

3M Abrasive Systems Division

3M Abrasives

Chris Holmes

Vice President & General Manager

December 12, 2007

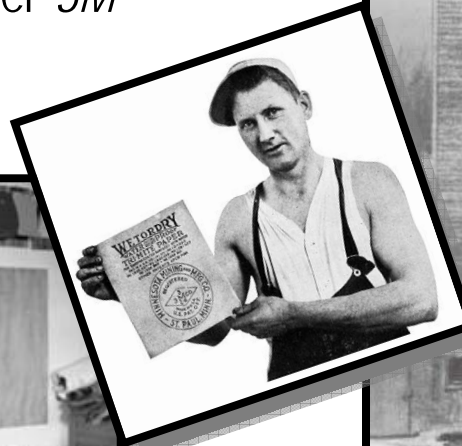
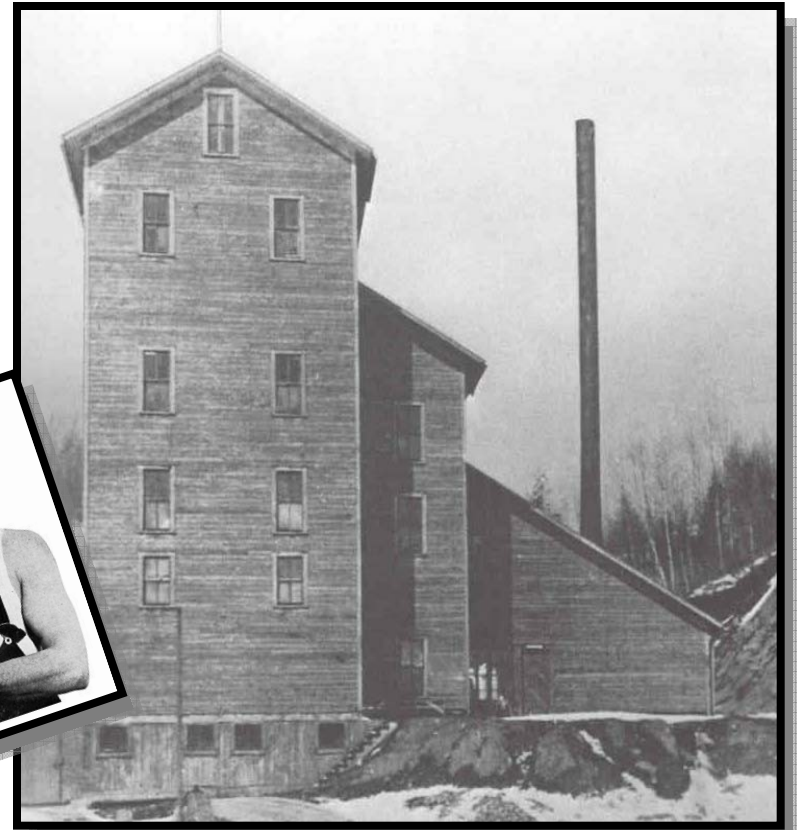
A Revitalized & Enduring Franchise



The Leading Provider of
Industrial Solutions Vital
to our Customers' Success

In the Beginning 3M was Abrasives ...

- 1902 founded to mine "corundum"
- 1905 sandpaper
- 1916 supplied abrasive cloth belts & discs to support WWI effort
- 1921 First international Sales-*Global Culture*
- 1921 invented "Wetordry" paper-*3M Innovation Culture*

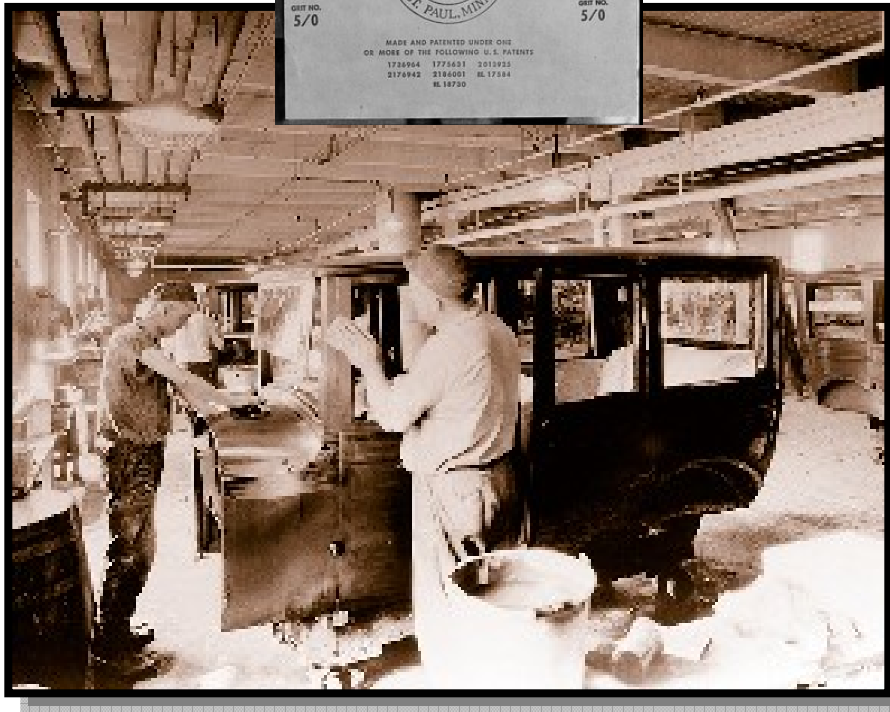
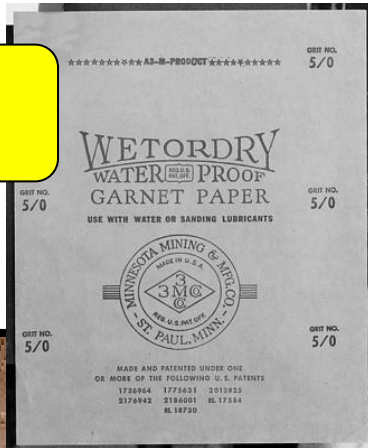


**WHY DOES THE WORLD
NEED ABRASIVES ???**



Abrasives – a long standing and Enduring Franchise

1921

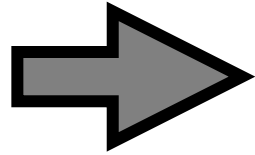
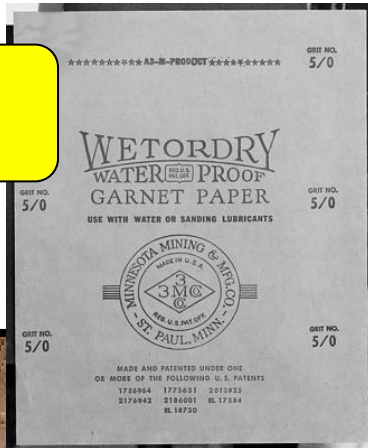


An early 3M innovation providing the finishes required on the paint line

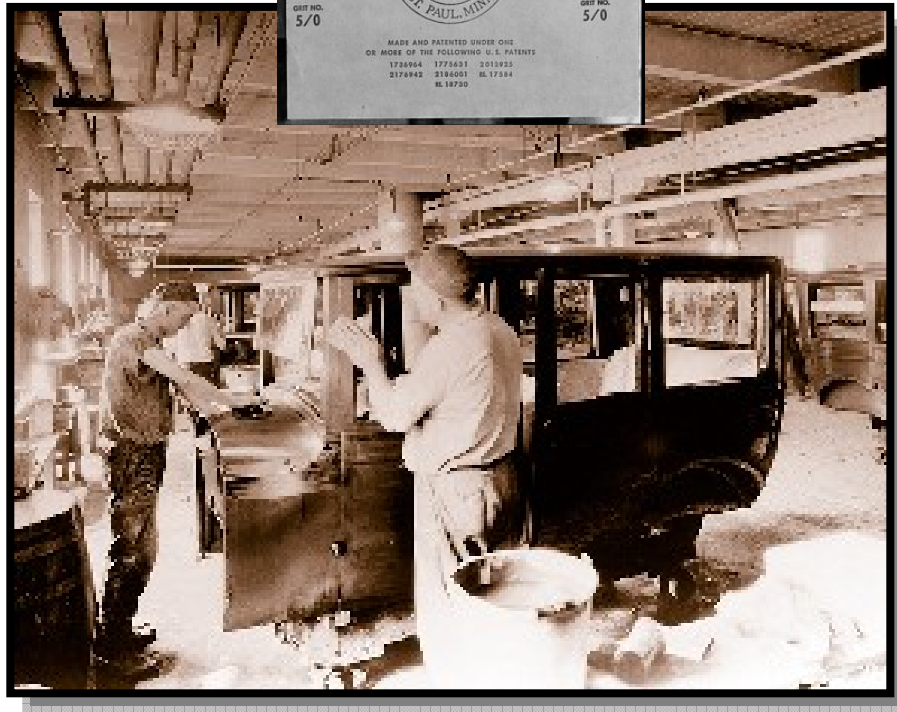


Abrasives – a long standing and Enduring Franchise

1921



2007



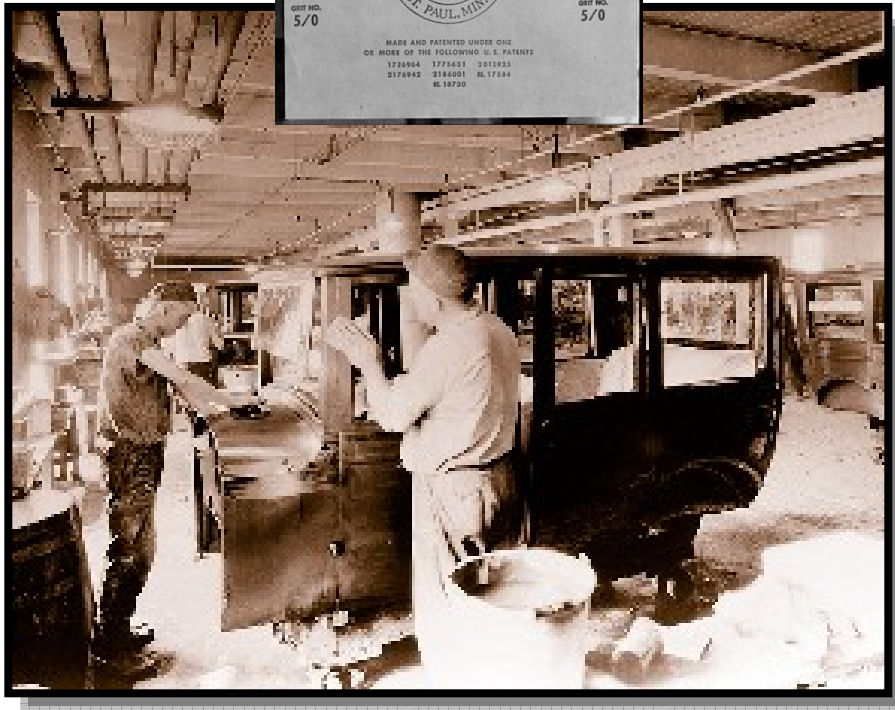
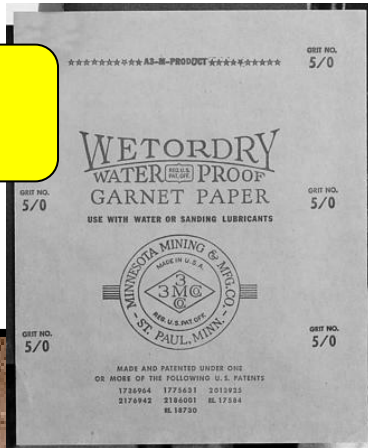
Today the 3M™ Trizact™ Paint Finishing System is the preferred solution for every car manufacturer in the world

An early 3M innovation providing the finishes required on the paint line

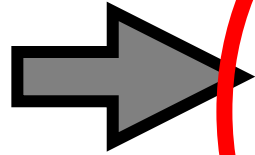


Abrasives – a long standing and Enduring Franchise

1921



An early 3M innovation providing the finishes required on the paint line



2007

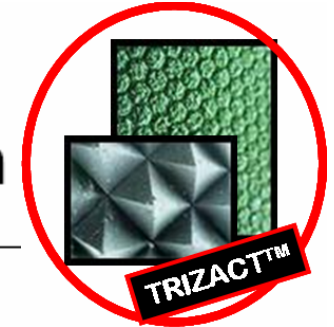


Today the 3M™ Trizact™ Paint Finishing System is the preferred solution for every car manufacturer in the world



Remember George's Enduring Franchise slide...

The Oldest Can Be Forever New - Abrasive Reinvention



FROM



Traditional mineral materials and market focus;
metal finishing and wood-working

2003 ROIC = 16%
2003 Growth Rate ≈ 1%

TO



Synthetic materials and specialized
applications; aerospace, healthcare,
composites

2012 ROIC = 45%
2007 Growth Rate = 8+%

Movement to higher growth, higher profit market zones

Consistent, Reliable and Outstanding Business Results

Sales Growth is ... 8%+
OI % ...
Economic Profit ...
ROIC ...



Consistent, Reliable and Outstanding Business Results

Sales Growth is ... 8%+
 OI % ...
 Economic Profit ...
 ROIC ...



Consistent, Reliable and Outstanding Business Results

Sales Growth is ... 8%+
 OI % ...
 Economic Profit ...
 ROIC ...



FIRST...

- Built credibility
- Filter !
- The right vision – compelling
- Best People – practical
- Relentless Focus – prioritization
- Energize - motivated
- Measure - scorecards
- Adjust as required

(and then never lose focus)

Consistent, Reliable and Outstanding Business Results

Sales Growth is ... 8%+
OI % ...
Economic Profit ...
ROIC ...

Growth

MORE RECENTLY...

Acquisitions

- GIDCO
- DPI
- UNIFAM
- Standard Abrasives

Transformational

- Trizact™ Abrasives
- 3M Power Tools
- 3M SuperAbrasives

Operational Excellence

FIRST...

- Built credibility
- Filter !
- The right vision – compelling
- Best People – practical
- Relentless Focus – prioritization
- Energize - motivated
- Measure - scorecards
- Adjust as required

(and then never lose focus)



OUR VISION ...



and we do it by ...

Being **FIRST** effective and reliable for Customers and then being efficient for 3M



3M has \$1.6B Global Abrasives Business, the Industrial component is \$1B and growing at 8.4%

Abrasive Systems Division serves several key markets

woodworking

transportation
Aerospace
Marine

casting and forging

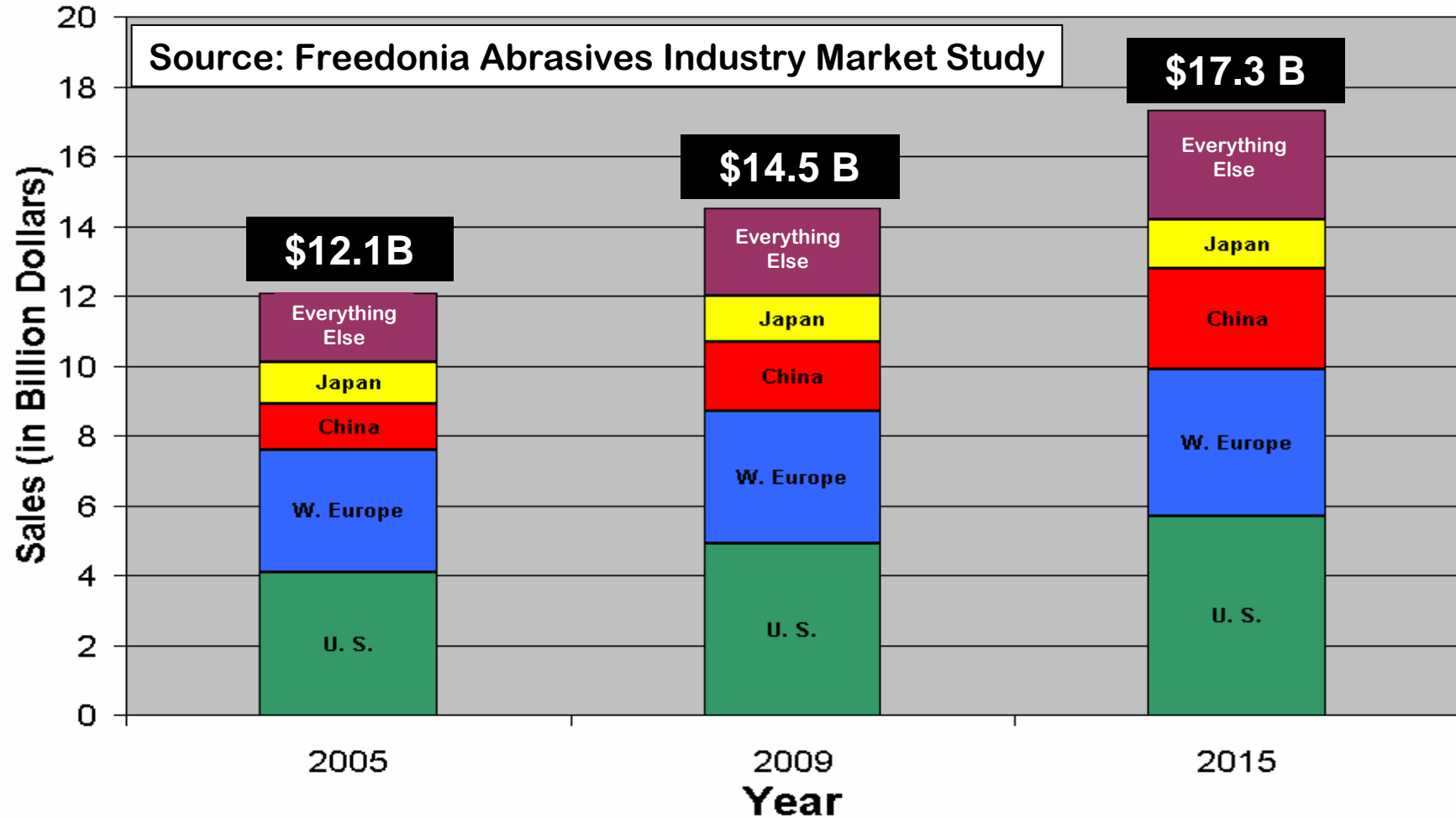
cylindrical grinding

automotive original
equipment manufacturers

metal fabricating



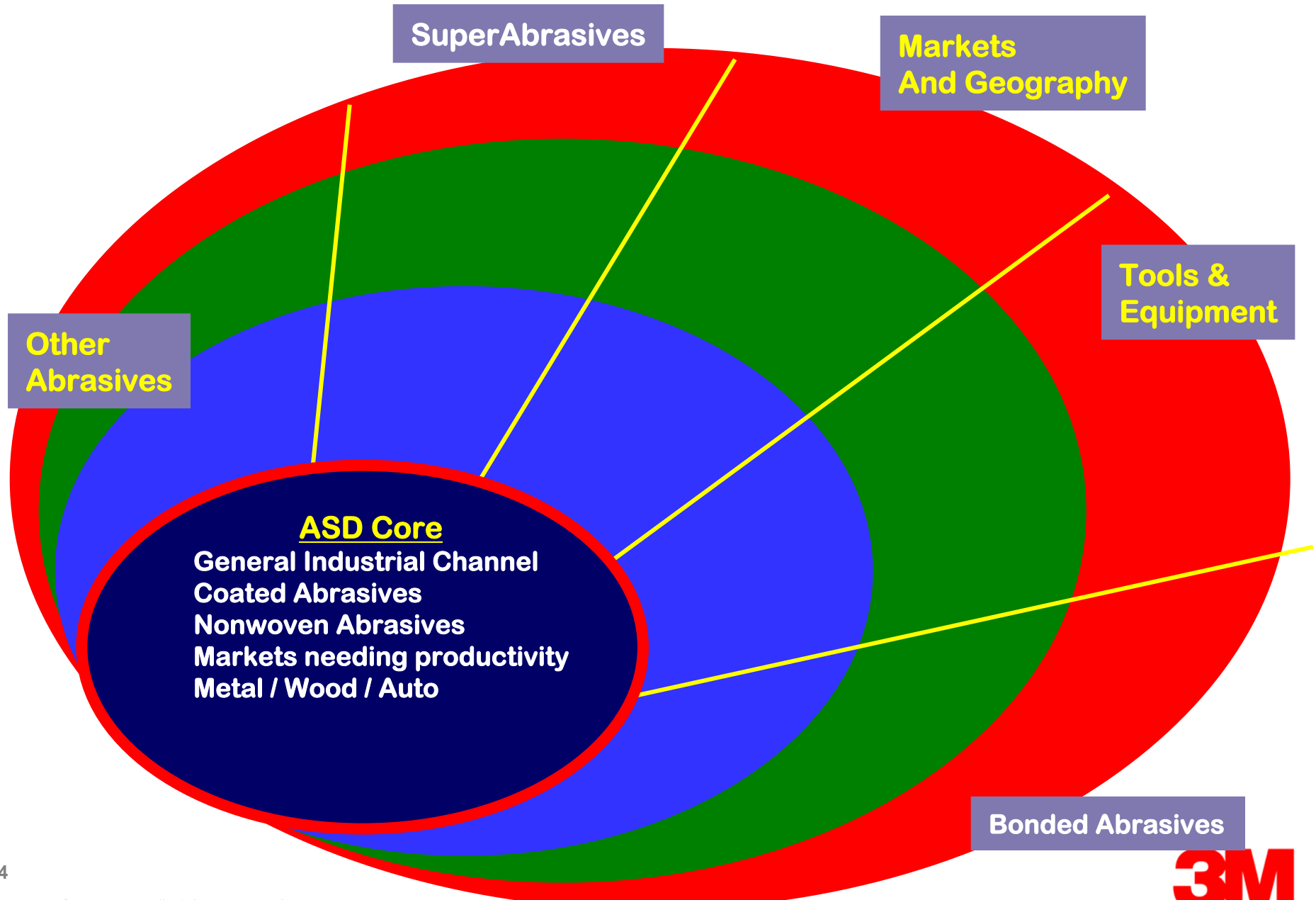
Abrasive consumption continues to grow...



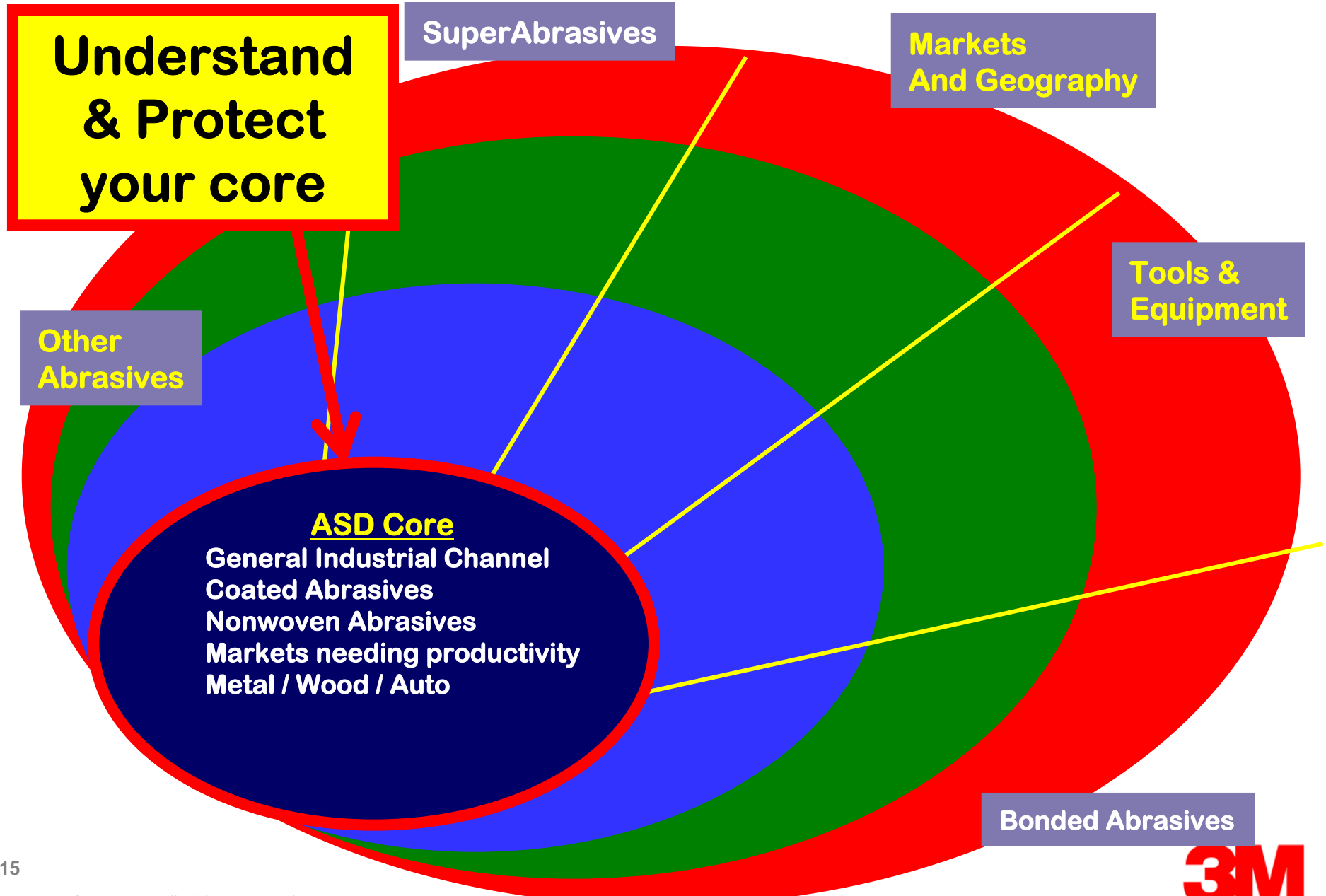
..... and it's a global opportunity !



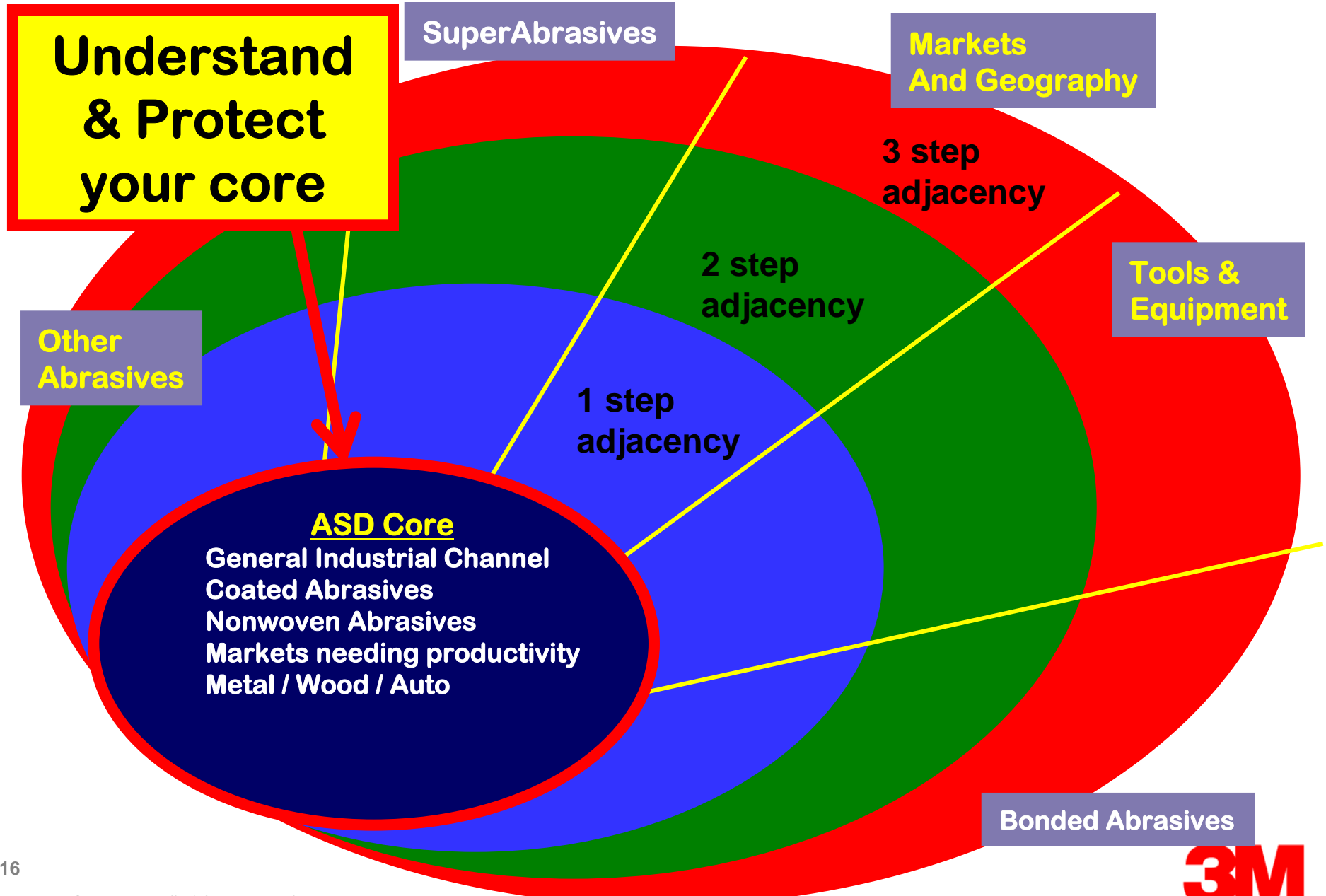
Core and Adjacency Growth Map



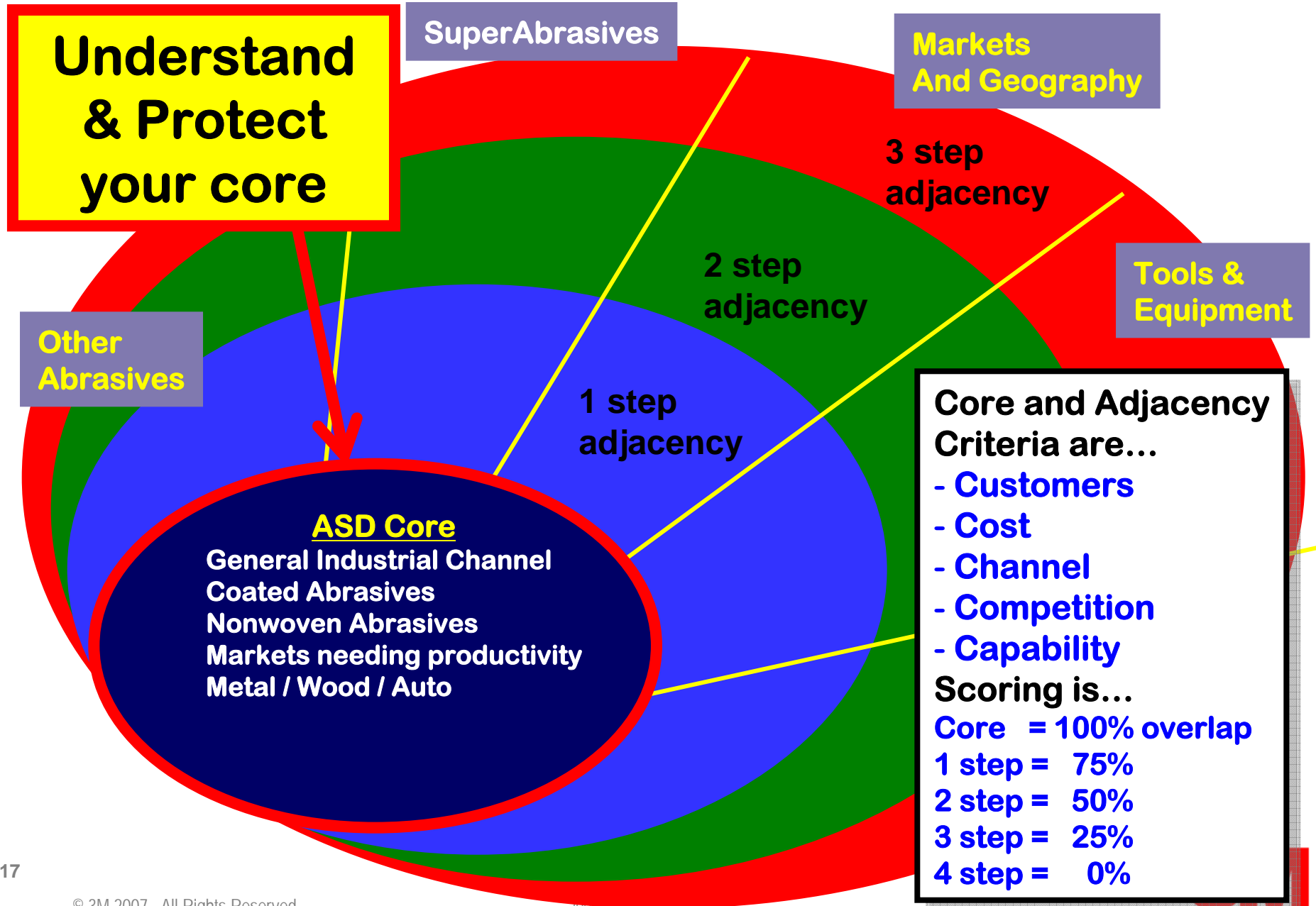
Core and Adjacency Growth Map



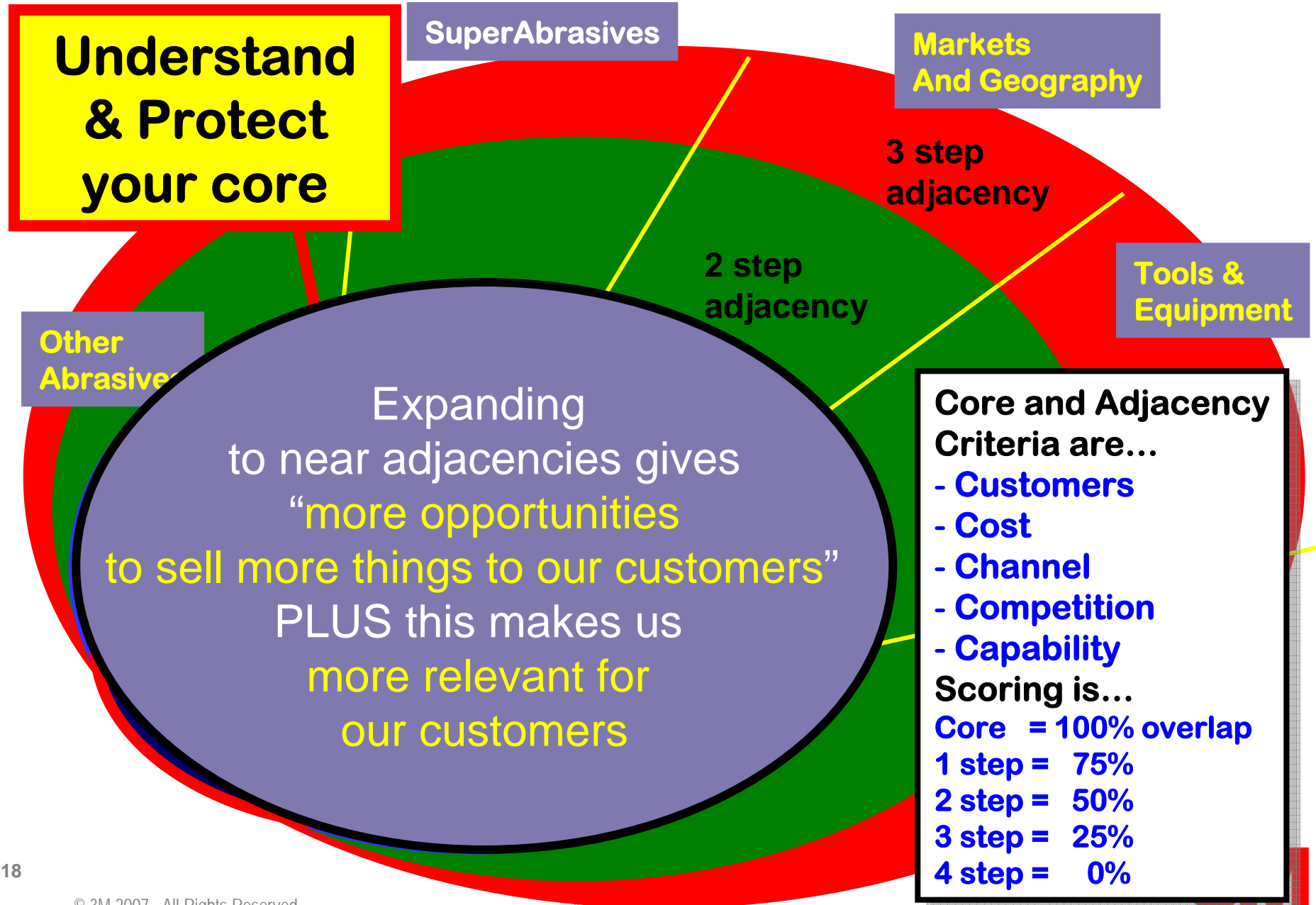
Core and Adjacency Growth Map



Core and Adjacency Growth Map



Core and Adjacency Growth Map

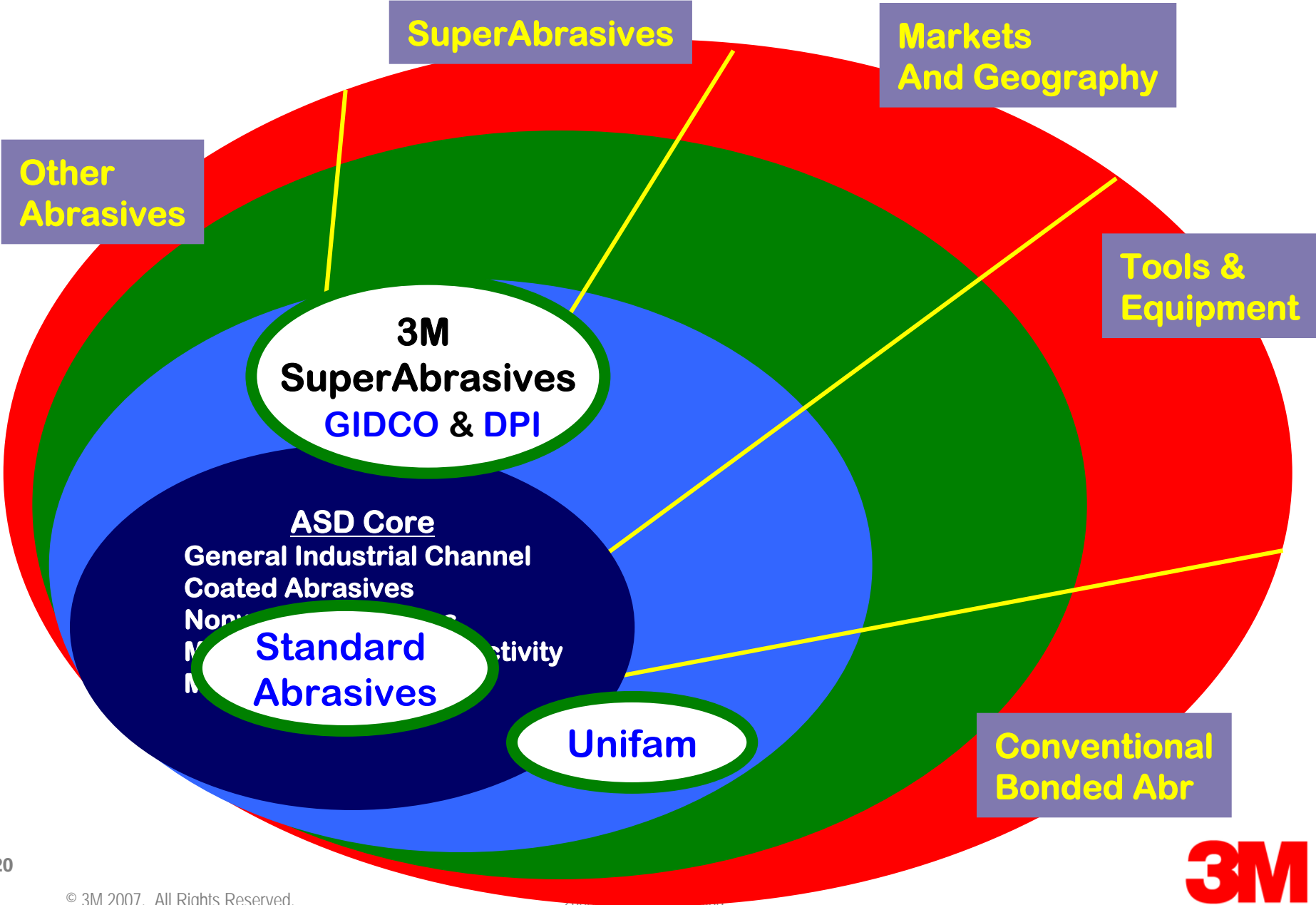


... We are not your old Abrasives Division



As the global need for surface modification erupts, the Abrasive Systems Division aims to be the world's No. 1 solution provider.

Core and Adjacency Growth Map



ASD Acquisitions

GENERAL INDUSTRIAL DIAMOND

3M Industrial & Transportation Businesses
General Industrial Diamond – Q2 2006
Superabrasives, Bonded Abrasives



Resin Bond
Diamond Wheels

Metal Bond
Diamond Wheels
And Tools

3M

© 2007 3M Co. All Rights Reserved.

DIAMOND PRODUCTIO Inc

3M Industrial & Transportation Businesses
Diamond Productions Inc - Q2 2007



3M

© 2007 3M Co. All Rights Reserved.

UNIFAM

3M Industrial & Transportation Businesses
Unifam – Q4 2007
Abrasives Acquisition in Poland



UNIFAM

3M

© 2007 3M Co. All Rights Reserved.

STANDARD ABR

3M Industrial & Transportation Businesses
Standard Abrasives - Q4 2007



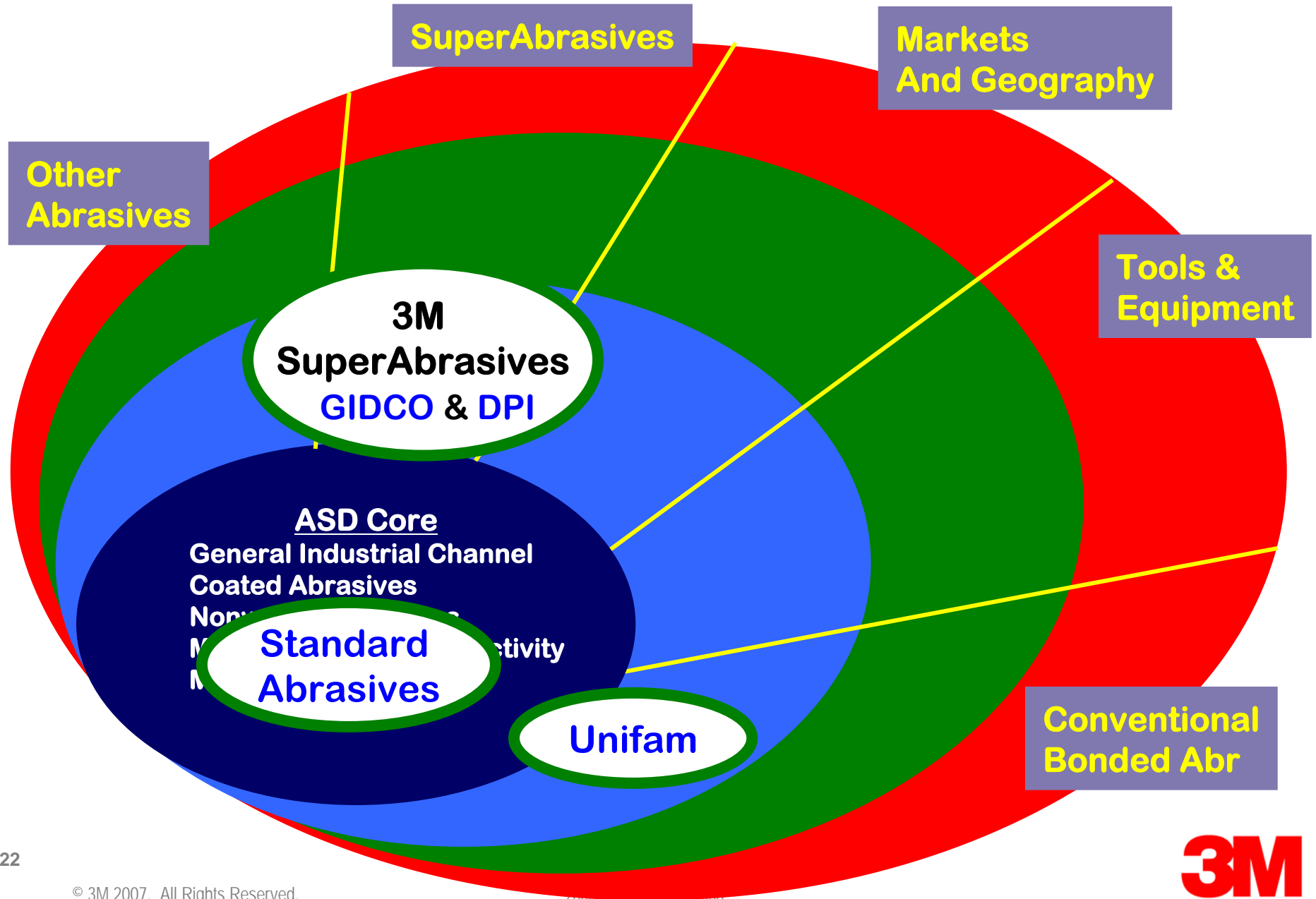
SA STANDARD ABRASIVES
Changing the way industry works

3M

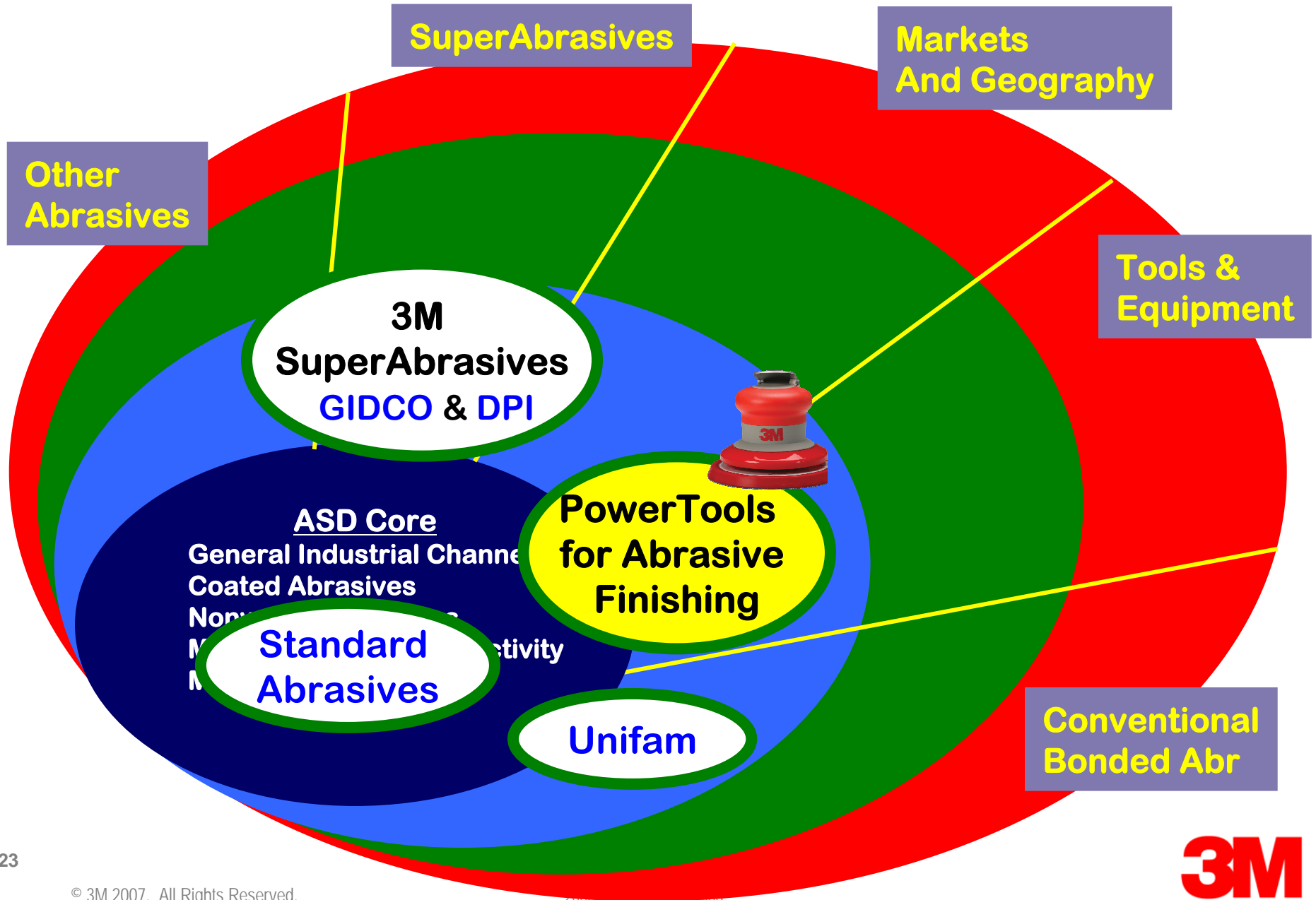
© 2007 3M Co. All Rights Reserved.



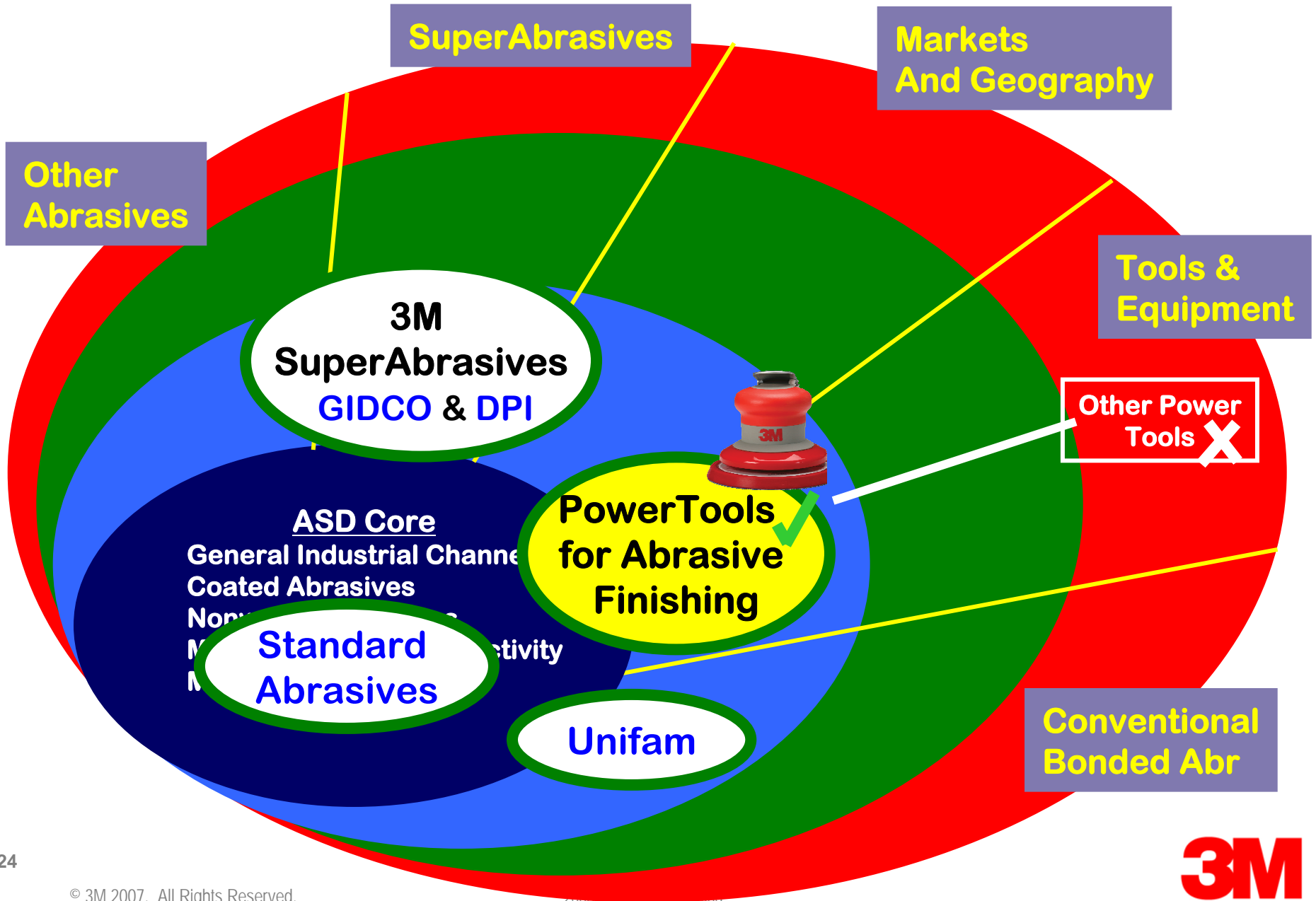
Core and Adjacency Growth Map



Core and Adjacency Growth Map



Core and Adjacency Growth Map



Tools for
Abrasive
Finishing

Guts. Grit. Get it All.

Great Results with the NEW 3M™ Finishing Systems.

The Opportunity

- A core line of 3M power tools targeted to industrial abrasives users
 - Metalworking, Woodworking, Marine, Automotive, Aerospace
- Leverage 3M position as a leader in abrasive products and technology
- Enhance our market share by innovation, introducing tool enhancements and New tools



The 3M Tool Program Delivers Value in ALL Markets

3M

3M™ Finishing Systems

Awesome Tools - Accessories - Abrasives



3M Hookit™
 Citan Sanding Disc Pad
 Tampon pour disques de ponçage propre
 Discos para la Limpieza
 alij Lijado
 Superficie del disco
 de lixa de lixpeca

Para 27 mm
 Discos Discos
 Max RPM
 12,000
 12,000
 Made in U.S.A.
 Fabriqué aux E.U.A.
 Fabricado en E.U.A.
 © 3M 2007
 34-8790-2734-9

Guts.
 Grit.
 Get it All.

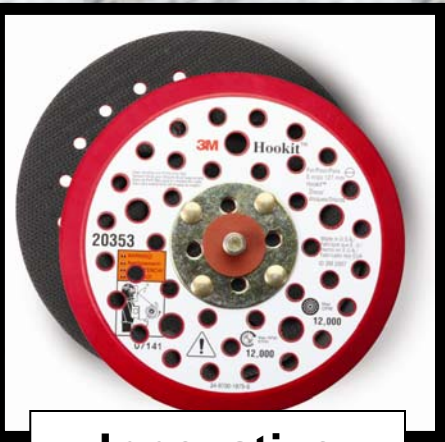
Power.
 Performance.
 Perfected.

Kraft.
 Leistungsstärke.
 Perfektion.

Puissance.
 Performance.
 Perfectionné

Potenza.
 Prestazioni.
 Perfette.

DRIVING A GLOBAL TRANSFORMATION



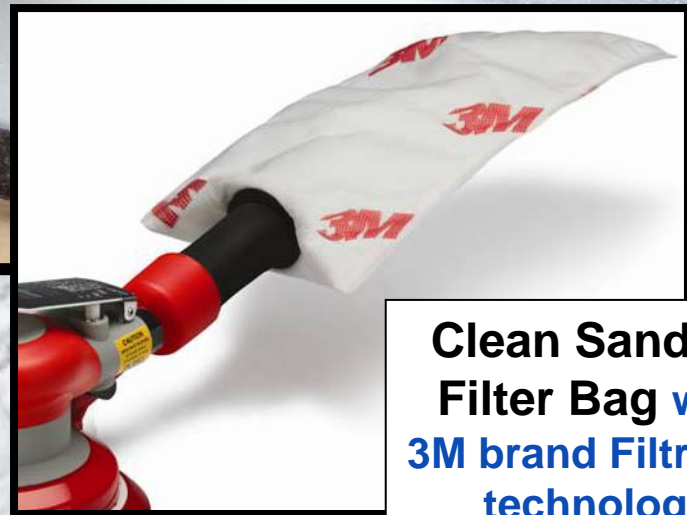
**Innovative
Back up Pads**



**Performance
Abrasives**

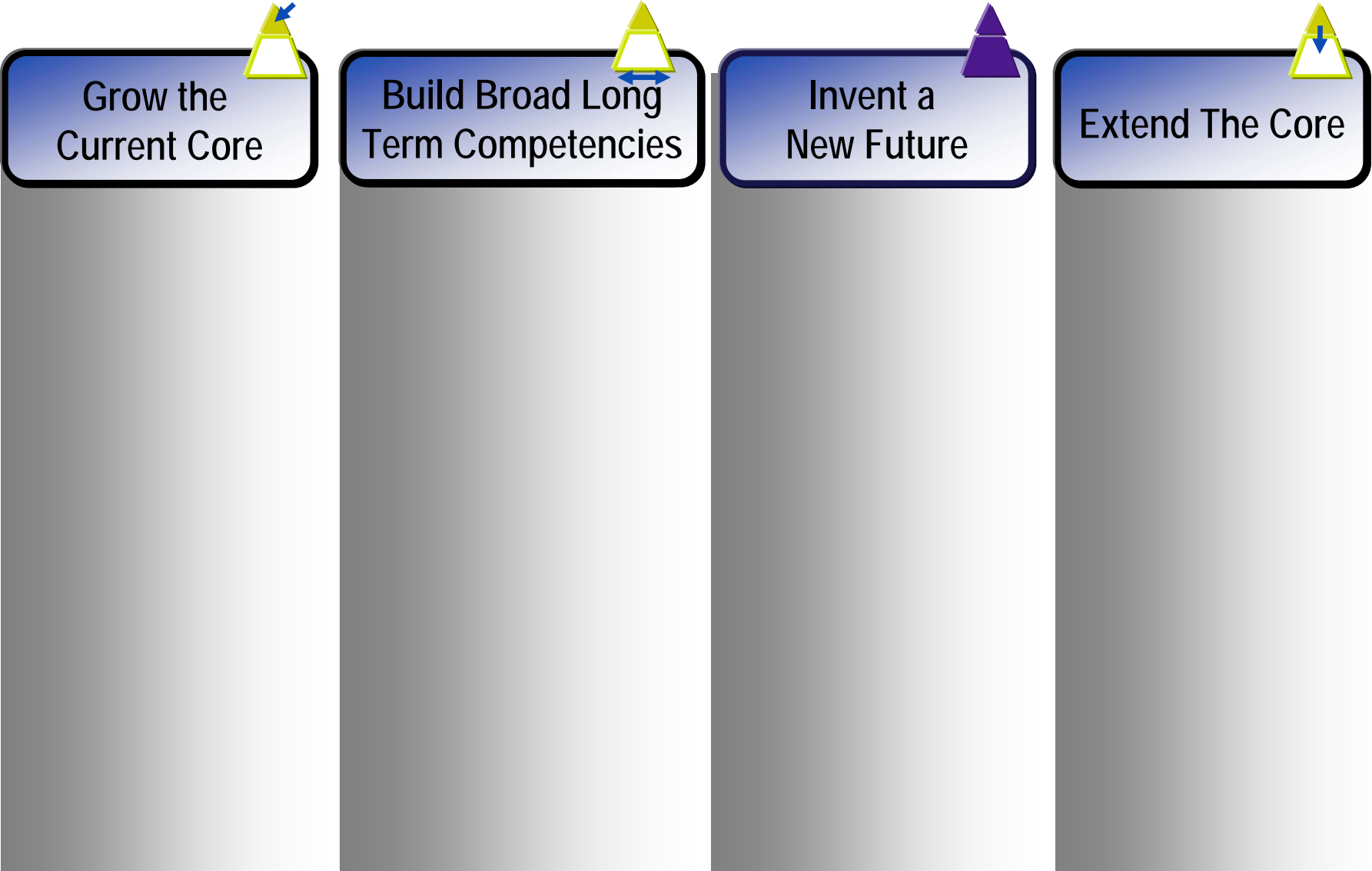


**Low Vibration
Comfort grip**

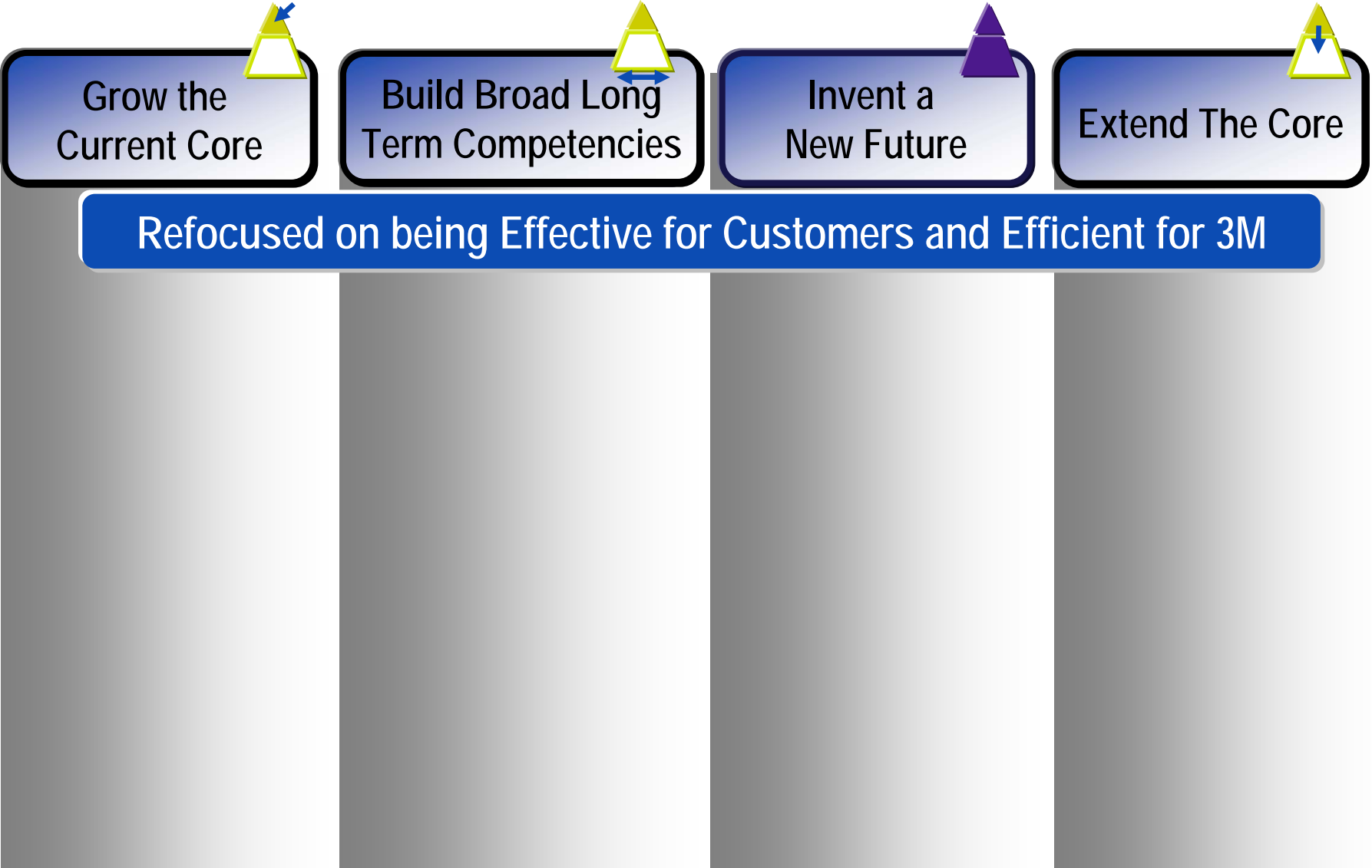


**Clean Sanding
Filter Bag with
3M brand Filtrete™
technology**

Revitalized Abrasives Division



Revitalized Abrasives Division



Revitalized Abrasives Division

Grow the Current Core

Build Broad Long Term Competencies

Invent a New Future

Extend The Core

Refocused on being Effective for Customers and Efficient for 3M

Penetrating Markets
Expanded Geographies



Revitalized Abrasives Division

Grow the Current Core

Build Broad Long Term Competencies

Invent a New Future

Extend The Core

Refocused on being Effective for Customers and Efficient for 3M

Penetrating Markets
Expanded Geographies



Branded Products -
the passport to
customers wallet



DUST FREE - New sensitivities become opportunities



Revitalized Abrasives Division

Grow the Current Core

Build Broad Long Term Competencies

Invent a New Future

Extend The Core

Refocused on being Effective for Customers and Efficient for 3M

Penetrating Markets Expanded Geographies



Branded Products - the passport to customers wallet

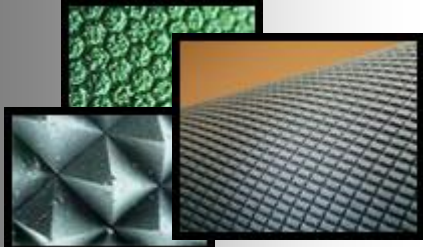


DUST FREE - New sensitivities become opportunities

Energized Lab & Applied Research



Ceramic Minerals



3D Abrasives



Revitalized Abrasives Division

Grow the Current Core

Build Broad Long Term Competencies

Invent a New Future

Extend The Core

Refocused on being Effective for Customers and Efficient for 3M

Penetrating Markets Expanded Geographies



Branded Products - the passport to customers wallet

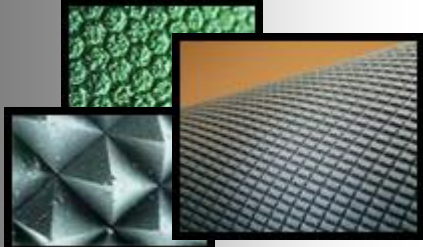


DUST FREE - New sensitivities become opportunities

Energized Lab & Applied Research



Ceramic Minerals



3D Abrasives

Acquisitions and Adjacencies



3M Power Tools



3M SuperAbrasives



Revitalized Abrasives Division

Grow the Current Core

Build Broad Long Term Competencies

Invent a New Future

Extend The Core

Refocused on being Effective for Customers and Efficient for 3M

Penetrating Markets
Expanded Geographies



Branded Products -
the passport to
customers wallet



Energized Lab &
Applied Research



Acquisitions and
Adjacencies



Sales Growth is ... 8%+
OI % ... 2X from 2003
Economic Profit ... 5X from 2003
ROIC ... 2X from 2003

Consistent, Reliable and Outstanding Business Results

3M Abrasive Systems Division

NOT your old Abrasives Company



It is now acceptable to use the following words with 3M Abrasives....

**PROFITABLY GROWING * HITTING QUARTERLY COMMITMENTS
* INVENTING * EXPANDING * DELIVERING OPERATIONAL
EXCELLENCE * ENERGIZED * EXCITING !**

3M