

2007 Fourth Quarter Business Review

(unaudited)



Working
Our Magic



Forward Looking Statements

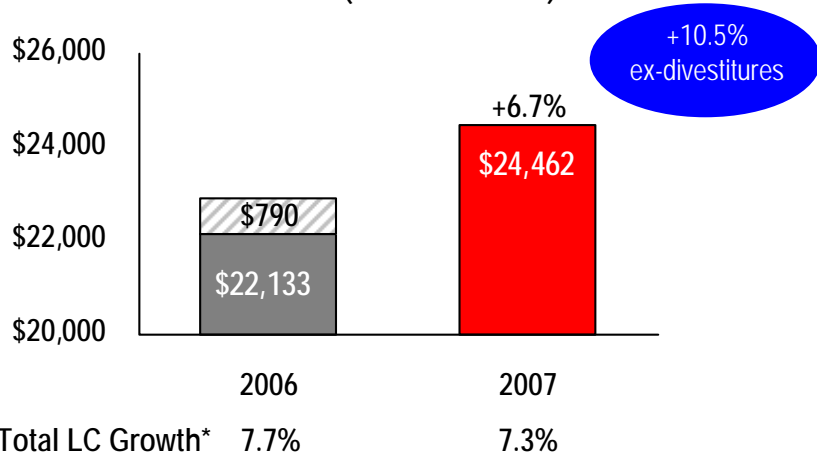
This presentation contains forward-looking information (within the meaning of the Private Securities Litigation Reform Act of 1995) about the company's financial results and estimates, business prospects, and products under development that involve substantial risks and uncertainties. You can identify 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 Dec. 31, 2006 and its subsequent Quarterly Reports on Form 10-Q (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 "Risk Factors" in Part I, Item 1A (Annual Report) and in 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.



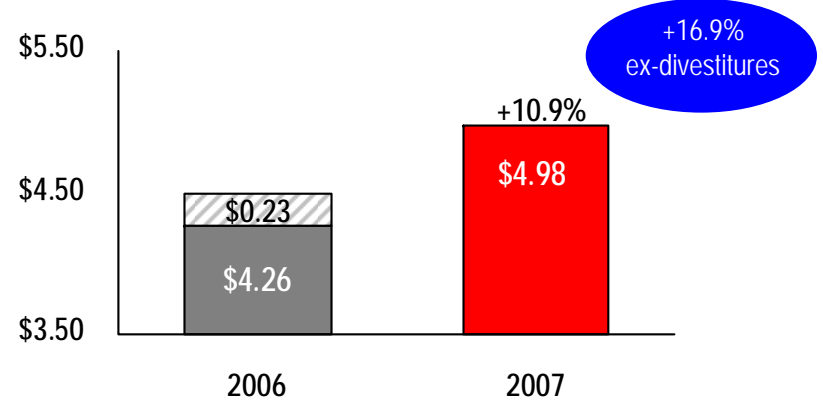
Full Year 2007 Highlights

□ Divestitures

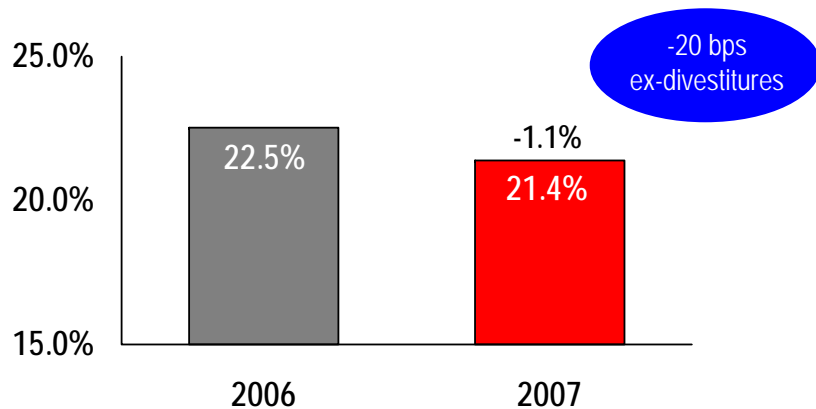
Sales (\$ in millions)



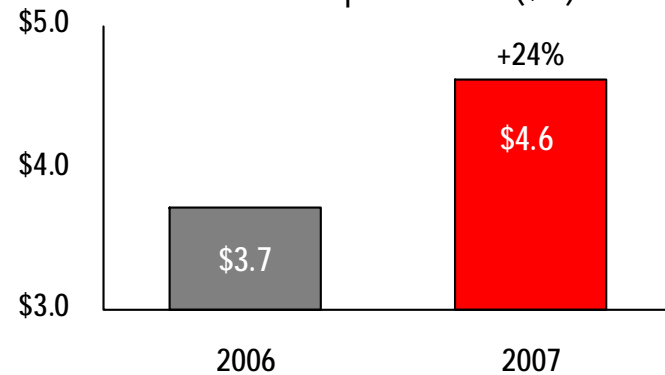
Earnings Per Share**



Return on Invested Capital**



Dividends Plus Gross Share Repurchases (\$B)

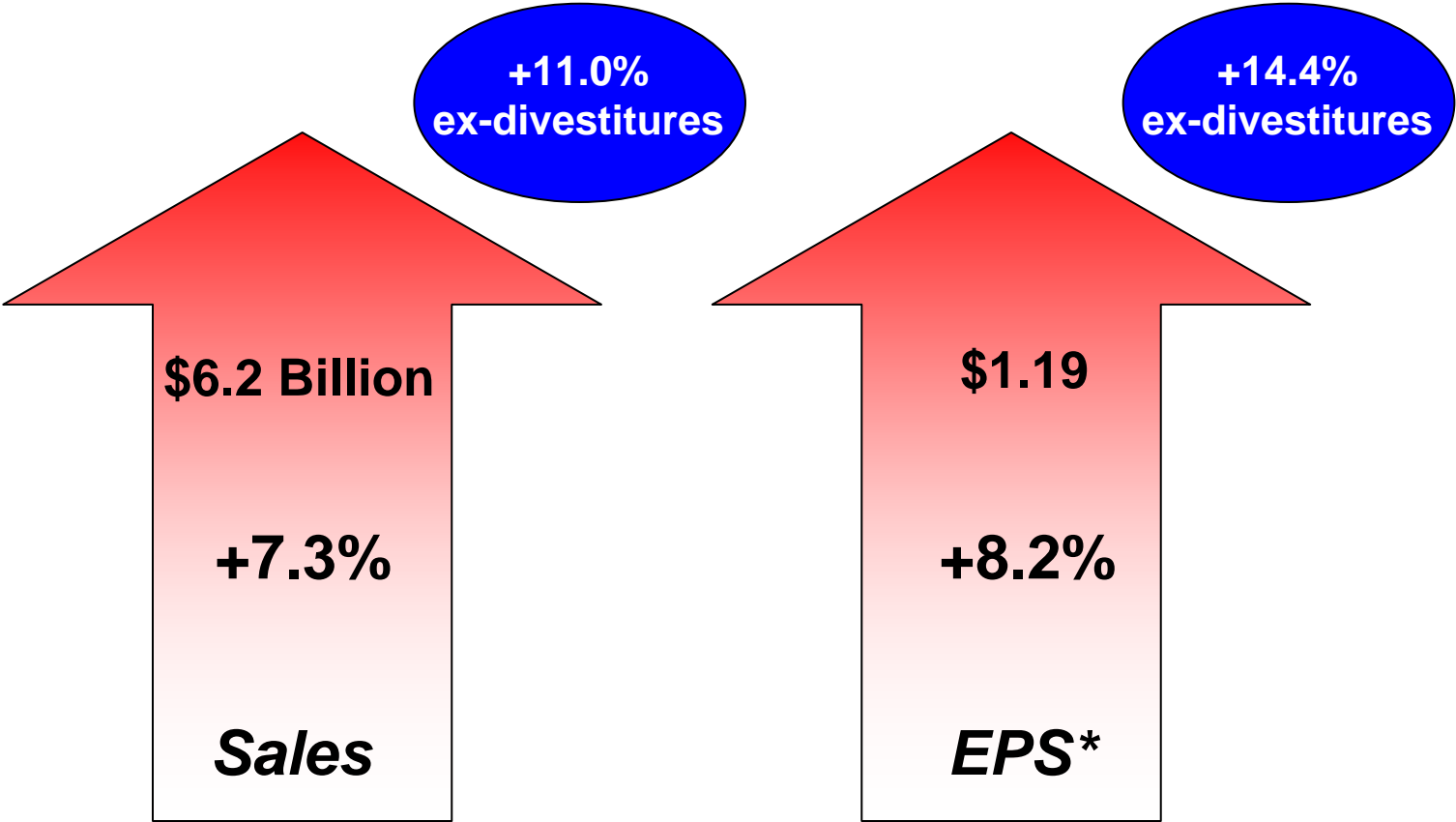


*Total Local Currency = volume + price + acquisitions

**Excludes special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Strong Fourth Quarter



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Q407 P&L Highlights: Comparison vs. Last Year

(\$ in Millions) Except per share amounts	Q4 2006	Q4 2007	Change	Divest. Impact
Net Sales	\$5,782	\$6,206	7.3%	-3.7%
Gross Margin	47.8%	46.9%	-0.9 pts	-1.1 pts
SG&A	\$1,199	\$1,267	5.7%	-6.0 pts
R&D and related exp.	\$339	\$357	5.0%	-7.7 pts
Op. Income	\$1,225	\$1,290	5.2%	-6.0 pts
Op. Income %	21.2%	20.8%	-0.4 pts	-0.5 pts
Tax Rate	30.3%	30.7%	0.4 pts	---
Net Income	\$822	\$863	4.8%	-6.2 pts
EPS	\$1.10	\$1.19	8.2%	-6.2%

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.

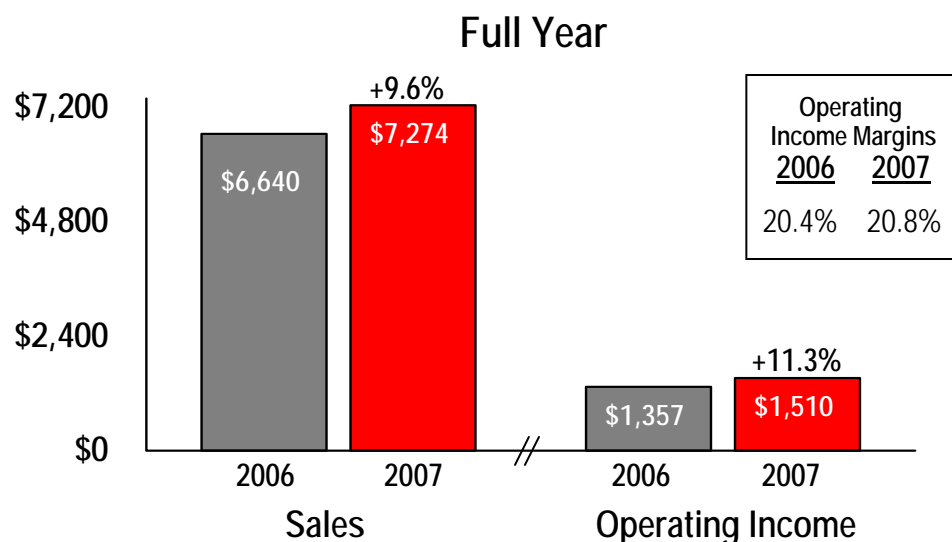
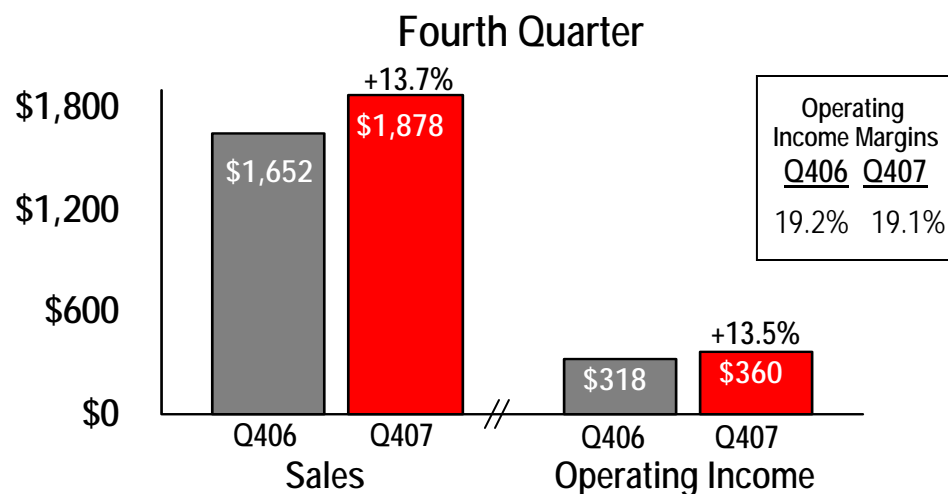


Sales Recap: Q407 vs. Q406

	WW	US	Int'l
Sales growth – USD	7.3%	2.6%	10.1%
Add back: divestiture impact	3.7%	4.1%	3.4%
Growth adjusted for divestitures	11.0%	6.7%	13.5%
Less: currency impact	(4.7%)	---	(7.4%)
Total local currency growth	6.3%	6.7%	6.1%
Components of Total LC Growth			
Volume – organic	3.8%	1.9%	5.0%
Volume - acquired	2.2%	3.8%	1.3%
Selling price changes	0.3%	1.0%	(0.2%)



Segment Highlights: Industrial & Transportation



Q4 Drivers

- Local currency growth of 7.8% including 4.0% from acquisitions
- Double-digit local currency growth in industrial adhesives/tapes and abrasives businesses; also outstanding growth in automotive OEM and automotive aftermarket businesses
- Broad based geographic performance with all major regions posting double-digit sales growth
- Completed 4 acquisitions: Venture Tape, Standard Abrasives, Unifam Sp Zoo, and Bondo Corporation

Full Year Highlights

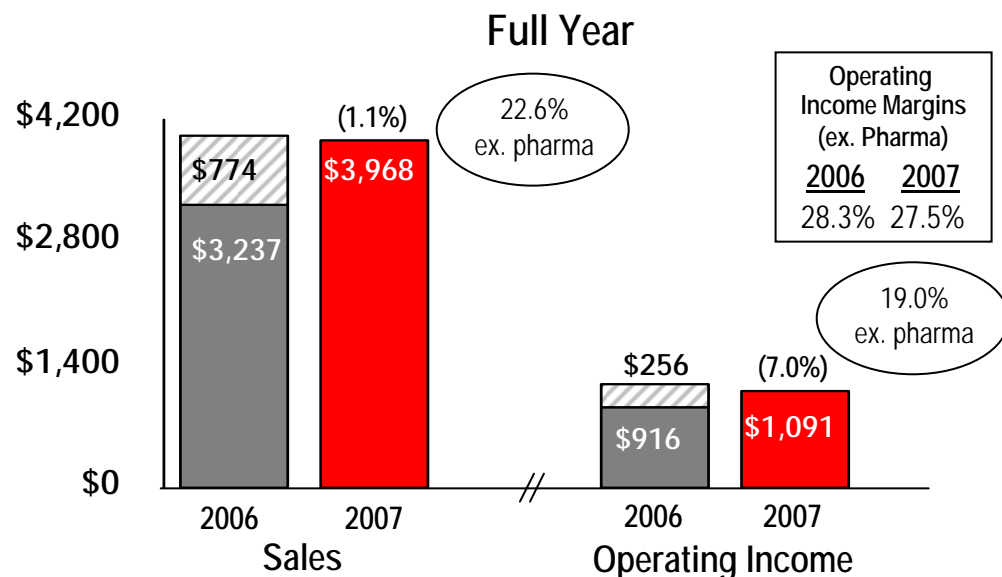
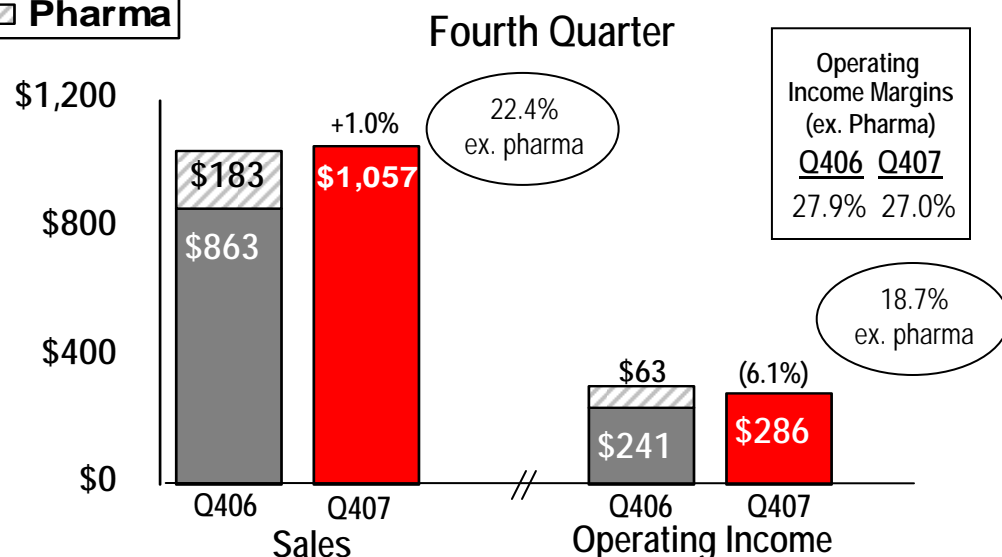
- Local currency growth of 5.8%
- Outstanding sales growth across the portfolio led by industrial adhesives and tapes, automotive aftermarket, abrasives and automotive OEM businesses
- Acquisitions added 1.8% to growth, with 7 acquisitions closed
- Continued emerging market penetration, particularly BRICP countries
- Good operational discipline delivers double-digit operating income growth of 11.3%

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Segment Highlights: Health Care

Pharma



Q4 Drivers

- 17.0% local currency sales growth, including:
 - 3.5% from acquisitions
 - 3.7% from pharma supply agreement
- Sales growth was broad-based across all businesses: Drug Delivery Systems, HIS, Oral Care, Medical
- Double-digit sales growth in all geographic areas ex pharma, led by Europe and the United States
- Pharma divestiture reduced reported sales by 21.4% and operating income by 24.8%.

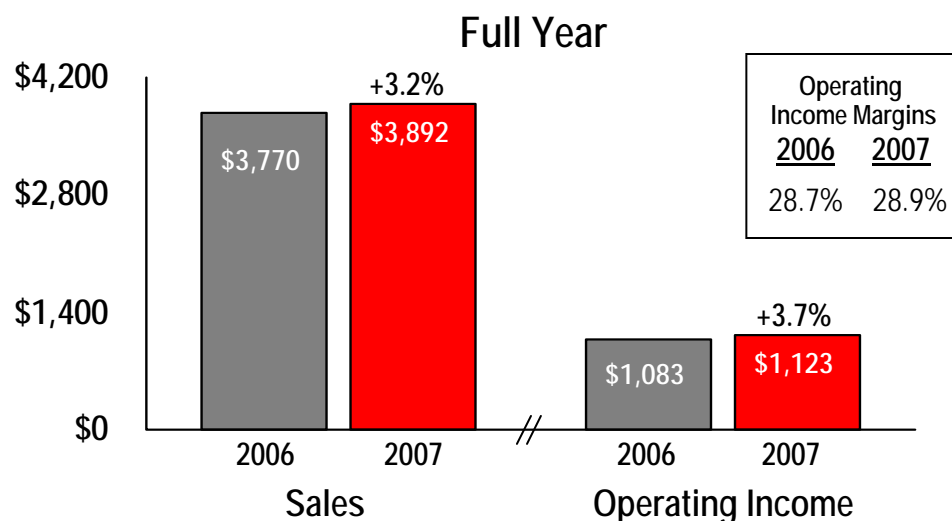
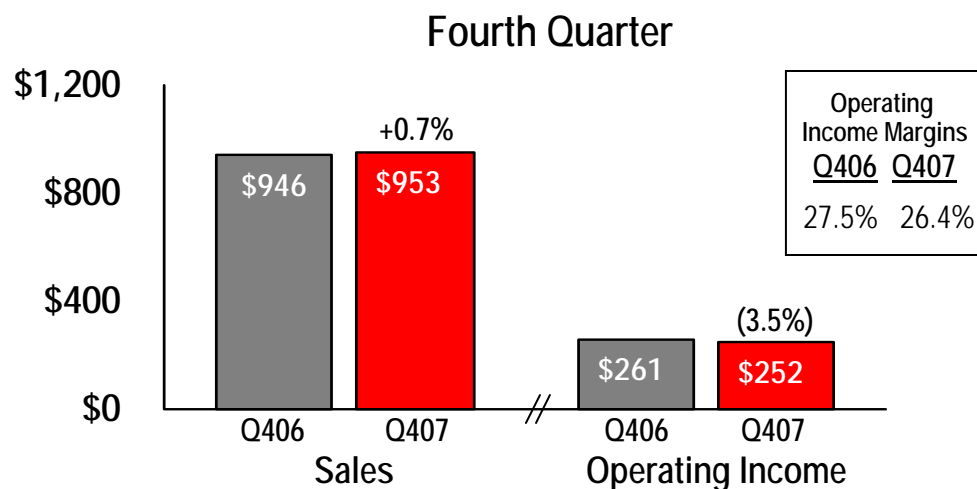
Full Year Highlights

- 18.3% local currency sales growth including:
 - 4.4% from acquisitions
 - 4.5% from pharma supply agreement
- Broad-based sales growth across all platforms – HFA (non-CFC) inhalers in Drug Delivery Systems; health info mgmt & reimbursement software in HIS; restoratives & aesthetics in Oral Care; and infection prevention & skin/wound care products in Medical
- Drove 27.5% operating margin in addition to sales growth
- Closed 5 key acquisitions to add technology and geographic reach in Medical, Oral Care and HIS

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Segment Highlights: Display & Graphics



Q4 Drivers

- Total sales up 0.7%, local currency down 1.3%
- Continued consistent growth in commercial graphics and traffic safety. Some softness in US highway spending
- Continued LCD film attachment rate pressure in TV/monitor segments as competition intensifies
- Investing in optical film franchise in 2008 to ensure long-term leadership position
- Launched new 3M micro projector at CES in January 2008

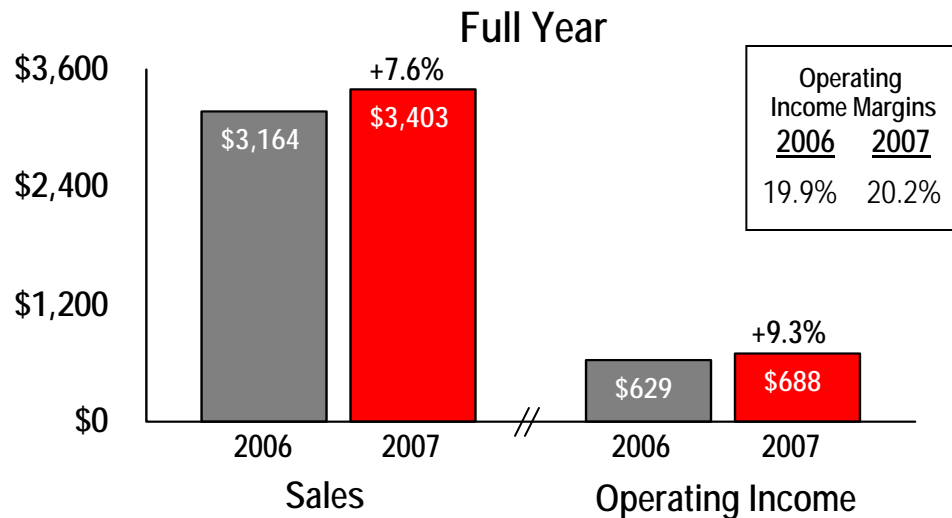
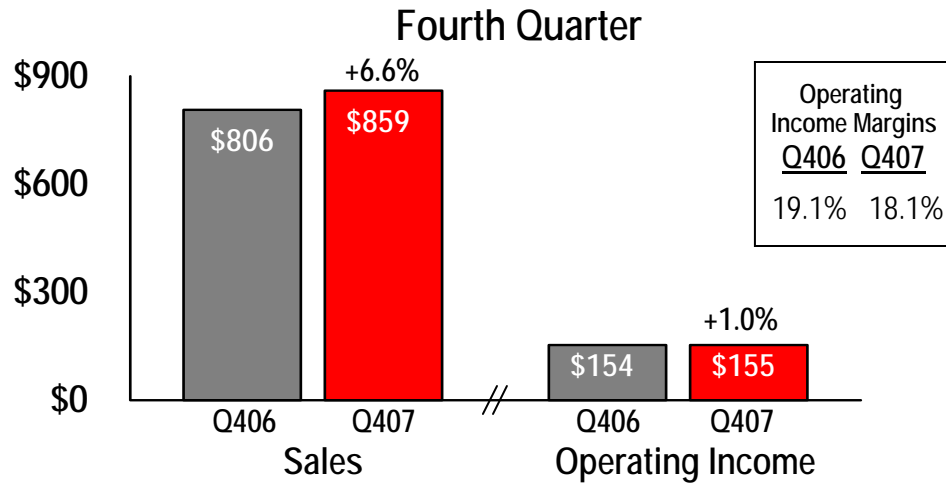
Full Year Highlights

- Local currency growth of 1.8%, with positive growth in all major divisions – commercial graphics, traffic safety systems and optical systems
- Robust new product pipeline continues to position 3M as a key leader in the global display industry
- Made significant sustainable factory improvements; relentlessly reducing costs and providing capacity to secure future growth
- Improved operating margin despite market price pressures; Lean 6 Sigma a key success factor

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Segment Highlights: Consumer & Office



Q4 Drivers

- Local currency growth of 2.6%, led by sales of products for the do-it-yourself, home cleaning and office supply channels
- Continued weakness in protective materials and consumer health care
- Outstanding sales growth overseas, with strong contributions from Europe, Asia Pacific and Latin America
- Difficult US retail market conditions holding back US growth overall

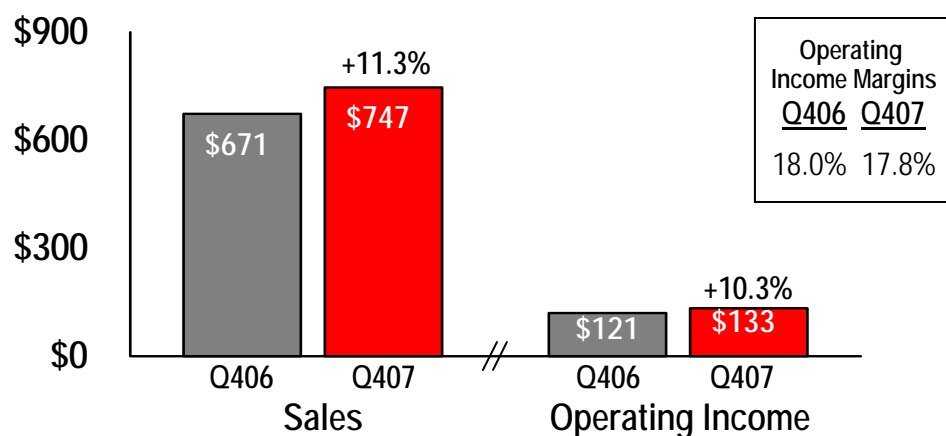
Full Year Highlights

- Local currency growth of 5.0%
- Broad-based sales growth driven by ongoing success in the do-it-yourself, home cleaning and office supply channels
- International growth gaining traction after many years of effort; US growth slowest among major geographic regions, driven by the soft overall US retail sales environment; US residential housing remains soft
- Operating margins expanded year-on-year and now exceed 20%



Segment Highlights: Safety, Security & Protection

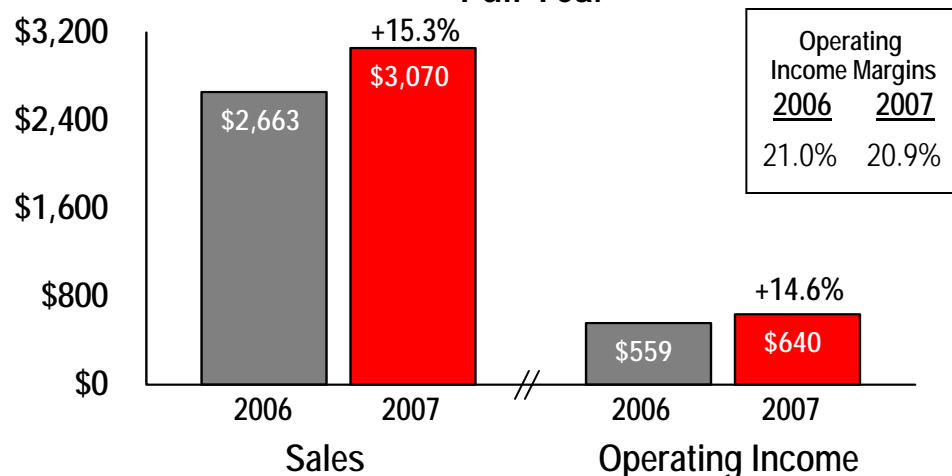
Fourth Quarter



Q4 Drivers

- Local currency growth of 5.3%
- Acquisitions added 2.4%, primarily E Wood
- Growth led by respiratory protection, building and commercial services, and corrosion protection
- Solid double-digit sales growth in Europe, APAC, Latin America and Canada
- US growth negatively impacted by lower first-responder demand for respiratory protection products

Full Year



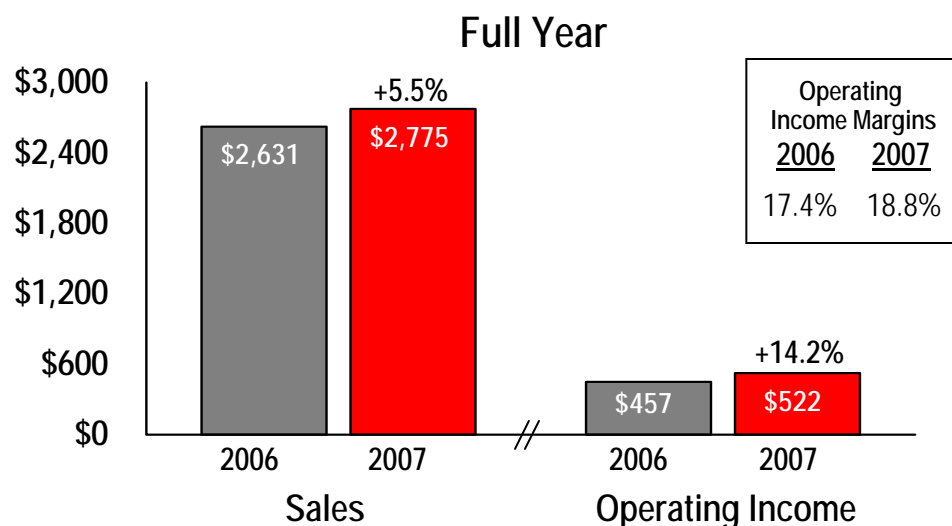
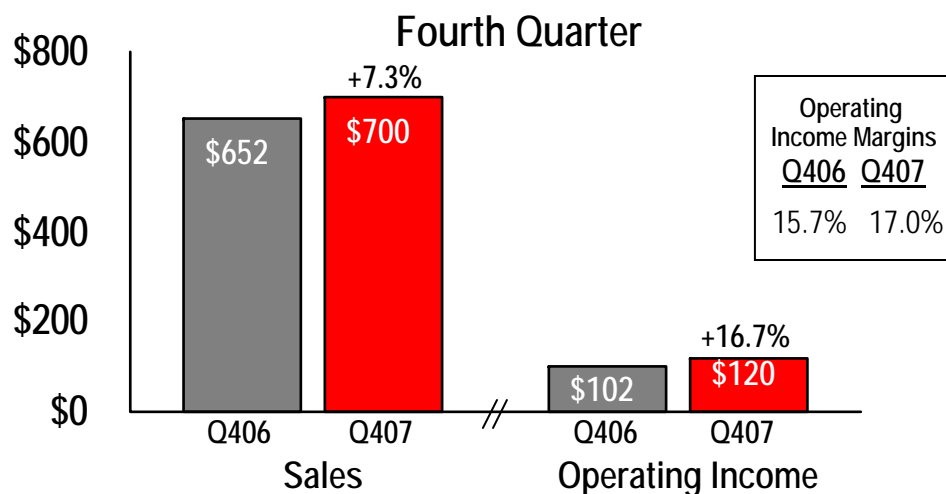
Full Year Highlights

- Local currency growth of 10.8%
- Actively drove acquisitions during year, closed 2 deals in 2007; acquisitions added 7.4% to full-year growth
- Roofing granules business caused a 1.5% drag on SS&PS growth overall; residential housing market remains soft; business may have bottomed in Q407
- Definitive agreement to purchase Aearo Technologies announced November 15th; anticipating an end of Q108 close
- Closed and successfully integrated the E Wood & Rochford Thompson acquisitions

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Segment Highlights: Electro & Communications



Q4 Drivers

- Local currency growth of 2.4%, including 1.1% from acquisitions
- Double-digit sales growth in electrical markets (insulating, protecting and sensing products)
- Seeing some recovery in consumer electronics applications such as adhesives and abrasives
- Positive sales growth across all geographic regions, led Asia Pacific and the US
- Ongoing productivity focus drives yet another quarter of double-digit profit growth

Full Year Highlights

- Local currency sales growth of 2.3% including 1.5% from acquisitions
- 4 point growth drag from flexible circuit business, which has gone end-of-life
- Communications and Electrical Markets divisions deliver double digit sales and profit growth
- Strong bench-to-bench relationships with big global customers driving higher new product sales content; steady flow of new products into adjacent markets; continued penetration in consumer electronics devices
- Operating profit up over 14% to \$522 million

Amounts exclude special items. Refer to 3M's January 29, 2008 press release for a complete list and explanation of these items.



Balance Sheet & Cash Flow

(\$ in Millions)	Q4 2006	Q3 2007	Q4 2007
Free Cash Flow*	\$917	\$693	\$1,252
Net W/C Turns	5.4	5.0	5.3
Inventories	\$2,601	\$2,794	\$2,852
Receivables-Net	\$3,102	\$3,703	\$3,362
Cap-ex	\$405	\$379	\$391
Dividends Paid	\$339	\$343	\$341
Share Repurchases	\$330	\$557	\$483

*Includes U.S. pension contribution of \$200 million in Q3 2007. Also excludes certain special items that impacted cash flow.

Refer to 3M's January 29, 2008 press release for an explanation of these items, and for a complete discussion of net working capital turns and free cash flow (non-GAAP measures).



George W. Buckley
Chairman, President and CEO



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2008 Annual Guidance Update

- ❑ Minimum 10% earnings per share growth
 - ✓ Quarterly splits are non-linear; Q1 will be most difficult (fewer billing days, timing of Easter holiday)
- ❑ Operating margin: 22.5% to 23.5%
- ❑ Tax rate: 31.5% to 32.5%
- ❑ Cap expenditures: \$1.4 – \$1.5 billion

*Excludes special items.



Q & A

3M

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