FOR IMMEDIATE RELEASE

3M Reports Higher Second-Quarter Earnings

ST. PAUL, Minn. -- July 22, 2002 -- 3M today announced its second-quarter sales and profit results.

The company reported net income of $466 million, or $1.18 per share, versus $202 million, or $0.50 per share, in the second quarter of 2001. Excluding non-recurring items,* 3M earned $1.36 per share, up 21.4 percent from $1.12 per share in last year's second quarter. Net income, excluding non-recurring items,* was $539 million versus $451 million in the second quarter of last year. Required changes in goodwill accounting boosted earnings by 4 cents per share.

"The combination of higher sales and continued improvement in operating efficiency produced a solid second-quarter earnings result," said W. James McNerney, Jr., 3M chairman and CEO. "Our five corporate initiatives -- Six Sigma, Global Sourcing Effectiveness, Indirect Cost Control, eProductivity and 3M Acceleration -- are driving 3M to new levels of operational excellence, boosting our competitive capability and enhancing our future growth potential. 3M employees across the globe are driving these initiatives at full speed and have dedicated themselves to improving every aspect of what we do. I commend them for an outstanding second-quarter result."

Worldwide sales in second quarter totaled $4.161 billion, 2.1 percent higher than in last year's second quarter. Sales volumes increased 0.6 percent. Volumes increased 9.3 percent in the Transportation, Graphics and Safety segment and 6.4 percent in Health Care, while volumes declined by 0.5 percent in Industrial Markets, 2.4 percent in Consumer and Office, 5.9 percent in Specialty Material and 14.9 percent in Electro and Communications. Global selling prices increased 0.7 percent, while currency effects increased worldwide sales by 0.8 percent.

Sales outside the United States totaled $2.271 billion, 5.7 percent higher than the second quarter of last year. Volumes increased 2.9 percent, while selling prices increased 1.3 percent. Changes in the value of the U.S. dollar increased international sales by 1.5 percent. Volumes increased 24.6 percent in Asia excluding Japan and 9.5 percent in Japan. Volumes declined 4.3 percent in Europe and 4.5 percent in Latin America.

Sales in the United States totaled $1.890 billion, down 1.8 percent from the same quarter of 2001. Volumes declined 1.8 percent, while selling prices were flat.

"While there were signs of sales improvement in the second quarter, we remain cautious about business conditions for the remainder of 2002," McNerney said. "The global economic landscape remains uncertain, and our operating plans will continue to reflect this view. Regardless of near-term economic trends, we will aggressively drive our five corporate initiatives aimed at accelerating long-term top-line growth, improving process efficiency and increasing cash flow, thereby enhancing our competitive position and enabling investment in future growth."

3M also updated earnings expectations for 2002 in total. For the year, the company now expects reported earnings will be within a range of $4.88 to $5.03 per share. Excluding non-recurring items, 3M expects 2002 earnings to be between $5.15 and $5.30 per share. Both ranges assume a positive 12-cent impact due to cessation of goodwill amortization in accordance with this year's adoption of a new accounting standard. Third-quarter 2002 earnings -- on both a reported and pro forma basis – are expected to be in the range of $1.35 to $1.40 per share.

Patrick D. Campbell, senior vice president and chief financial officer, will conduct an investor teleconference at 9 a.m. Eastern Time (8 a.m. Central) today. Investors can access a webcast of this conference, along with related charts and materials, at http://investor.3M.com.

* During second quarter of 2002, under its restructuring plan announced in 2001, 3M incurred pretax charges of $148 million ($73 million after-tax) primarily related to employee separation costs and accelerated depreciation charges. It is expected that no additional charges will be incurred going forward related to this plan. The company incurred similar charges in the first quarter of 2002 in the amount of $54 million ($35 million after-tax). Second-quarter 2001 pretax charges of $397 million ($249 million after-tax) principally related to employee separation costs under the same plan. First-quarter 2001 includes non-recurring acquisition-related charges of $23 million ($14 million after-tax). Effective Jan. 1, 2002, the company adopted Emerging Issues Task Force Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products". This adoption resulted in a reclassification of approximately $25 million of advertising costs from selling, general and administrative expenses to net sales for each of the years 1999 through 2001, with no impact on operating income. These adjustments were recorded in the company's Consumer and Office segment. Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" required the cessation of goodwill and other indefinite-lived asset amortization effective Jan. 1, 2002. This goodwill and indefinite-lived asset amortization reduced diluted earnings per share by 12 cents in 2001 (4 cents in the second quarter of 2001 and 6 cents in the first six months of 2001).

Forward-Looking Statements

This news release contains forward-looking statements that reflect current views and estimates of 3M's management of future economic circumstances, industry conditions, company performance and financial results. The statements are based on many assumptions and factors including: (1) worldwide economic conditions; (2) foreign currency exchange rates and fluctuations in those rates; (3) the timing and acceptance of new product offerings; (4) purchased components and materials, including shortages and increases in the costs of such components and materials; (5) 3M's ability to successfully manage acquisitions, divestitures and strategic alliances; and (6) legal proceedings. Any changes in such assumptions or factors could produce significantly different results.

About 3M

3M is a $16 billion diversified technology company with leading positions in health care, safety, electronics, telecommunications, industrial, consumer and office, and other markets. Headquartered in St. Paul, Minnesota, the company has operations in more than 60 countries and serves customers in nearly 200 countries. 3M businesses share technologies, manufacturing operations, brands, marketing channels and other important resources. 3M, which marks its 100th anniversary this year, is one of the 30 stocks that make up the Dow Jones Industrial Average and also is a component of the Standard & Poor's 500 Index. For more information about 3M go to www.3M.com or www.3M.com/profile/pressbox/index.jhtml.

3M Company and Subsidiaries

SALES CHANGE ANALYSIS

(Unaudited)

Second-Quarter 2002

	U.S.	Intl.	Worldwide
Volume - core	(1.8)%	2.9%	0.6%
Volume - acquisitions and divestitures	0.0	0.0	0.0
Price	0.0	1.3	0.7
Translation	--	1.5	0.8
Total	(1.8)%	5.7%	2.1%

Six-Months 2002

	U.S.	Intl.	Worldwide
Volume - core	(4.0)%	(0.6)%	(2.1)%
Volume - acquisitions and divestitures	0.2	0.4	0.2
Price	0.4	1.0	0.7
Translation	--	(2.0)	(1.1)
Total	(3.4)%	(1.2)%	(2.3)%

3M Company and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

(Amounts in millions, except per-share amounts)

(Unaudited)

	Three-months ended June 30		Six-months ended June 30	
	2002	2001	2002	2001
Net sales	$4,161	$4,073	$8,051	$8,237
Operating expenses				
Cost of sales	2,231	2,266	4,267	4,462
Selling, general and administrative expenses	975	1,190	1,852	2,143
Research, development and related expenses	269	283	533	561
Total	3,475	3,739	6,652	7,166
Operating income	686	334	1,399	1,071
Interest expense and income				
Interest expense	20	33	39	71
Interest income	(9)	(9)	(18)	(21)
Total	11	24	21	50
Income before income taxes and minority interest	675	310	1,378	1,021
Provision for income taxes	210	94	437	332
Minority interest	(1)	14	23	34
Net income	$ 466	$ 202	$ 918	$ 655
Weighted average common shares outstanding - basic	390.0	395.9	390.0	396.1
Earnings per share - basic	$ 1.19	$ 0.51	$ 2.35	$ 1.65
Weighted average common shares outstanding - diluted	396.1	402.2	395.7	402.3
Earnings per share - diluted	$ 1.18	$ 0.50	$ 2.32	$ 1.63

3M Company and Subsidiaries
Supplemental Unaudited Consolidated Statement of Income Information
(Dollars in millions, except per-share amounts)

	Three-months ended June 30, 2002			Three-months ended June 30, 2001		
	Excluding non-recurring items	Non-recurring items	Reported total	Excluding non-recurring items	Non-recurring items	Reported total
Net sales	$4,161	$ --	$4,161	$4,073	$ --	$4,073
Operating expenses						
Cost of sales	2,140	91	2,231	2,125	141	2,266
Selling, general and administrative expenses	919	56	975	948	242	1,190
Research, development and related expenses	268	1	269	269	14	283
Total	3,327	148	3,475	3,342	397	3,739
Operating income (loss)	834	(148)	686	731	(397)	334
Interest expense and (income), net	11	--	11	24	--	24
Income (loss) before income taxes and minority interest	823	(148)	675	707	(397)	310
Provision (benefit) for income taxes	267	(57)	210	237	(143)	94
Effective tax rate	32.5%		31.2%	33.5%		30.4%
Minority interest	17	(18)	(1)	19	(5)	14
Net income (loss)	$ 539	$ (73)	$ 466	$ 451	$(249)	$ 202
Per share-diluted	$ 1.36	$ (.18)	$1.18	$1.12	$ (.62)	$ 0.50

	Six-months ended June 30, 2002			Six-months ended June 30, 2001		
	Excluding non-recurring items	Non-recurring items	Reported total	Excluding non-recurring items	Non-recurring items	Reported total
Net sales	$8,051	$ --	$8,051	$8,237	$ --	$8,237
Operating expenses						
Cost of sales	4,146	121	4,267	4,298	164	4,462
Selling, general and administrative expenses	1,775	77	1,852	1,901	242	2,143
Research, development and related expenses	529	4	533	547	14	561
Total	6,450	202	6,652	6,746	420	7,166
Operating income (loss)	1,601	(202)	1,399	1,491	(420)	1,071
Interest expense and (income), net	21	--	21	50	--	50
Income (loss) before income taxes and minority interest	1,580	(202)	1,378	1,441	(420)	1,021
Provision (benefit) for income taxes	513	(76)	437	482	(150)	332
Effective tax rate	32.5%	--	31.7%	33.5%	--	32.5%
Minority interest	41	(18)	23	41	(7)	34
Net income (loss)	$1,026	$ (108)	$ 918	$ 918	$(263)	$ 655
Per share-diluted	$ 2.59	$ (.27)	$ 2.32	$ 2.28	$ (.65)	$ 1.63

3M Company and Subsidiaries

CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per-share amounts)

(Unaudited)

	Jun. 30, 2002	Jun. 30, 2001	Dec. 31, 2001
ASSETS			
Current assets			
Cash and cash equivalents	$ 665	$ 566	$ 616
Accounts receivable - net	2,795	2,951	2,482
Inventories	1,998	2,299	2,091
Other current assets	1,165	975	1,107
Total current assets	6,623	6,791	6,296
Property, plant and equipment - net	5,552	5,819	5,615
Investments and other assets	2,786	2,707	2,695
Total assets	$14,961	$15,317	$14,606
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Short-term debt	$ 806	$ 2,086	$ 1,373
Other current liabilities	3,380	3,434	3,136
Total current liabilities	4,186	5,520	4,509
Long-term debt	1,838	1,240	1,520
Other liabilities	2,557	2,436	2,491
Total liabilities	8,581	9,196	8,520
Total stockholders' equity - net	6,380	6,121	6,086
Shares outstanding			
June 30, 2002: 390,014,808 shares			
December 31, 2001: 391,303,636 shares			
Total liabilities and stockholders' equity	$14,961	$15,317	$14,606

3M Company and Subsidiaries
BUSINESS SEGMENTS (Unaudited)

3M's net sales and operating income by segment for the second quarter and first six months of 2002 and 2001 follow. Effective January 1, 2002, the company adopted Emerging Issues Task Force Issue (EITF) No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." This adoption resulted in a reclassification of approximately $25 million of advertising expenses from selling, general and administrative expenses to net sales for each of the years 1999 through 2001, with no impact on operating income. These adjustments were recorded in the company's Consumer and Office segment.

BUSINESS SEGMENT INFORMATION (Millions)	Three-months ended June 30		Six-months ended June 30	
	2002	2001	2002	2001
NET SALES				
Transportation, Graphics and Safety	$ 994	$ 907	$1,888	$1,800
Health Care	927	854	1,798	1,683
Industrial	805	792	1,598	1,657
Consumer and Office	664	666	1,289	1,355
Electro and Communications	504	582	967	1,188
Specialty Material	253	270	485	551
Corporate and Unallocated	14	2	26	3
Total Company	$4,161	$4,073	$8,051	$8,237
OPERATING INCOME				
Transportation, Graphics and Safety	$ 244	$ 198	$456	$ 375
Health Care	217	190	439	355
Industrial	140	123	279	293
Consumer and Office	122	106	239	219
Electro and Communications	84	77	139	145
Specialty Material	42	38	73	86
Corporate and Unallocated	(163)	(398)	(226)	(402)
Total Company	$ 686	$ 334	$1,399	$1,071

First and second quarter 2002 non-recurring charges of $54 million and $148 million, respectively, (included in Corporate and Unallocated) principally related to employee separation costs and accelerated depreciation charges under the company's previously announced restructuring plan. Second quarter 2001 non-recurring charges of $397 million (included in Corporate and Unallocated) principally related to employee separation costs under the same plan. First quarter 2001 operating income includes non-recurring costs of $23 million recorded in cost of sales. These first quarter 2001 non-recurring costs (primarily related to acquisitions of inventory that must be recorded at fair market value instead of manufactured cost and the subsequent sale of these acquired inventories) totaled $10 million in Health Care; $7 million in Transportation, Graphics and Safety; and $6 million in the Electro and Communications segment.

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