

Health Care

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Health Care is an Attractive Market for 3M

- Large, global market with steady growth
 - 10% of global GDP
 - Projected CAGR of 6% over the next five years
- Dynamic market in need of innovative solutions
- 3M ideally suited to meet the needs in health care
 - Decades of innovative leadership
 - Global infrastructure
 - Continued operational excellence to fund growth investments

3M Health Care Business Group: A global innovative leader that is growing and delivering premium margins



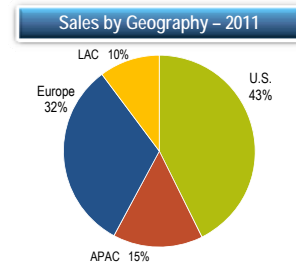
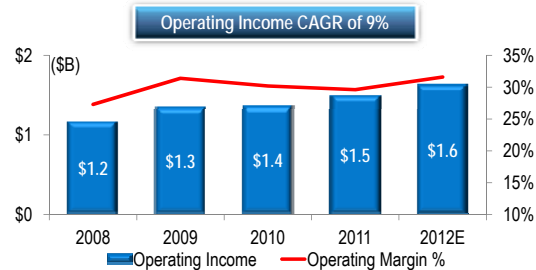
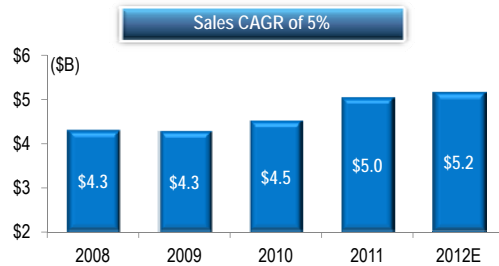
Health Care Business Group – 3M Technology Advancing Health



...3M Innovation Improving Every Life



Health Care Drives Impressive Financial Performance



Our Strategic Priorities

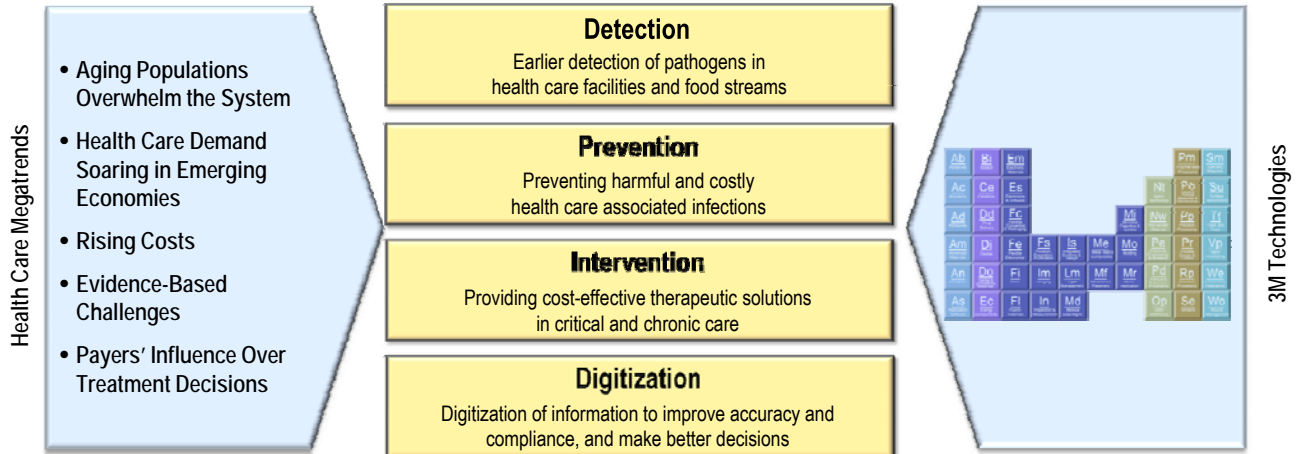
- Deliver transformational technology and solutions to intersect health care megatrends
- Maximize growth in developing countries
- Drive operational excellence to fund growth investments
- Actively manage portfolio to shift mix to faster-growing product categories

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Health Care Megatrends and 3M Technologies Determine Where We Innovate



Intervention

Innovative 3M Treatment For Chronic Edema

Problem & Opportunity

Chronic Edema Affects Millions, Costs *Billions*

- Impacts >4 million people in North America & West Europe alone
- Costs \$10,000+ per episode, stretches health care budgets
- Compression market opportunity: ~\$800 million



3M Solution

3M™ Coban™ 2 Compression System

- Significantly reduces chronic edema and venous leg ulcers
- Clinically proven, easy to apply – enables patient compliance
- Reduces leg pain by 50% within 1-2 weeks
- Reduces the total cost per treatment by more than 53%



Digitization

Digitization of Information to Improve Accuracy, Compliance and to Make Better Decisions

Problem & Opportunity

Hospital Reimbursement

- Hospital and health networks struggle to manage patient data, treatment codes, reimbursement forms and other health information in an accurate and timely manner
- An increase in treatment coding accuracy of 1% can yield \$500,000 for an average size hospital and \$1.5M in a large hospital
- Market opportunity exceeds \$1B



3M Solution

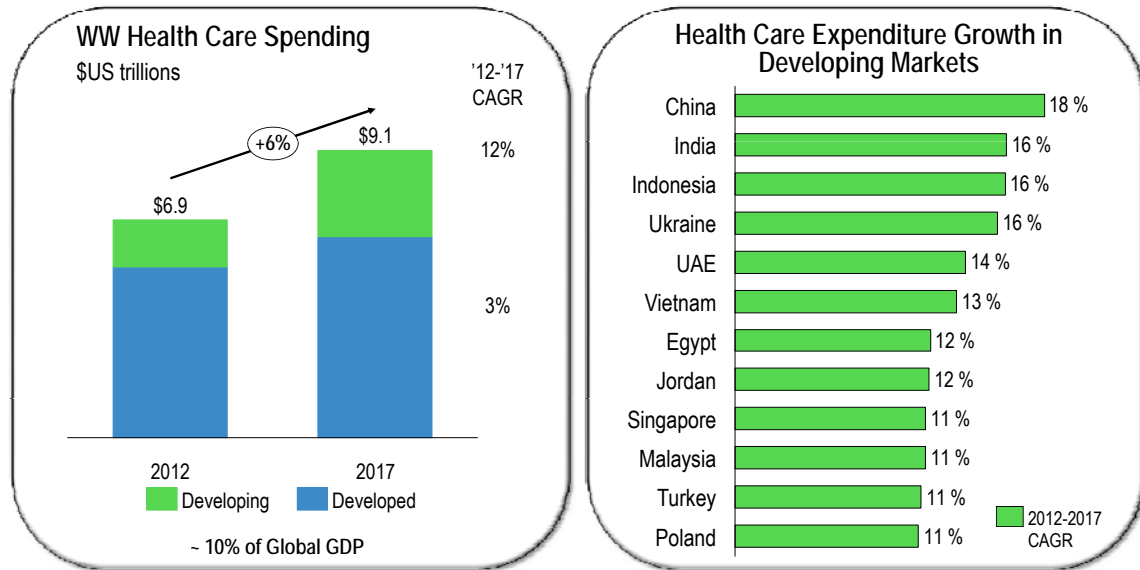
3M™ 360 Encompass™ System

- Improves coding efficiency, accurate documentation of treatment, compliance and ability to make more informed decisions
- 1 to 2 month payback in hospitals; ROI 6-12 times system cost

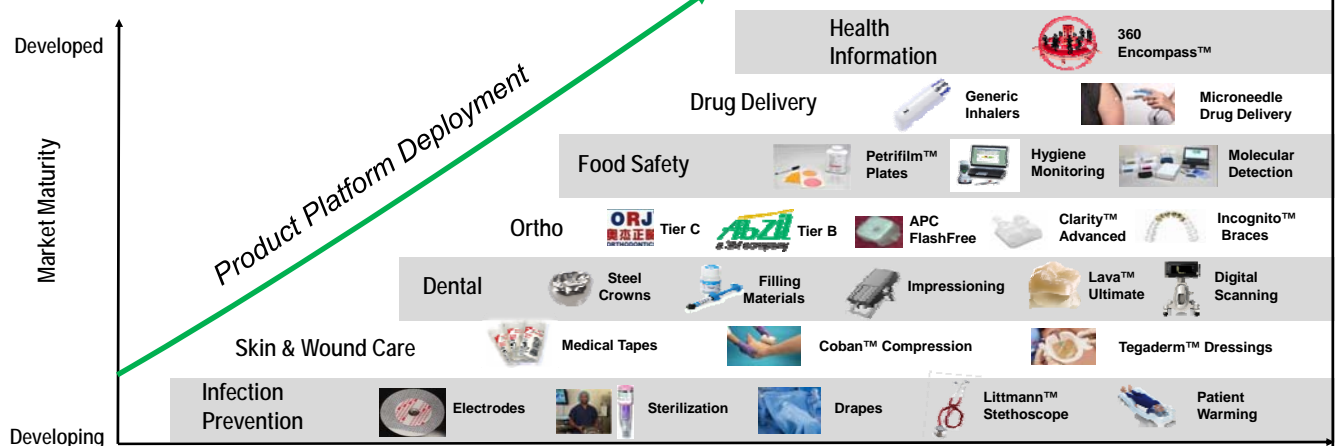
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Health Care is a Robust Global Opportunity



Systematic Deployment of Our Broad and Deep Portfolio According to the State of Health Care in Each Country



Penetrate with proven product platforms; innovate locally through regional R&D, regulatory, manufacturing



Continuing to Build Our International Capability...

Increase Coverage

Expand feet on the street to accelerate market penetration

Build Marketing /
Professional Service

Hire and develop talent to create awareness,
build brand equity and drive adoption of our solutions

Invest in R&D /
Regulatory

Build local laboratory and regulatory centers
to further develop an outstanding localized product portfolio

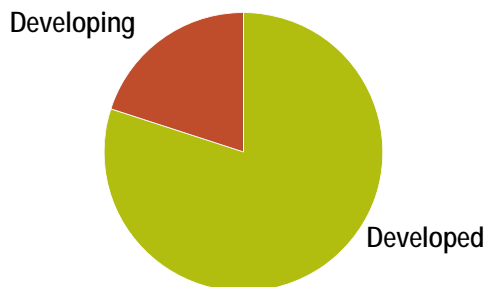
Greater Supply Chain
Self Sufficiency

Expand international manufacturing and supply chain footprint

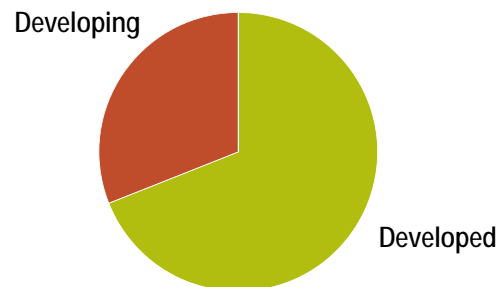
...Leveraging 3M Global Footprint

While Still Growing in Developed Markets, We Will Shift Our Overall Revenue Mix to Faster-Growing Developing Countries

% Sales - 2012



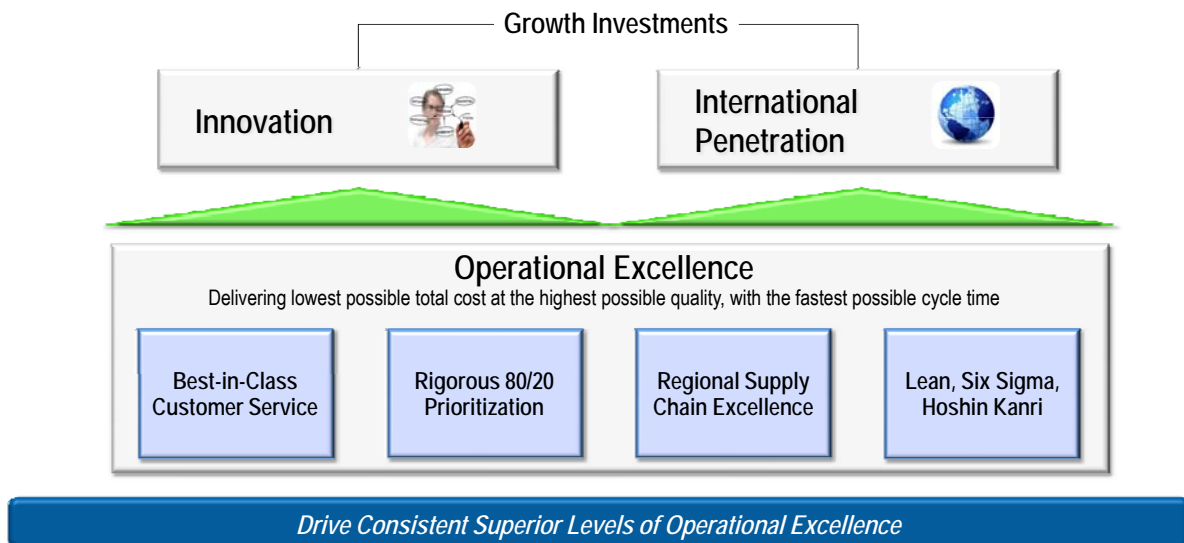
% Sales - 2017



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Operational Excellence to Fund Growth Investments



Our Strategic Priorities

- Deliver transformational technology and solutions to intersect health care megatrends
- Maximize growth in developing countries
- Drive operational excellence to fund growth investments



- Actively manage portfolio to shift mix to faster-growing product categories

Actively Manage Our Portfolio to Shift Mix to Faster-Growing Product Categories



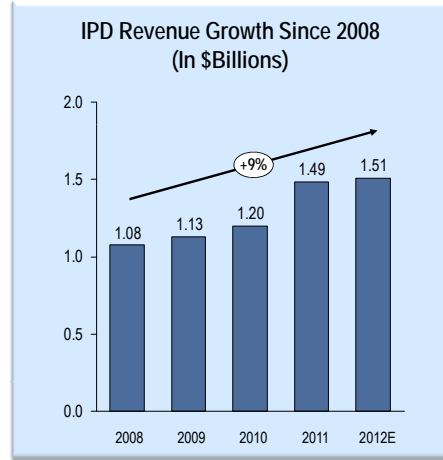
- Prioritize investments in commercialization capability for faster-growing categories
- Supplement organic growth with strategic acquisitions to further enhance customer relevance on prioritized segments

3M: An Innovative, Ever-Expanding Force in Infection Prevention Since the 1960s

PRODUCT BUILDING BLOCKS

MARKET DEVELOPMENT

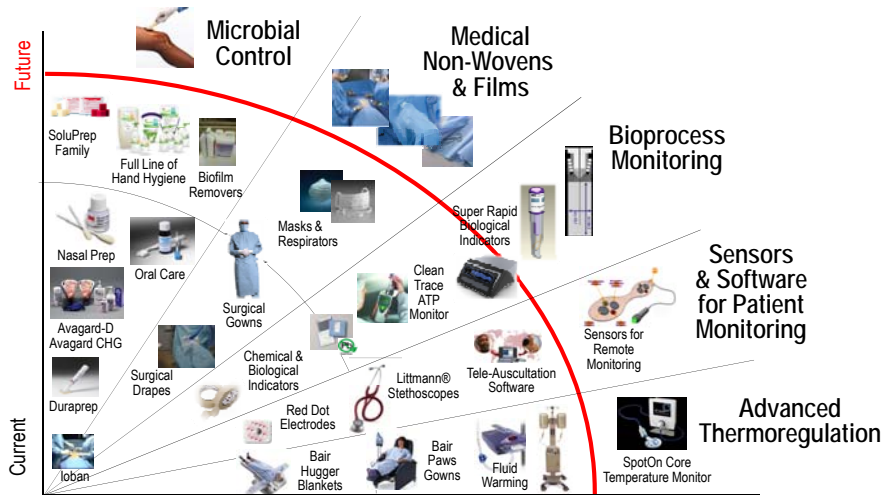
1960s-1970s	1980s-1990s	2000s - Today
<ul style="list-style-type: none"> Founding Member AORN APIC 	<ul style="list-style-type: none"> Founding Member SHEA NPSF AAMI 	<ul style="list-style-type: none"> Joint Commission International APEC IP Leadership Summit ALL-NONE



Hospital Acquired Infections Globally Affect 1.5 Million Patients Every Day and Generate > \$35 Billion of Avoidable Cost Annually



Technical Depth and Customer Understanding Enable Innovation



Healthcare Associated Infections (HAIs) Defined:

- Surgical Site Infections
- Hospital Acquired Pneumonia
- Urinary Tract Infections
- Bloodstream Infections
- Hospital-wide Outbreaks

Technology Platforms Enable Comprehensive Solutions for HAIs



Augment Organic Growth and Portfolio With Selective M&A

Acquired Arizant 2010

Forced Air Patient Warming Gown



Forced Air Warming Blankets



Fluid Warming



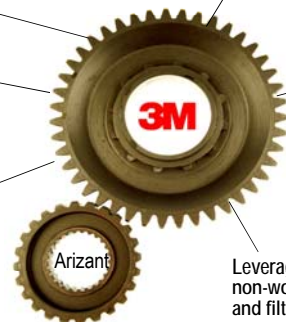
3M Boosts Arizant's Strengths

Shifted distribution model to direct sales from 5 to 54 countries

Significantly expanded product registration for entire portfolio

Revenue: \$250M
Revenue CAGR: 15%*

*CAGR since acquisition '10-'12



Realized \$6M savings in warehouse and procurement costs

Lean Six Sigma improvements in manufacturing efficiencies and yields > 10%

Leveraged 3M adhesives, non-woven, converting and filtration technologies

SpotOn™ Introduced 10/2012

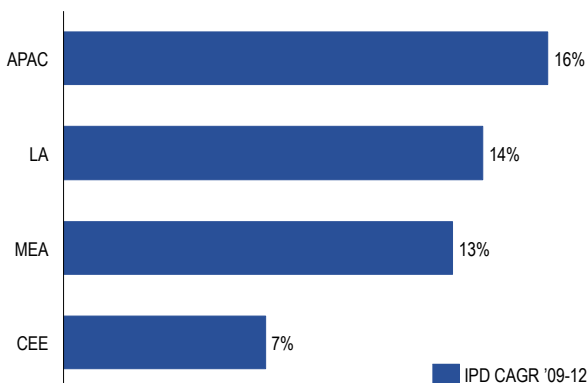


- First non-invasive core body temperature monitor
- Strong health economics value proposition
- Market opportunity, \$300M

Potential Annual Global Market: \$2 Billion; Global Penetration of Patient Warming Solutions Only 15%

Taking Our Infection Prevention Expertise Globally to Protect Patients

Developing Countries: Revenue Growth 2009-2012



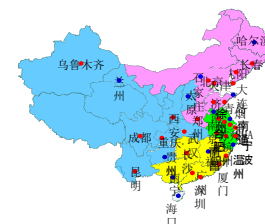
Significant Investment in China Since 1984



- PuJiang Investment \$54M
- Building: 183k sqm
- Land: 543k sqm

Over 500 Employees in China Health Care:

- Marketing & Sales
- Regulatory & Clinical
- Manufacturing & Supply Chain



China Growth: 40% CAGR from 2009-2012; Projecting China to be the 2nd Largest Country for IPD sales in 2017

Infection Prevention Division's Mission is to Reduce Hospital Acquired Infections

We can help our customers reduce infections, using:

- Our Technology
- Our Global Presence
- Our Know-How
- Our People

Solid business fundamentals allow for future growth:

- Outstanding market opportunity globally
- Strong outlook on new products & innovation
- Operational excellence to fund growth
- Great team in place

Strong track record of financial performance, and ready to deliver in the future:

- Delivered WW organic growth of 6% CAGR from 2006 – 2012
- Continuing to provide innovative solutions



ALL NONE
Eliminating HAI through knowledge, collaboration and leadership



3M is Well Positioned to Thrive in the Dynamic Health Care Market

- An arsenal of leading technologies that intersect health care megatrends providing us ample space for innovative solutions that will expand our relevance to customers
- Unparalleled global footprint to drive faster growth and penetration across the globe
- Keen focus on operational excellence to fuel investments for growth while driving premium margins

*Inspired People Dedicated to Making the Element of 3M's Vision
"3M Innovation Improving Every Life" a Reality*



3M

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