acquisitions and divestitures.



# Advancing Enhancing Improving

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