

2011 Second Quarter Business Review (unaudited)



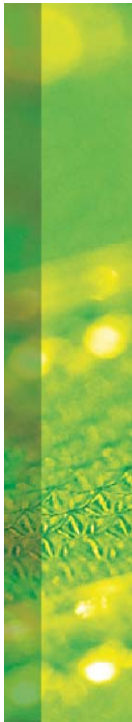
July 26, 2011

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; (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 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; and (9) 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, 2010 and its subsequent quarterly reports on Form 10Q (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.

Strong Q2 Results Despite Near-Term Headwinds

- Sales up 14% to \$7.7 billion; all-time quarterly record
 - Double-digit growth in 4 of 6 businesses
 - Emerging markets increased 17%, or 27% excluding optical films
 - Organic volumes rose 3.2%, or > 7% adjusting for Japan earthquake, optical and H1N1
 - Selling prices increased 0.8% in Q2; continuing to gain traction
 - 4 of 6 businesses increased prices YTD; Display and Graphics down (electronics-related); Consumer and Office flat (increasing prices in second half)
 - Acquisitions added 4.0% and FX added 6.1% to sales growth
- Operating income of \$1.7 billion, up 4% YOY
 - Operating margins of 21.6%, or 22.1% adjusting for impact of Japan earthquake
 - Operating margins exceeded 20% in 5 of 6 businesses
- GAAP EPS of \$1.60, up 4% YOY; all-time Q2 record
- Returned \$1.1 billion to shareholders in the quarter
 - Gross share repurchases of \$678 million plus \$391 million in cash dividends
- Free cash flow of \$1.2 billion with conversion of 100%



Japan Update

- In total, business and financial impact as expected
 - Automotive and window films better, electronics softer
- Reconstruction efforts underway but progressing slowly
- New business opportunities emerging in three areas: clean-up (e.g. DIY, personal safety), energy savings (e.g. window films) and rebuild (e.g. traffic safety, telecom/utility, construction)

Estimated Financial Impact	WW Sales	EPS
Q1	-\$50M	-\$0.03
Q2	-\$160M	-\$0.07
Q3/Q4	-\$20M to -\$50M	-\$0.01 to -\$0.02
FY 2011	-\$230M to -\$260M	-\$0.11 to -\$0.12

* EPS impact excludes potential insurance recovery; assessment of financial impact of claims is ongoing

Worst of the Impact is Behind Us, Now Focused on Opportunities Ahead



Sales and Profit Expansion Continued in Q2 2011

	Sales				Operating Income			
(\$M)	Q210	Q211	USD % Chg	Local Currency % Chg	Q210	Q211	% Chg	Q211 Margin %
Industrial & Transportation	\$2,121	\$2,641	+25%	+18%	\$463	\$544	+17%	20.6%
Health Care	\$1,110	\$1,269	+14%	+8%	\$344	\$364	+6%	28.7%
Consumer & Office	\$954	\$1,038	+9%	+4%	\$211	\$202	-4%	19.5%
Safety, Security & Protection Svcs	\$844	\$1,011	+20%	+12%	\$198	\$242	+23%	24.0%
Display & Graphics	\$1,047	\$973	-7%	-11%	\$308	\$222	-28%	22.8%
Electro & Communications	\$757	\$864	+14%	+8%	\$176	\$200	+14%	23.1%
Total Company	\$6,731	\$7,680	+14%	+8%	\$1,596	\$1,655	+4%	21.6%

Sales Up in 5 of 6 Businesses, With Premium Margins Across Portfolio



Year-on-Year P&L Highlights

(\$M)	Q2 10	Q2 11	Change	
Sales	\$6,731	\$7,680	+14%	- Strong growth in general industrial and personal safety - Organic volume up > 7%, adjusting for Japan earthquake (2.4%), optical (1.3%) and H1N1 (0.3%) - Price increases accelerating - Acquired growth - Winterthur, Alpha Beta, Arizant, Cogent and Attenti
Organic volume			3.2%	
Price			0.8%	
Acquisition			4.0%	
FX			6.1%	
Gross profit	\$3,296	\$3,640	+10%	- Net raw material/selling price penalty - FX penalty due to weak USD - Increase in YOY pension/OPEB expense
% to sales	49.0%	47.4%	-1.6 pts	
SG&A	\$1,350	\$1,581	+17%	17% SG&A increase due to translation (7%), acquisitions (6%) and pension/OPEB expense (3%)
% sales	20.1%	20.6%	+0.5 pts	
R&D & related	\$350	\$404	+15%	R&D investment drives record new product revenues
% to sales	5.2%	5.2%	----	
Operating inc. (GAAP)	\$1,596	\$1,655	+4%	Operating income up 14%, adjusting for Japan earthquake, H1N1 comps and increased pension/OPEB expense
% to sales	23.7%	21.6%	-2.1 pts	
Net income (GAAP)	\$1,121	\$1,160	+4%	

Operating Margin YOY Change

	Percent	
Q2 2010	23.7%	
+ Organic volume leverage	+0.3%	3.2% organic volume growth
- Price/raw material, net	(0.5%)	Selling prices increasing; driving toward zero RM/price impact for the full year
- Foreign currency	(0.6%)	Weaker USD
- Japan earthquake impact	(0.5%)	Expecting Q2 to be the low point; primarily impacted auto OEM and electronics businesses
- Increased pension/OPEB expense	(0.8%)	Becomes a tailwind in 2012 at current interest rates and asset returns
Q2 2011	21.6%	

Cash Flow

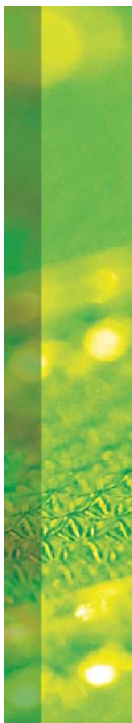
(\$M)	Q2 2010	Q2 2011	Change	
Operating cash flow	\$1,138	\$1,451	\$313	▪ Cash taxes down \$185M
Capital expenditures	<u>(\$180)</u>	<u>(\$295)</u>	<u>(\$115)</u>	▪ Alleviating capacity constraints and funding international growth
Free cash flow	\$958	\$1,156	\$198	
Free cash flow conversion	85%	100%		▪ Q2 2011 in-line with historical Q2 norms
Share repurchase	(\$373)	(\$678)	(\$305)	▪ Repurchased \$1.4B YTD

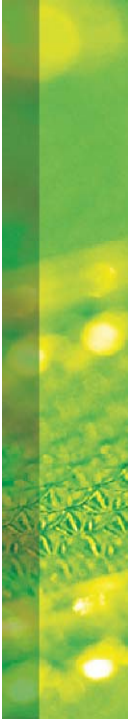
Aiming for ~100% Conversion for FY2011

2011 Planning Estimates

	Prior 4/26/11	Current 7/26/11	
Organic volume growth	6 – 7.5%	6 – 7.5%	▪ No change
FX	2 – 3%	3.5 – 4.5%	▪ Continued USD weakness
Acquisition impact	4 – 6%	3 – 4%	▪ June YTD = 3.6%
Operating income margin	21.5 – 23%	21.5 – 22.5%	▪ June YTD = 21.6%
Tax rate	~29.5%	~29%	▪ Canada restructuring and positive audit developments
EPS – GAAP	\$6.05 - \$6.25	\$6.10 - \$6.25	▪ Includes \$0.22 pension/OPEB headwind; EPS up 12 – 15% excluding this headwind

Q & A





Appendix

Industrial and Transportation

(\$M)	Q2 2010	Q2 2011	% Chg
Sales	\$2,121	\$2,641	+25%
GAAP Operating Income	\$463	\$544	+17%
GAAP Operating Margin	21.9%	20.6%	-1.3 pts

YTD 2010	YTD 2011	% Chg
\$4,157	\$5,091	+23%
\$906	\$1,060	+17%
21.8%	20.8%	-1.0 pts



Quarter Highlights

- Sales in local currency up 17.5% including 7.1% from acquisitions; FX added 7.1% to sales
- Growth led by renewable energy, abrasives systems, aerospace, industrial adhesives and tapes
- Local-currency sales declined in Auto OEM, impacted by Japan earthquake-related disruptions
- Sales increased 40 percent in Europe, 28 percent in Asia Pacific, 22 percent in Latin America/Canada and 13 percent in the U.S.
- Operating income of \$544 million; operating margin of 20.6 percent

Business Wins

- Cubitron™ II abrasives won a TechAmerica Foundation's American Technology Award
- Renewable energy division announced manufacturing expansion in China to serve fast growth photo voltaic module manufacturers
- Winterthur and Alpha Beta acquisitions performing ahead of expectations
- Chris Holmes appointed EVP, Industrial and Transportation; replaces H.C. Shin, who was appointed EVP, International Operations

Health Care

(\$M)	Q2 2010	Q2 2011	% Chg	YTD 2010	YTD 2011	% Chg
Sales	\$1,110	\$1,269	+14%	\$2,224	\$2,524	+14%
GAAP Operating Income	\$344	\$364	+6%	\$690	\$733	+6%
GAAP Operating Margin	30.9%	28.7%	-2.2 pts	31.0%	29.1%	-1.9 pts



Quarter Highlights

- Sales up 7.8 percent in local currency, including 5.0 percent from acquisitions; FX increased sales by 6.5%
- Arizant acquisition continues to outperform sales and profit expectations; growth pipeline remains strong
- Positive local-currency sales growth in infection prevention, skin and wound care, health information systems, oral care and food safety; sales declined in drug delivery systems
- Double-digit sales growth in all geographic regions
- Operating income of \$364 million, with operating margin of 28.7 percent

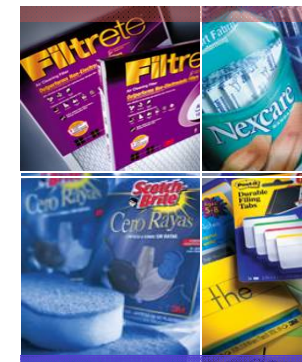
Business Wins

- Introduced new 3M™ Clean-Trace™ Hygiene Management System to help hospitals assess the cleanliness of surfaces and validate the efficacy of cleaning protocols
- Launched the new 3M™ Kind Removal Silicone tape
- Health information systems introduced a new mobile software solution that improves workflow efficiency for physicians
- Drug delivery business collaborating with Radius Health to develop a transdermal osteoporosis treatment
- Littman® electronic stethoscope used on the space shuttle to transmit astronaut heart activity back to earth

Consumer and Office

(\$M)	Q2 2010	Q2 2011	% Chg
Sales	\$954	\$1,038	+9%
GAAP Operating Income	\$211	\$202	-4%
GAAP Operating Margin	22.1%	19.5%	-2.6 pts

YTD 2010	YTD 2011	% Chg
\$1,866	\$2,038	+9%
\$430	\$417	-3%
23.0%	20.4%	-2.6 pts



Quarter Highlights

- Sales in local currency up 4.0%; FX increased sales by 4.9%
- Strongest growth in home care, consumer health care and stationery product businesses
- Sales grew 21 percent in Latin America/Canada and Asia Pacific and 20 percent in Europe
- U.S. sales rose 1 percent, impacted by weak consumer confidence and continued high unemployment levels
- Investing in developing economies to build brand awareness and sales momentum; second-quarter sales rose 51 percent in China and 29 percent in India
- Operating income of \$202 million with margins of 19.5 percent

Business Wins

- Announced acquisition of GPI Group, a French manufacturer and marketer of DIY products; acquisition builds on existing product platforms and accelerates global DIY presence
- Driving growth in the DIY channel with 3M™ TEKK Protection™ safety eyewear, along with myriad hearing and respiratory protection products
- Celebrated the 50th anniversary of Scotch® Magic tape by launching a greener version made from 75% recycled or plant-based materials
- Strong growth in cleaning and scouring category, boosted by new sponge designs



Safety, Security and Protection Services

(\$M)	Q2 2010	Q2 2011	% Chg	YTD 2010	YTD 2011	% Chg
Sales	\$844	\$1,011	+20%	\$1,657	\$1,940	+17%
GAAP Operating Income	\$198	\$242	+23%	\$380	\$441	+16%
GAAP Operating Margin	23.4%	24.0%	+0.6 pts	22.9%	22.8%	-0.1 pts



Quarter Highlights

- Sales in local currency up 12.4% including 7.0% from acquisitions; currency translation increased sales by 7.3%
- H1N1-related comps reduced sales growth by 2.7 percent
- Double-digit local-currency growth in occupational health and environmental safety, security systems and track and trace businesses
- All geographic regions posted sales growth, led by Asia Pacific at 24 percent and Latin America/Canada at 23 percent
- Operating income rose 22.7 percent to \$242 million; operating margin of 24.0 percent.

Business Wins

- Launched major new programs for 3M Speedglas™ Welding Helmet and 3M Versaflo™ Powered and Supplied Air
- Japanese earthquake impacts drove additional demand for personal protection solutions
- 3M Attenti awarded electronic monitoring contract with Finnish Ministry of Justice
- Awarded a contract for locating underground infrastructure with a Russian telecom provider
- Julie Bushman appointed EVP, Safety, Security and Protection Services; replaces Jean Lobey, who retired June 1st

Display and Graphics

(\$M)	Q2 2010	Q2 2011	% Chg
Sales	\$1,047	\$973	-7%
GAAP Operating Income	\$308	\$222	-28%
GAAP Operating Margin	29.5%	22.8%	-6.7 pts

YTD 2010	YTD 2011	% Chg
\$1,916	\$1,916	---
\$520	\$452	-13%
27.2%	23.6%	-3.6 pts



Quarter Highlights

- Sales in local currency decreased 10.6%; currency translation increased sales by 3.5%
- Sales declined 22 percent in optical systems, driven by LCD TV; excess channel inventory and market maturation is driving OEMs to reduce product performance and costs to improve profitability
- Single-digit local-currency sales growth in both commercial graphics and architectural markets
- Traffic Safety Systems' sales declined slightly in local currency; highway construction government funding remains soft in the U.S. and Western Europe
- Operating income of \$222 million; operating margin of 22.8 percent

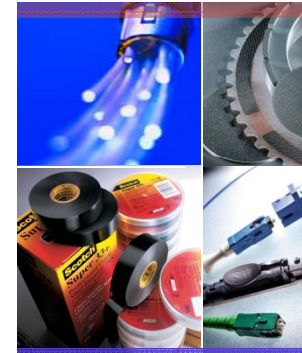
Business Wins

- Continued growth momentum in the mobile and handheld segments
- Debuted new optical film solutions for tablet applications that increase brightness, enhance outdoor viewing and reduce overall thickness of backlight films
- Mobile interactive business introduced the first-to-the-world screen protection/privacy film combination for tablet devices
- Traffic safety signed multi-year contracts to provide registration fulfillment services for the state of Georgia and to modernize the DMV system in Idaho



Electro and Communications

(\$M)	Q2 2010	Q2 2011	% Chg	YTD 2010	YTD 2011	% Chg
Sales	\$757	\$864	+14%	\$1,451	\$1,700	+17%
GAAP Operating Income	\$176	\$200	+14%	\$323	\$378	+17%
GAAP Operating Margin	23.2%	23.1%	-0.1 pts	22.2%	22.2%	----



Quarter Highlights

- Sales in local currency up 8.2%; currency translation increased sales by 5.9%
- Double-digit local-currency growth in electronics materials business, driven by 3M solutions for the fast-growing semiconductor manufacturing, tablet PC and smart phone markets
- Single-digit local-currency growth in electrical products and telecom-related businesses
- Sales grew 21 percent in Europe, 17 percent in Latin America/Canada and 16 percent in Asia Pacific
- Operating income increased 13.8 percent to \$200 million; operating margin of 23.1 percent.

Business Wins

- Announced manufacturing expansion for 3M™ Novec fluids to support strong demand for sustainable solutions in the electronics and fire suppression markets
- Opened a new applications laboratory for 3D wafer integration and ultra-thin wafer handling for the semiconductor industry
- Brazil's CPFL Piratininga installed 3M ACCR high-voltage overhead conductor in Sao Paulo; installation represents the 7th application in South America

Business Segment Information

(\$M) Business Segment Information	Net Sales		Operating Income	
	Q2 2010	Q2 2011	Q2 2010	Q2 2011
Industrial and Transportation	\$2,121	\$2,641	\$463	\$544
Health Care	\$1,110	\$1,269	\$344	\$364
Consumer and Office	\$954	\$1,038	\$211	\$202
Safety, Security & Protection Services	\$844	\$1,011	\$198	\$242
Display and Graphics	\$1,047	\$973	\$308	\$222
Electro and Communications	\$757	\$864	\$176	\$200
Corporate and Unallocated	\$4	\$3	(\$81)	(\$93)
Elimination of Dual Credit	<u>(\$106)</u>	<u>(\$119)</u>	<u>(\$23)</u>	<u>(\$26)</u>
Total	\$6,731	\$7,680	\$1,596	\$1,655

NOTE: Effective in the first quarter of 2011, 3M made certain product moves between its business segments. Refer to 3M's July 26, 2011 press release section entitled "Business Segments" for further detail.

Business Segment Information

(\$M) Business Segment Information	Net Sales		Operating Income	
	YTD 2010	YTD 2011	YTD 2010	YTD 2011
Industrial and Transportation	\$4,157	\$5,091	\$906	\$1,060
Health Care	\$2,224	\$2,524	\$690	\$733
Consumer and Office	\$1,866	\$2,038	\$430	\$417
Safety, Security & Protection Services	\$1,657	\$1,940	\$380	\$441
Display and Graphics	\$1,916	\$1,916	\$520	\$452
Electro and Communications	\$1,451	\$1,700	\$323	\$378
Corporate and Unallocated	\$8	\$8	(\$164)	(\$198)
Elimination of Dual Credit	<u>(\$200)</u>	<u>(\$226)</u>	<u>(\$44)</u>	<u>(\$50)</u>
Total	\$13,079	\$14,991	\$3,041	\$3,233

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