



2006 Fourth Quarter and Calendar Year Business Review

(Unaudited)

Forward-Looking Statements

This news release contains forward-looking information (within the meaning of the Private Securities Litigation Reform Act of 1995) about the company's financial results and estimates, business prospects, and products under development 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," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Among the factors that could cause actual results to differ materially are the following: (1) worldwide economic conditions; (2) competitive conditions and customer preferences; (3) foreign currency exchange rates and fluctuations in those rates; (4) the timing and acceptance of new product offerings; (5) 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); (6) 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; (7) generating less productivity improvements than estimated; and (8) 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, 2005 and the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006 (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 Part I, Item 1A (Annual Report) and Part II, Item 1A (Quarterly Report), "Risk Factors." The information contained in this news release is as of the date indicated. The company assumes no obligation to update any forward-looking statements contained in this news release as a result of new information or future events or developments.

Full Year EPS Recap

	2006 Actual	2007 Guidance
Reported EPS	\$5.06	\$5.20 to \$5.45
Gain on sale of pharmaceuticals business	(\$0.88)	} (\$0.60) to (\$0.70)
Pharma restructuring & other actions	\$0.15	
Overhead reduction actions	\$0.10	
Business unit-specific restructuring	\$0.10	
Brontes acquired in-process R&D	\$0.13	---
Class action settlement	\$0.03	---
Benefit from income tax adjustments	(\$0.20)	---
EPS excluding special items	\$4.49	\$4.60 to \$4.75
Pharma net income	(\$0.23)	---
EPS excluding pharma and special items	\$4.26	\$4.60 to \$4.75
% change excl. pharma and special items		8% to 12%
Stock Options Expense Included in Above Reported EPS	\$0.17	\$0.21

Fourth Quarter EPS Recap

	Q4 2006	Q4 2005
Reported EPS	\$1.57	\$0.97
Gain on sale of pharmaceuticals business	(\$0.90)	---
Pharma restructuring & other actions	\$0.13	---
Overhead reduction actions	\$0.10	---
Business unit-specific restructuring	\$0.10	---
Brontes acquired in-process R&D	\$0.13	---
Benefit from income tax adjustments	(\$0.03)	---
Cumulative effect of accounting change	---	\$0.04
EPS excluding special items	\$1.10	\$1.01
% change excluding special items	+8.9%	
Stock Options Expense Included in Above Reported EPS	\$0.04	\$0.02

2006 Highlights

- Sales of \$22.9 billion, up 8.3%
 - Local-currency growth of 7.7%, with 2.1% from acquisitions
 - Broad-based performance, as all businesses drove positive organic local-currency growth for the third consecutive year
- Reported operating income of \$5.7 billion, up 17.3%
 - Up 7.3% excluding special items* and adjusting for year-on-year change in stock options expense
 - Operating income margin of 22.6%* including negative 20 basis points year-on-year margin impact from expensing of stock options
- Reported EPS of \$5.06, up 27.1%
 - Includes \$0.57 net benefit from special items* in 2006 vs. \$0.14 charge* in 2005
- Sold branded pharmaceuticals business in The Americas and APACA
 - European business subsequently sold in January 2007
- Free Cash Flow of \$2.7 billion
- ROIC of 22.5%*

*Excludes special items in all periods. Refer to 3M's January 30, 2007 press release for a complete list and explanation of these items.

P&L Highlights

2006 vs. 2005

(\$ in Millions) Except per share amounts	2006*	2005*	Change	Stock Option Impact
Net Sales	\$22,923	\$21,167	8.3%	---
Gross Margin	49.6%	50.8%	-1.2 pts	-0.1 pts
SG&A	\$4,828	\$4,631	4.3%	(0.5%)
Op. Income	\$5,173	\$4,854	6.6%	(0.7%)
Op. Income %	22.6%	22.9%	-0.3 pts	-0.2 pts
Tax Rate	32.1%	32.2%	-0.1 pts	---
Net Income	\$3,413	\$3,221	6.0%	(1.0%)
EPS	\$4.49	\$4.12	9.0%	(0.4%)

*Excludes special items in all periods. Refer to 3M's January 30, 2007 press release for a complete list and explanation of these items.

P&L Highlights

Comparison vs. Last Year

(\$ in Millions) Except per share amounts	Q4 2006*	Q4 2005*	Change	Stock Option Impact
Net Sales	\$5,782	\$5,325	8.6%	---
Gross Margin	47.8%	50.8%	-3.0 pts	-0.1 pts
SG&A	\$1,199	\$1,191	0.6%	(0.6%)
Op. Income	\$1,225	\$1,190	3.0%	(1.3%)
Op. Income %	21.2%	22.4%	-1.2 pts	-0.3 pts
Tax Rate	30.3%	32.5%	-2.2 pts	---
Net Income	\$822	\$781	5.4%	(1.3%)
EPS	\$1.10	\$1.01	8.9%	(0.7%)

*Excludes special items in all periods. Refer to 3M's January 30, 2007 press release for a complete list and explanation of these items.

Sales Recap

Q4 2006 vs. Q4 2005

	WW	Int'l (63% of Total)	U.S. (37% of Total)
Local Currency*	5.8%	7.4%	3.3%
Volume - organic	4.9%	7.3%	0.8%
Volume - acquired	1.9%	2.1%	1.8%
Price	(1.0%)	(2.0%)	0.7%
Translation	2.8%	4.6%	---
Total	8.6%	12.0%	3.3%

* Local Currency = Volume + Price

Q4 2006 Segment Results

(\$ in Millions)	Sales	Local Currency % Change vs. Q4 2005	Operating Income	Op. Inc. % Change vs. Q4 2005	Stock Option Impact on Op. Inc. % Change
Industrial & Transportation	\$1,683	4.8%	\$316	6.0%	(0.9%)
Health Care	\$1,047	8.9%	\$304	6.8%	(1.2%)
Display & Graphics	\$946	3.6%	\$264	(7.9%)	(1.0%)
Consumer & Office	\$824	5.6%	\$141	(0.2%)	(1.2%)
Safety, Security & Protection Services	\$655	12.2%	\$128	0.4%	(1.5%)
Electro & Communications	\$619	2.6%	\$110	(2.9%)	(1.5%)

Note: excludes special items in all periods. Refer to 3M's January 30, 2007 press release for a complete list and explanation of these items.

Also refer to the press release for a complete reconciliation of total sales growth between local currency and translation.

Balance Sheet & Cash Flow

(\$ in Millions)	Q4 2006	Q4 2005	Q3 2006
Net W/C Turns	5.4	5.7	5.1
Inventories	\$2,601	\$2,162	\$2,632
Receivables-Net	\$3,102	\$2,838	\$3,332
Cap-ex	\$405	\$283	\$312
Free Cash Flow	\$917	\$883(a)	\$787(a)
Dividends Paid	\$339	\$318	\$342
Share Repurchases	\$330	\$568	\$1,243

(a) Third-quarter 2006 and fourth-quarter 2005 free cash flow include a discretionary U.S. pension contribution of \$200 million.

Note: Refer to 3M's January 30, 2007 press release for a complete discussion of net working capital turns and free cash flow (non-GAAP measures).

2006 Year in Review

George W. Buckley
CEO

2007 Full Year Guidance

- Local currency sales growth, excluding pharmaceuticals sales in 2006 base, of 6% to 10%
 - Includes 1.5% of growth due to closed acquisitions
 - Drag from pharmaceutical divestiture of 3.5% to 4%
- Earnings per share of \$5.20 to \$5.45
 - Includes net \$0.60 to \$0.70 gain due to first-quarter sale of pharmaceutical business in Europe, net of known restructuring costs
- Operating margins of 22.0% to 22.5%
- Tax rate of 32.75% to 33.75%
- Capital expenditures of \$1.4 to \$1.5 billion
- Revamping many elements of compensation, starting with stock options
 - Targeting lower equity dilution, therefore will issue fewer option in 2007
 - However, expecting higher expense (estimating \$240M in 2007 vs. \$200M in 2006) due to:
 - Additional year of vesting
 - Make-whole grants to future ineligible employees