

George Buckley
Chairman of the Board, President, and CEO
3M Company



Continuing
On the Path to

Higher Growth
And Premium Returns

September 9, 2008



What We Will Discuss Today

- The core of 3M is very strongand getting stronger
- The Optical Film business will be stable after 2008 transition
- We'll be giving you in-depth profiles of two more businesses:
 - *Consumer & Office*
 - *Electro & Communications*
- International update with a focus on Latin America
- Hands-on access to technologies and products

Maintaining Our Long-Term Business Objectives

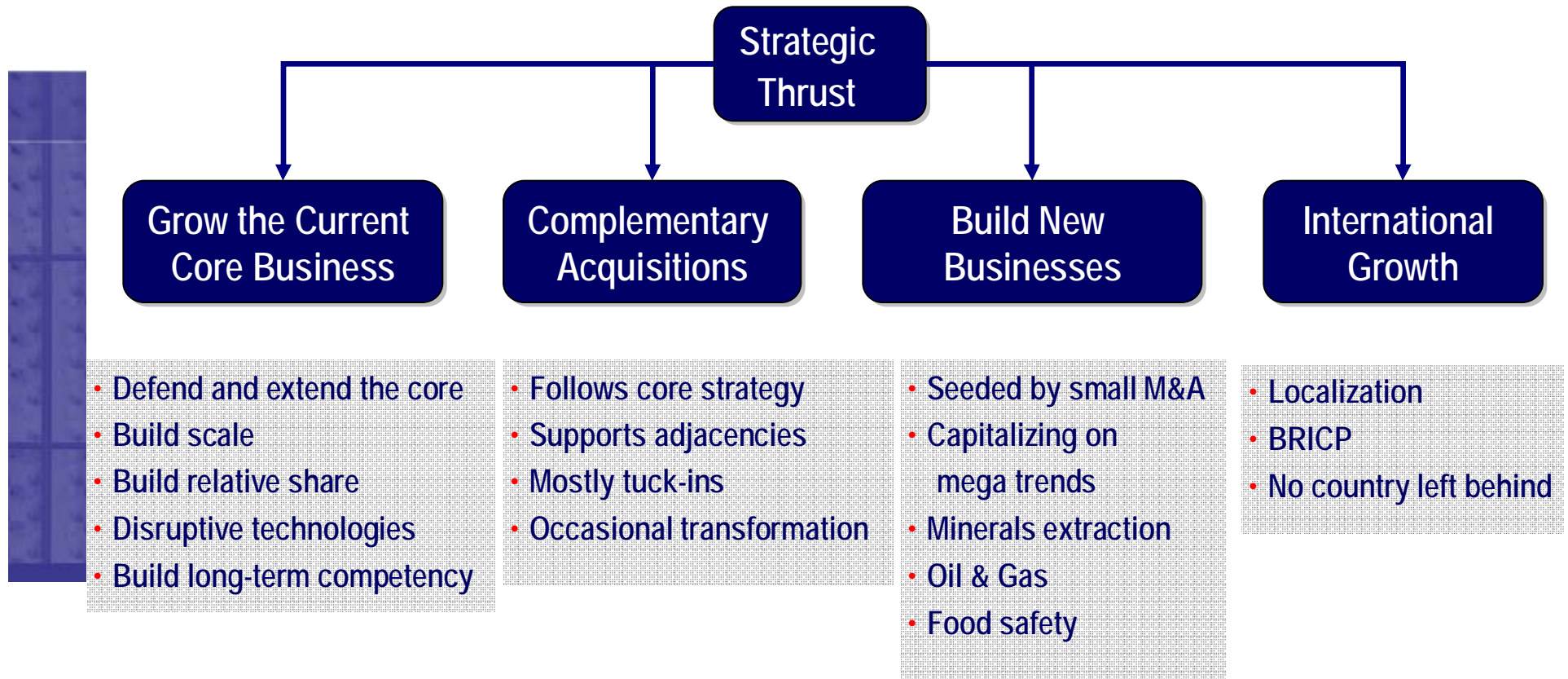
Nothing Has Changed.....

- Gradually drive sales growth to 2x IPI
- Commitment to \geq double-digit earnings growth
- Maintain ROIC $>20\%$
- Driving to 30.5% tax rate by 2012
- Continuous supply chain improvement

How We Think About Value Creation

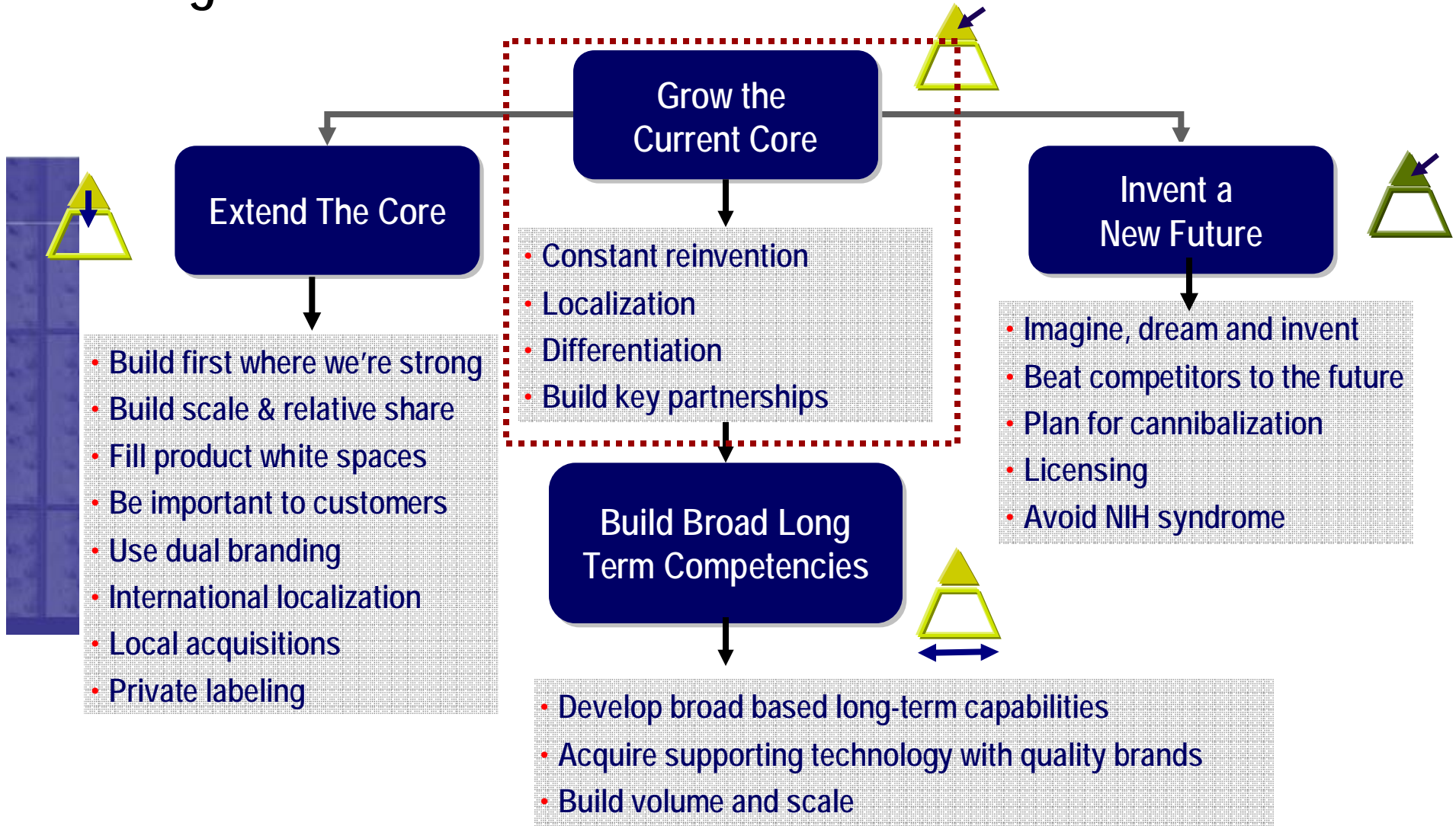
- We believe the fastest and most dependable new value creation comes from two primary approaches:
 - *Sales and Earnings Growth*
 - *By investing in the traditional core*
 - *By gradually capturing and integrating adjacencies*
 - *By investing in global mega-trends*
 - *By productivity improvements ... leveraging assets, labor & overhead*
 - *Broadening our influence with customers*
 - *By building market share and importance to our customers; creating more "Enduring Franchises"*
 - *Increasing our "Horizontal" influence by filling in product white spaces*
 - *Experimenting with Vertical Integration where others control our route to market*

Driving Our Growth Strategy



Strategy Is Consistent While Gradually Evolving

Driving Growth In 3M's Core Businesses



Leveraging Our Core To Drive New Opportunities

Rejuvenated Core: Occupational Health & Environmental Safety

Expanding Our Footprint In This Important High-Growth Space

From



- Market leader in respiratory safety
- But limited safety portfolio
- 3M positioned in the top tier only
- Heavily reliant on “X-factors”
- Slow underlying growth in key markets

Flat Sales Growth 2001-03

To



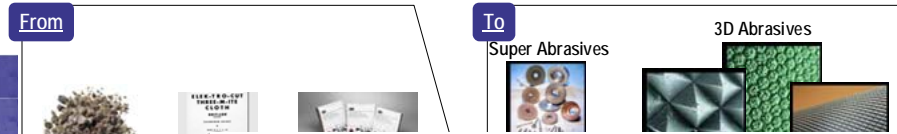
- Filled critical gaps via acquisitions in hearing, vision, fall protection and detection
- 3M positioned in multiple worker safety categories
- Expanding channel presence
- Added capacity in APAC to fuel growth

Double-Digit Sales Growth 2004-08

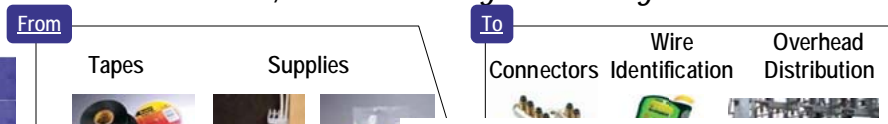
Sales Have Doubled In 4 Years; 2006-08 Growth Rate >20% At Outstanding Margins

Multiple Core Businesses Revitalized

Rejuvenated Core: Abrasives Systems Division *Reinventing an Industrial Powerhouse*



Rejuvenated Core: Electrical Markets Division *Once A Cash Cow, Now A Double-Digit Growth Engine*



- Traditional market focus
- Metal finishing

OI Margin Up

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- Basic tape and supplies for electrical OI
- Sub-par service levels ≈ 70%
- Little investment in innovation

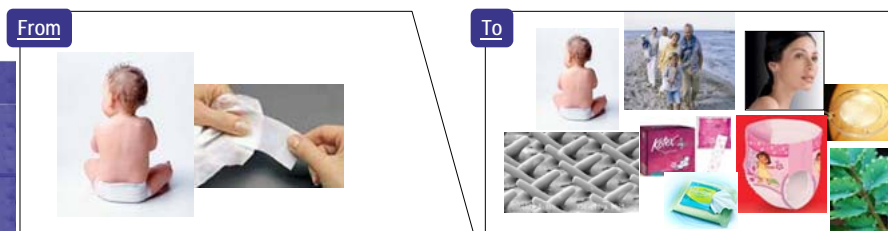
Flat Sales Growth 2001-03

Improved New Product Flow

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2008

Rejuvenated Core: Personal Care Division *3M Technology Expands Market Presence*



- Narrow offering in infant and adult fastening
- Adhesive tape only
- Broken upstream pipeline
- Service and quality issues
- Underutilized assets

2005-07 Growth Rate = negative

- Broadened applications in infant, adult, feminine care and beauty care
- Upstream presence with global innovators
- Improved quality
- Positioned in all product tiers
- Improved ROIC

Double-Digit Sales Growth In 2008

Turning Around In A Tough Environment

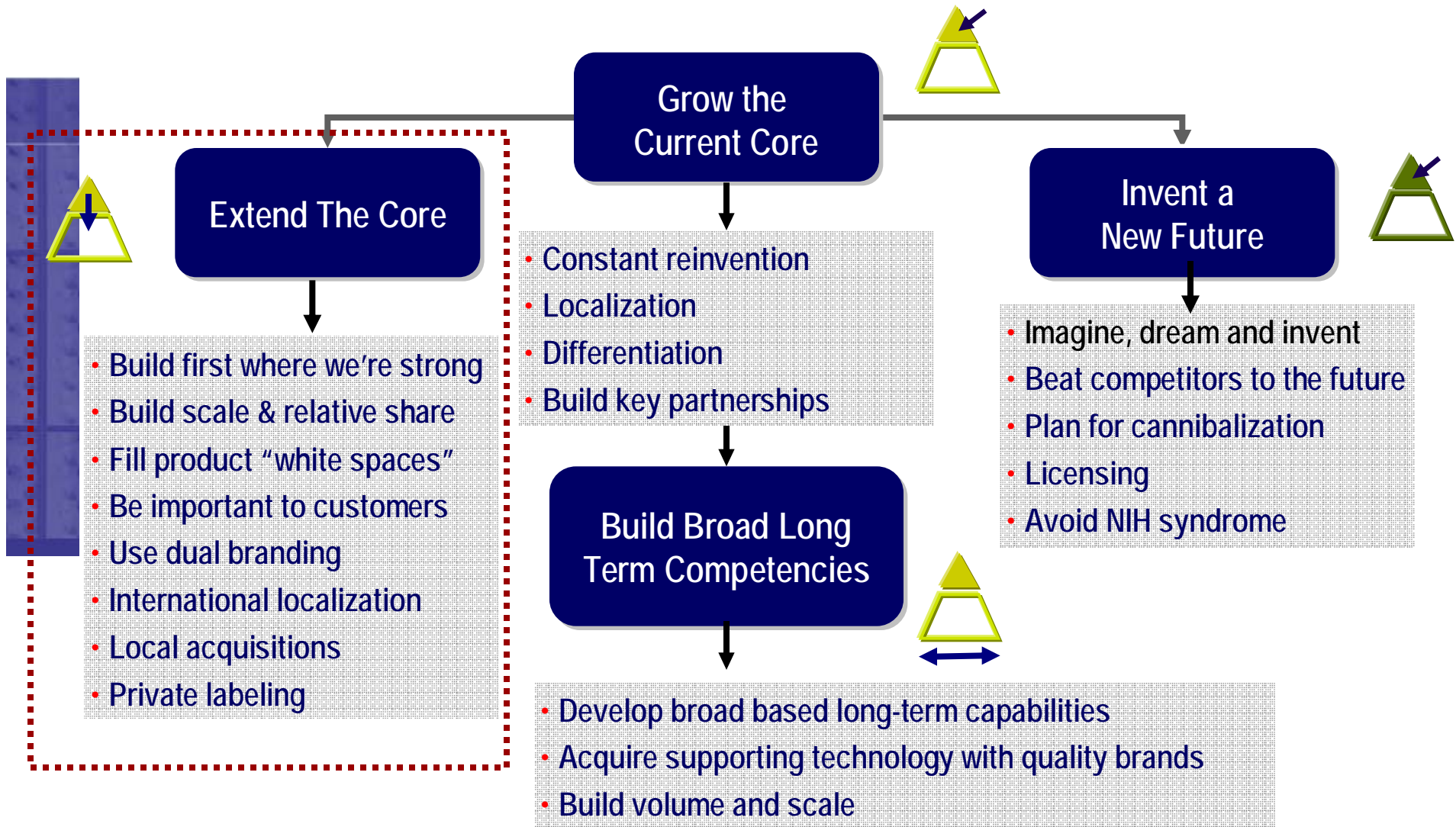
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2008 3M Investor Conference



Driving Growth In 3M's Core Businesses

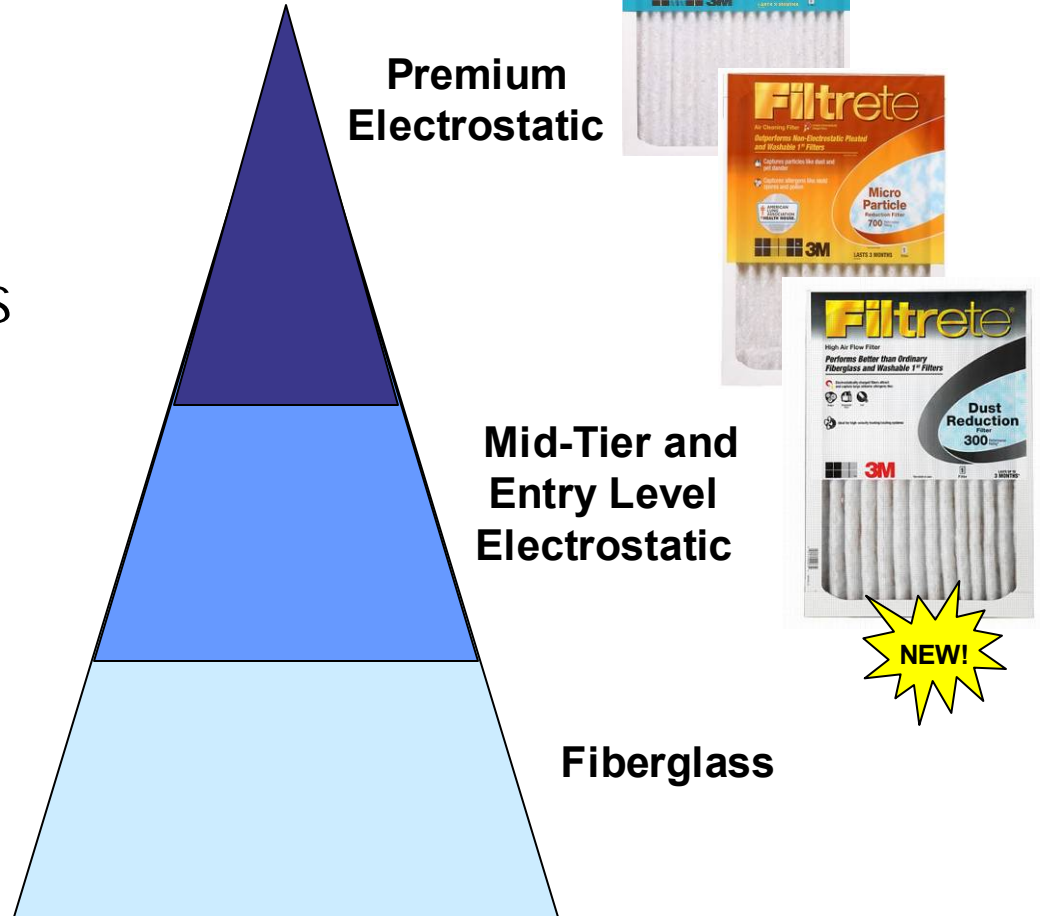


Extending the Current Core: Through Technology



Filtrete® Furnace Filters

- Filtrete® Dust Reduction Filters
- Bridged the price gap between low-end fiberglass filters and the premium electrostatic category
- Introduced lower-cost filter to expand share
- 3.3 million filters sold YTD; growth of 40% June 08 YTD

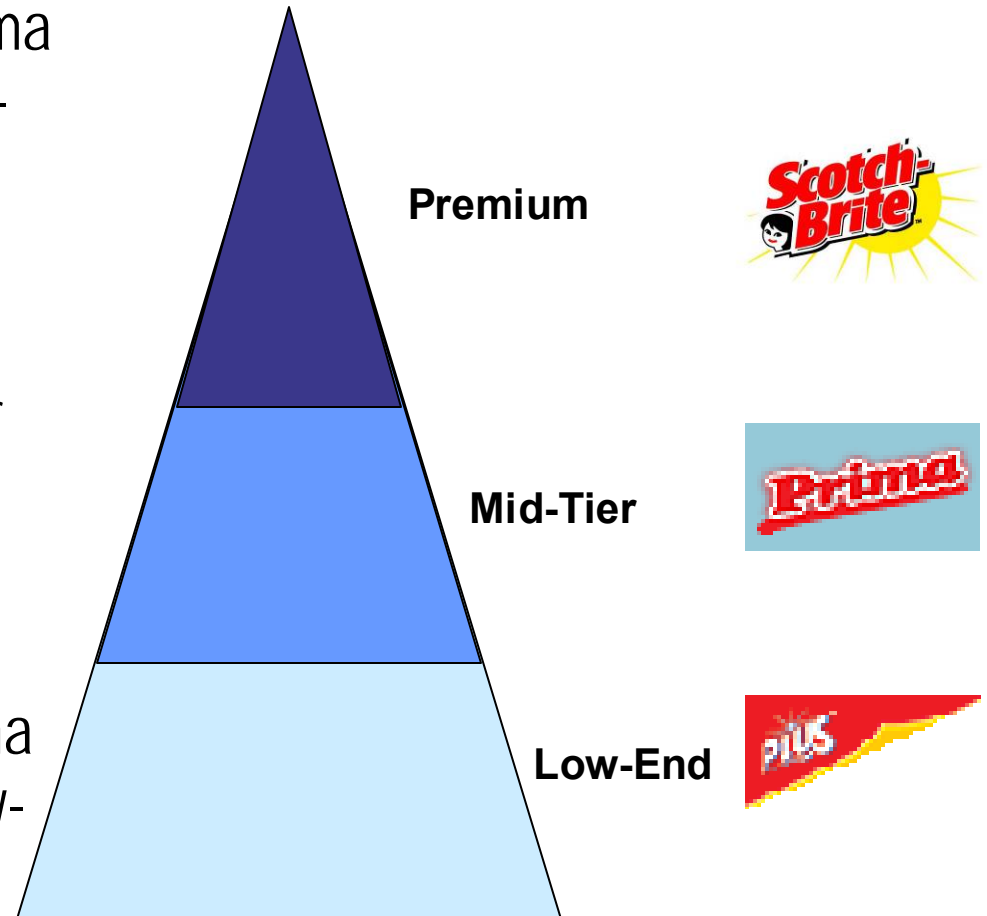


Extending the Current Core: By Acquisition

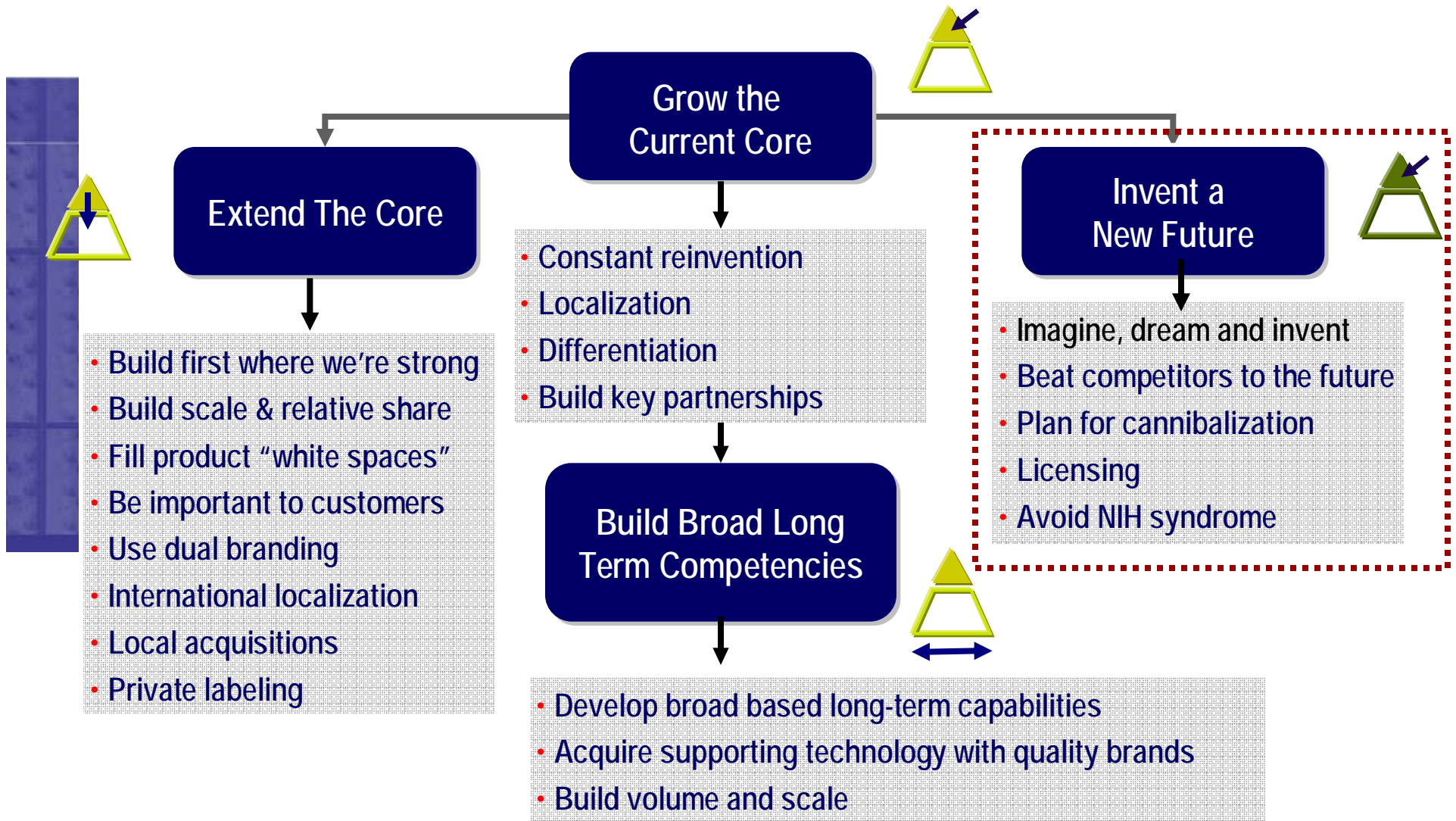
Home Care Products In Poland



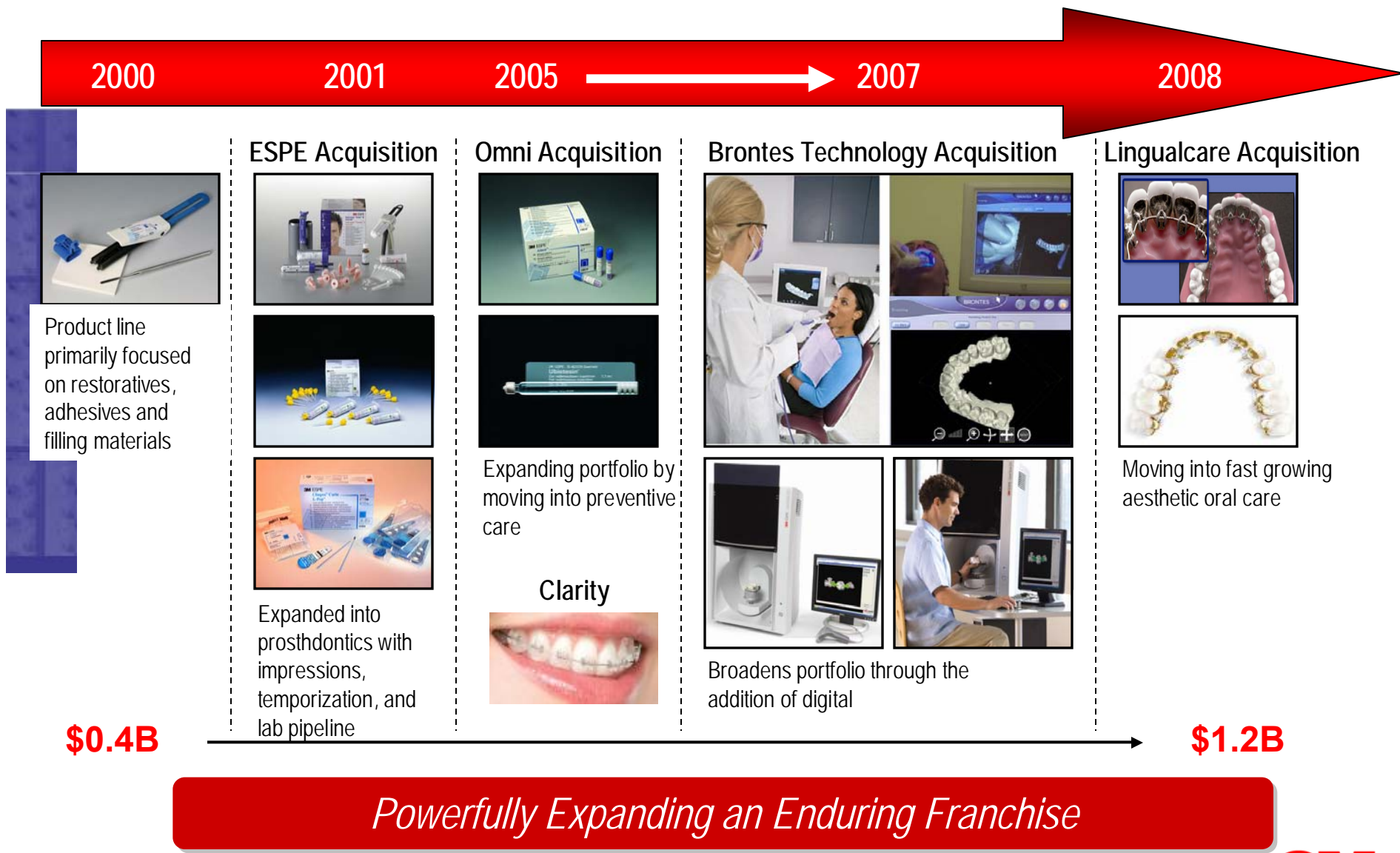
- Interchemall acquisition (Prima and Plus brands in Poland) – February 2007
- Formed foundation for faster penetration of the mid-range market in Poland (~4X larger than the premium market alone)
- Positioned Scotch-Brite™ as the premium brand with Prima and Plus as the mid- and low-tier brands
- Increased share by 5 points



Driving Growth In 3M's Core Businesses



Inventing A New Future: Transforming 3M Oral Care



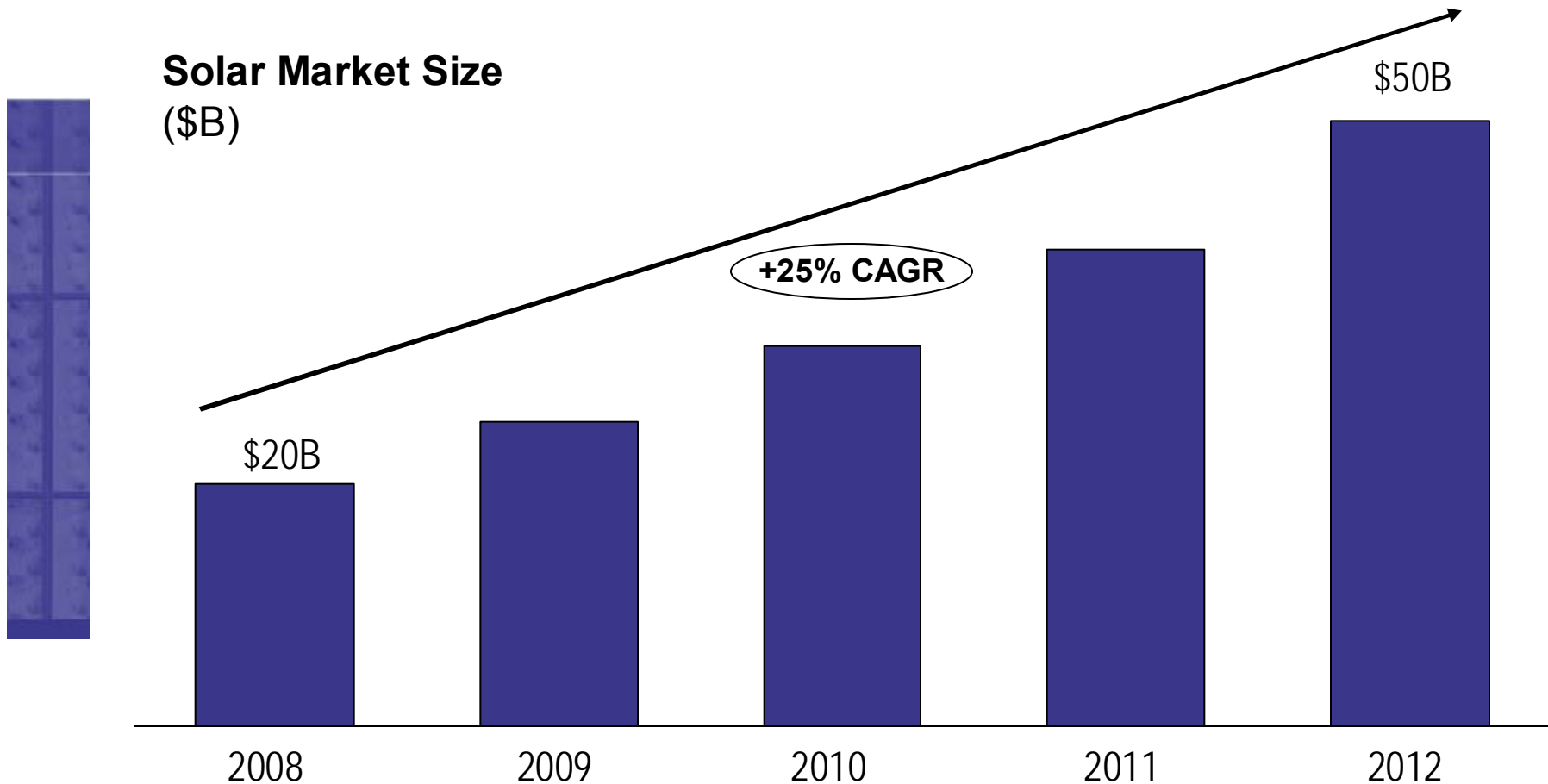
Inventing A New Future:

The Next Frontier In Oral Care – Lingual Orthodontics



Inventing A New Future: Solar Energy

A Large Market Growing Rapidly



Massive Opportunity For Those With Relevant Technology...Like 3M

Solar Markets Exist In Both Generation and Control

- Sales fall into both solar power generation and solar heat control categories and both have huge potential
- Solar generation and solar energy control use similar 3M technologies, most are film or roll to roll based
 - *Public and private utilities, plus ad hoc applications in generation*
 - *Commercial construction, automotive and residential homes in control*
- 3M's annual solar segment sales are \$200M, growing at 20%
 - *Breakthrough products already in the pipeline*
- Will be announcing formation of new Renewable Energy unit which will begin business in October 2008

Solar Energy Components Span Five Distinct Segments



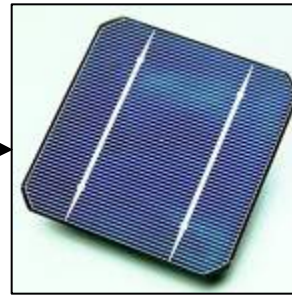
Ingot

\$0.80 to 1.00
per Watt



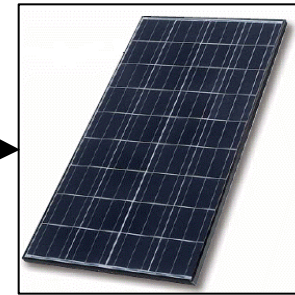
Wafer

\$1.90 to \$2.10
per Watt



Cell

\$2.60 to \$3.00
per Watt



Module

\$3.50 to \$4.50
per Watt

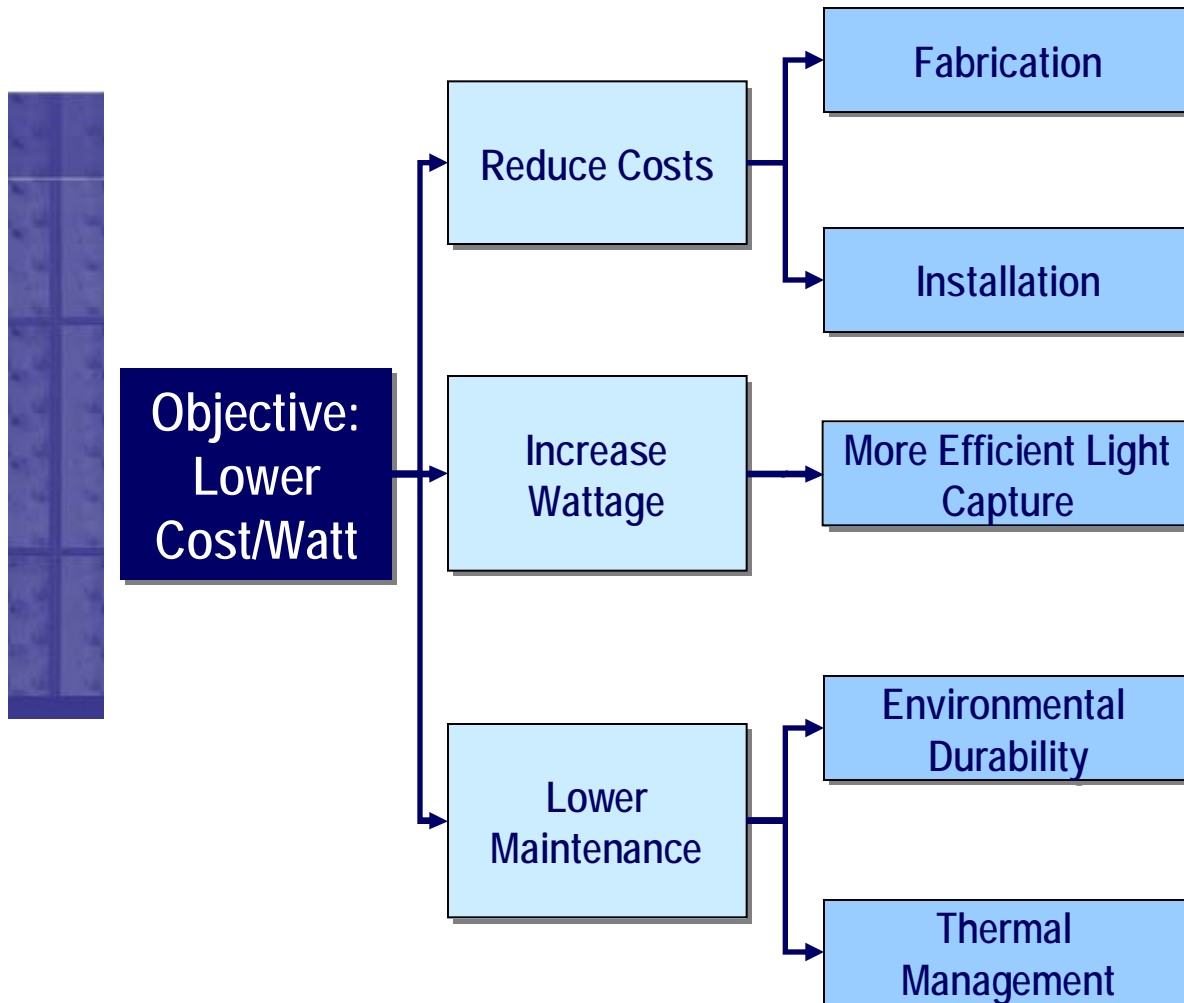


System

\$7.00 to \$8.00
per Watt

3M Has Products And Technology Right Across The Solar Spectrum

3M Technologies: Solving Solar Industry Needs



3M Technology Platforms

Adhesives & Tapes

Films & Lenses

Mirrors

Coatings

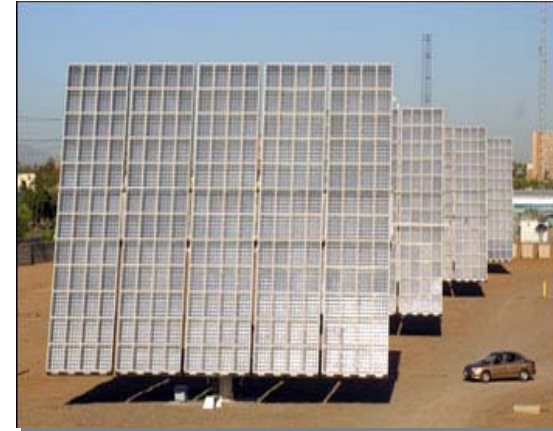
Encapsulants



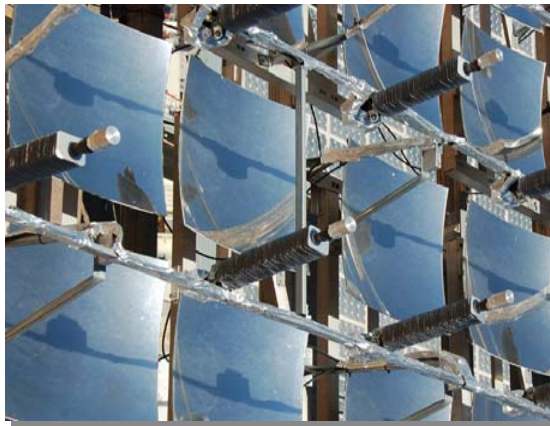
Example: Current 3M Solar Products



Mirror Films



Fresnel Lens



Thermoformed Mirrors



Encapsulant Films

But Multiple "New Futures" Are Being Invented

Industrial Air & Water Filtration

Product Solutions



End Markets

- Fluid processing (\$3B, 2-4% CAGR)

Oil & Gas

Product Solutions



End Markets

- Oil
- Drilling contractors
- Fire suppression

Market Dynamics

- Declining production from existing reservoirs
- Demand exceeding supply

Value Proposition

- Design & manufacture
- Comprehensive product separation, clarification
- Market platform breadth
- Ability to achieve success
- Depth media leadership
- Broad residential & industrial relationships

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Mining & Mineral Extraction

Product Solutions



End Market

- Huge \$800B market

Value Proposition

- 3M glass bubbles: down improve drilling yields
- Localization and global
- Broad technology base
- Industry experience

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Value Proposition

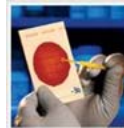
- Leverage broad 3M
- Reputation for reliable worker safety 24x7
- Regulation competitive capability
- Market-focused organization
- Industry and key accounts

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Food Safety

Product Solutions



End Markets

- Food processors, meat packers, grocers, food supply, restaurants

Market Dynamics

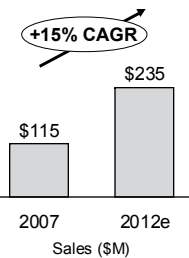
- Higher levels of meat consumption in dev. markets
- Greater sensitivity to bacteriological contamination
- Health and safety

Value Proposition

- Leadership position in US microbiological testing
- 20+ years of industry experience
- Integration capability of key detection & monitoring systems
- Recent acquisition of Biotrace extends solution portfolio

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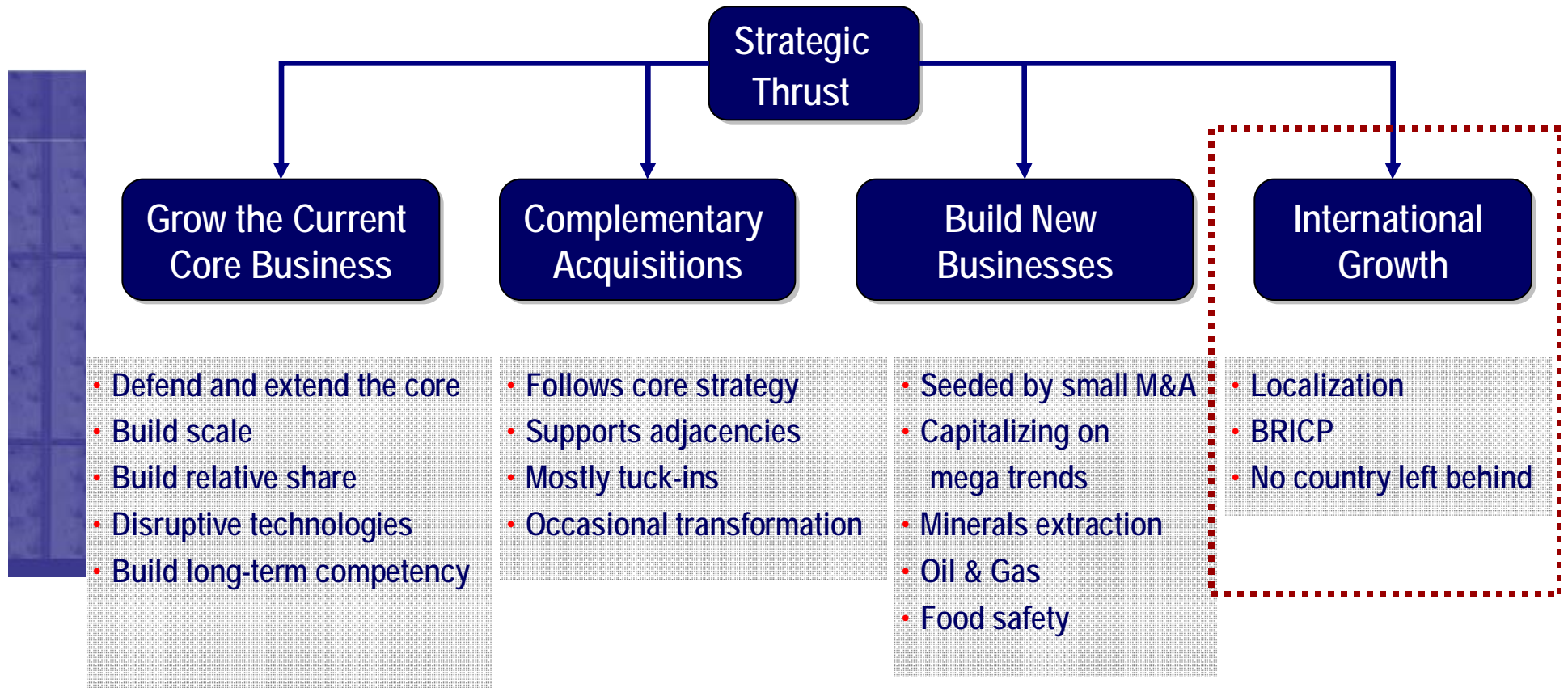


Integrating New Technologies

- We are also picking up the pace in acquiring new technologies externally
- Vice President, New Ventures: Stefan Gabriel
 - *Identify, acquire and develop new-to-3M technologies and businesses with high innovation content and growth potential*
 - *Reports to CTO*
- Experience:
 - *Last 7 years as Director Of Vehicle Innovations, BMW Group*
 - *Led major projects in R&D, early-stage technology research and new businesses for BMW's award-winning innovation management processes*
 - *Connected with worldwide experts, technology networks, innovation communities*

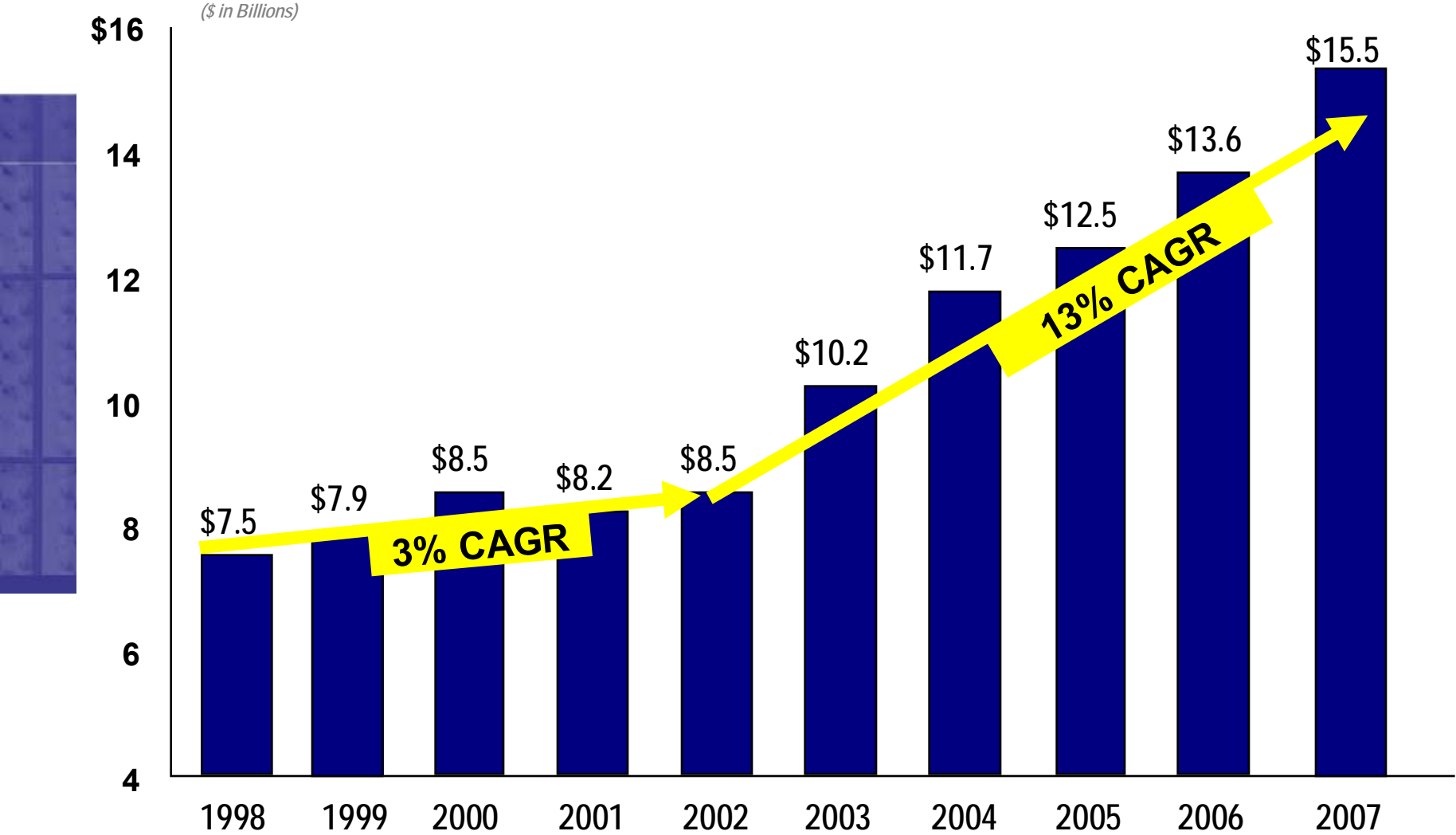
Aimed At Rapid Integration Of New-To-3M Technologies

Driving Our Growth Strategy

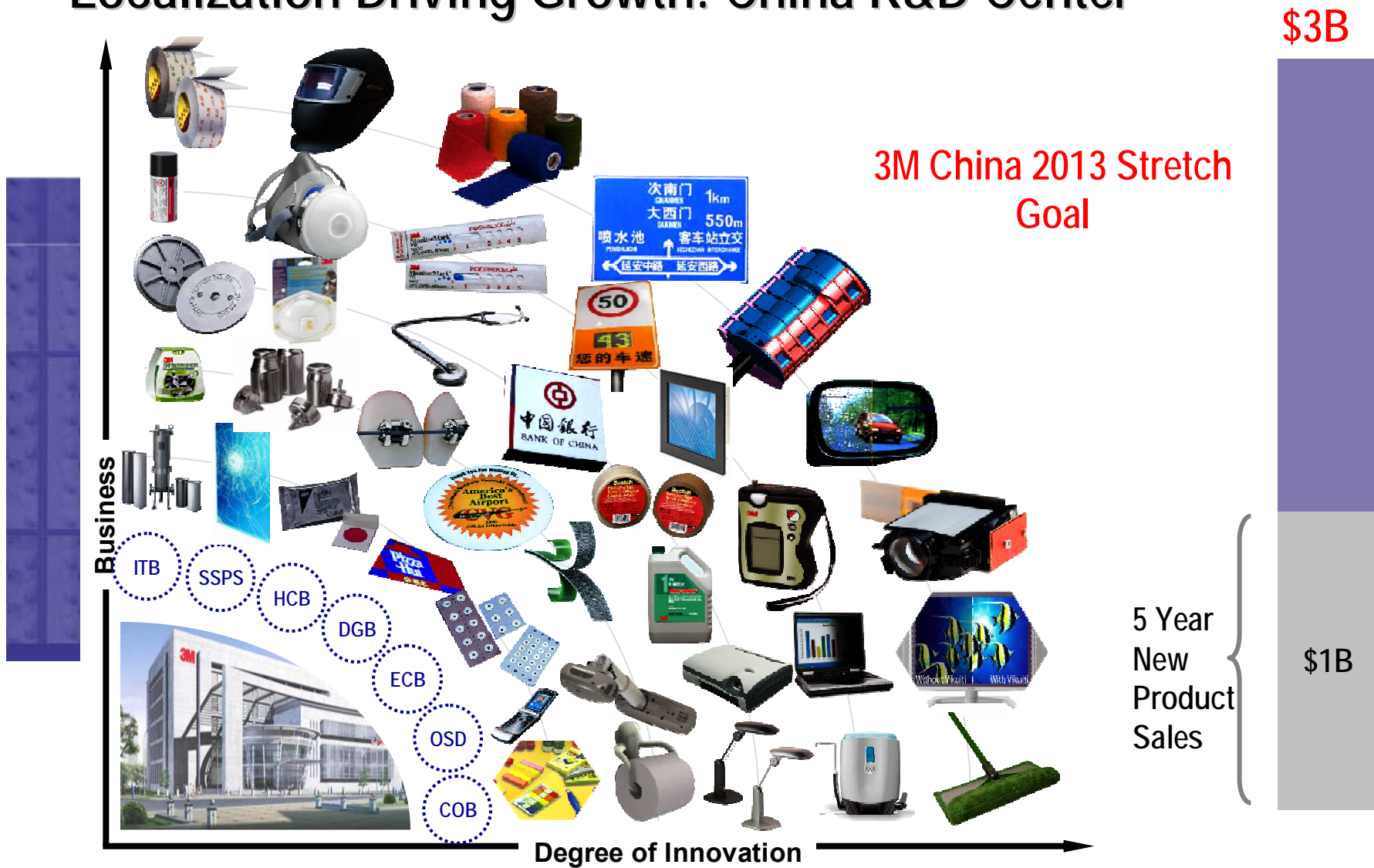


Strategy Dynamic And Constantly Evolving

International Sales Growth Continues To Accelerate



Localization Driving Growth: China R&D Center



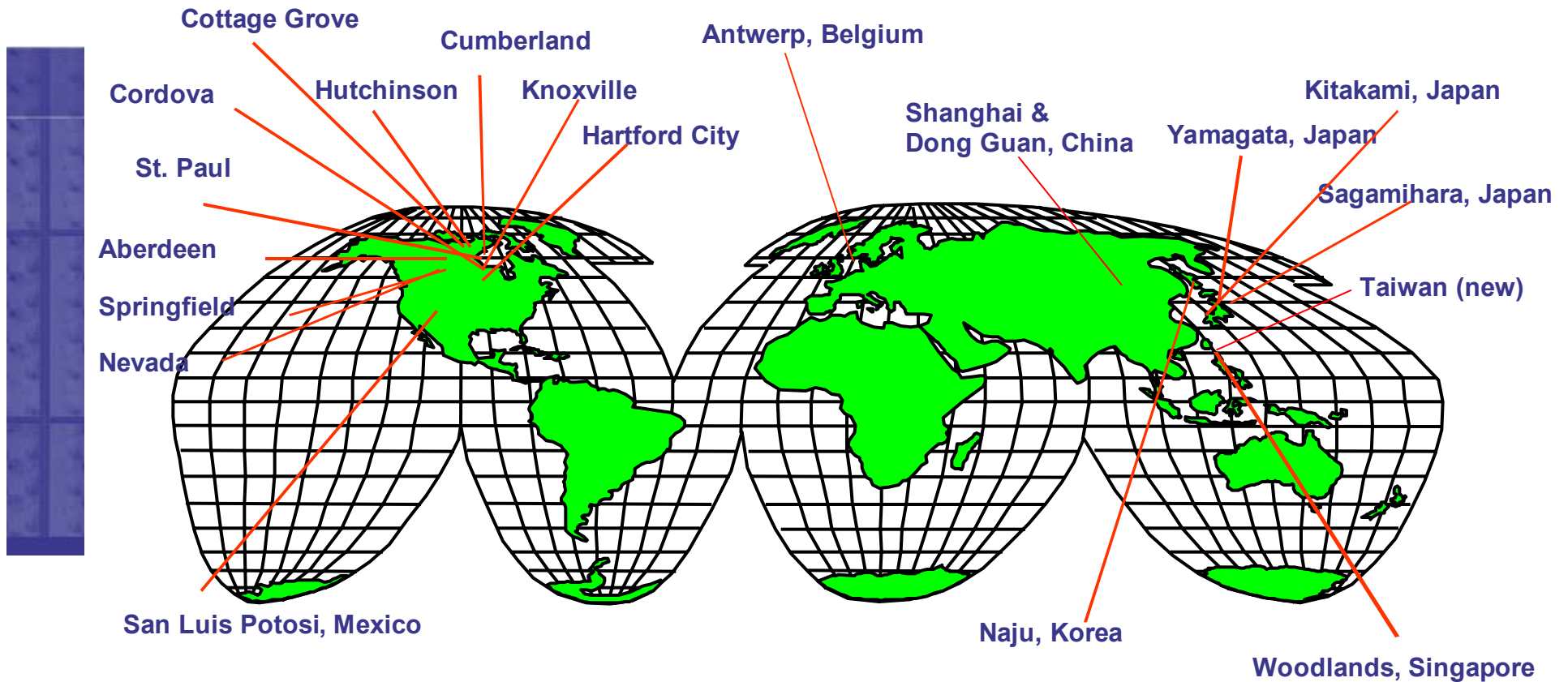
Accelerating R&D Efforts... "China for China"

Update On New Capacity Investments

- Focus of these investments was on businesses with immediate capacity needs and was not speculative;
 - *Responded to previous outsourcing of core products and unmet demand*
 - *e.g. Filtrete, Medical, Respiratory Protection*
- Of 19 major facilities highlighted one year ago:
 - *13 fully completed and under budget in aggregate and already absorbed in our numbers*
 - *5 are near completion and expected to finish under budget*
 - *1 on hold due to soft end-market conditions (optical film)*
- Cap expenditure expected to moderate:
 - *2007 \$1.5B*
 - *2008e \$1.3 to \$1.4B*
 - *2009e approximately \$1.2B*

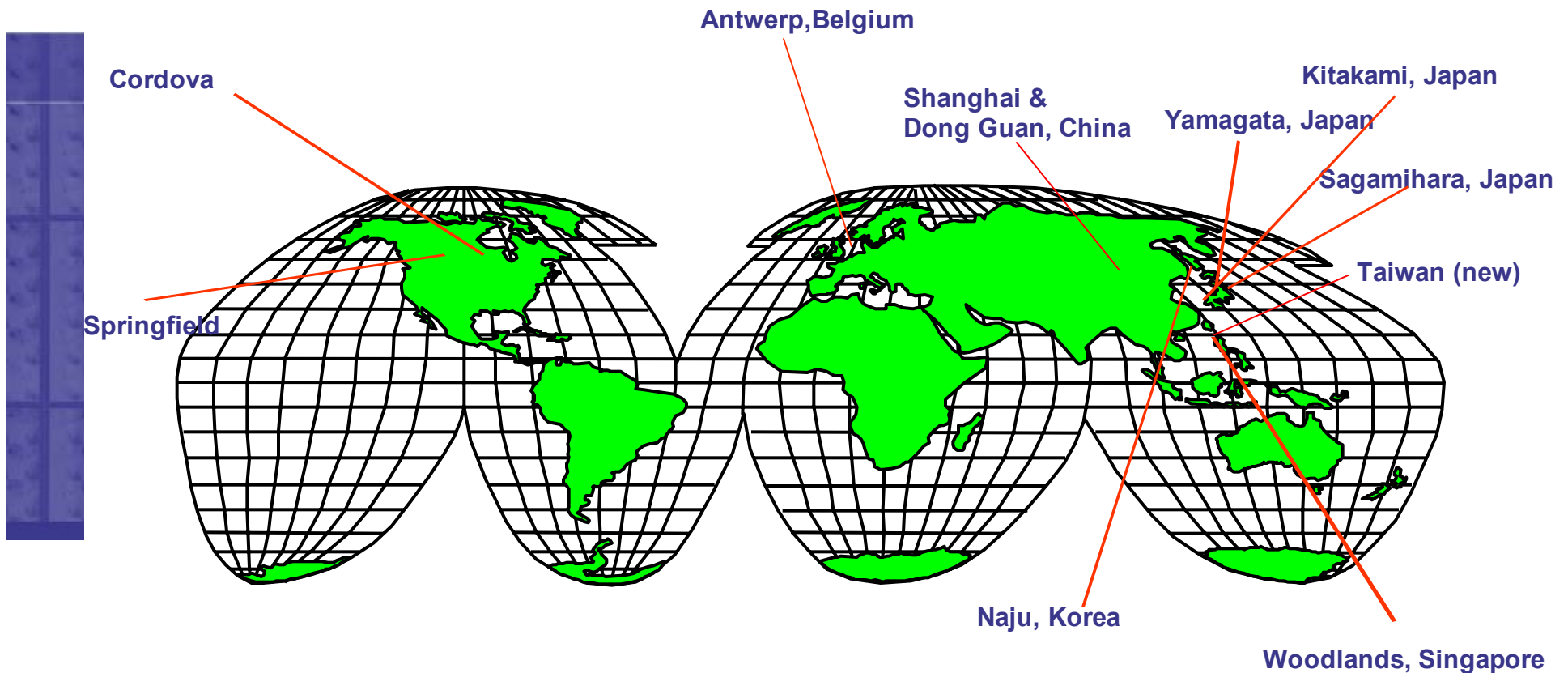
Heavy Lifting On Capacity Now Behind Us

Supply Chain Optimization Example: Electronic Markets Materials Manufacturing Footprint – 2008



19 Manufacturing Sites Today

Supply Chain Optimization Example: Electronic Markets Materials Manufacturing Footprint – 2013



Shift To Asia Will Result In 50% Fewer Manufacturing Sites

Advancing 3M's Culture

- Less internally focused, more external looking
 - *Leadership changes locally and internationally*
 - *Technology acquisitions*
 - *New marketing approaches, e.g. YouTube*
- Rewarding the right results; compensation redesign
 - *Executive management, middle management, and worldwide sales force*
 - *Pension and retiree medical redesign significantly reduce liability and risk*
- Moving businesses closer to customers
 - *2 divisional headquarters moved to Asia*
 - *More to come*
- Still driving productivity and leverage

Good Progress On A Long-Term Challenge

Our Growth Strategy Is Working...

(\$Billions)	2005	2006	2007	Q208 YTD
Sales	\$20.4	\$22.1	\$24.5	\$13.2
% Growth		+9%	+11%	+9%
O.I.	\$4.6	\$4.9	\$5.5	\$3.0
% to Sales	22.7%	22.2%	22.5%	22.7%
EPS	\$3.92	\$4.26	\$4.98	\$2.77
% Growth		9%	17%	11%
ROIC	24%	24%	24%	22%
Tax Rate	32.2%	32.1%	31.8%	31.3%



Accelerating growth



Maintaining best-of-breed



Double-digit gains



20%+ returns



Making real improvements

Executing Our Plan



...Against A Challenging Backdrop...

- Under investments in capital and R&D
- Secular changes in Optical Systems, particularly the LCD TV market
- A weakening US economy, particularly housing and automotive
- Softening retail and office end markets
- High margins (and the impact this has on leverage and our pricing capability)
- Record breaking fuel and commodity inflation
- Helped by translation and superb pension fund performance

...And Core Strength Is Even More Impressive

(\$Billions)	2005	2006	2007	Q208 YTD
Sales	\$20.4	\$22.1	\$24.5	\$13.2
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% Growth		9%	17%	11%
ROIC	24%	24%	24%	22%
Tax Rate	32.2%	32.1%	31.8%	31.3%

Q208 YTD Ex-Optical
+12%
22.5%
+20%

Underlying 3M Business Strong & Poised For Greater Success

In Summary: Accelerating Sustainable Growth By

- Rebuilding and expanding our fabulous core businesses
 - *Bringing strength, diversity, dependability and opportunity*
- Continuing to build and widen 3M's "Enduring Franchises"
- Rebuilding the old 3M culture of entrepreneurship
- Investing more in R&D and driving faster new product introduction
- Retaining a platform of manufacturing excellence
- Shortening supply chains to drive service improvements and reduce working capital, primarily through Localization
- Restructuring compensation plans across the corporation to drive behavioral changes



Appendix



Non-GAAP Financial Measures

3M Company and Subsidiaries
SUPPLEMENTAL CONSOLIDATED INFORMATION
NON-GAAP FINANCIAL MEASURES
(Millions, except per-share amounts)
(Unaudited)

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company also discusses non-GAAP measures that exclude special items. Sales, operating income and diluted earnings per share measures that exclude special items and that exclude the impact of Pharmaceuticals are not in accordance with, nor are they a substitute for, GAAP measures. Special items represent significant charges or credits that are important to an understanding of the Company's ongoing operations. The company uses these non-GAAP measures to evaluate and manage the Company's operations. The company believes that discussion of results excluding special items provides a useful analysis of ongoing operating trends. The determination of special items may not be comparable to similarly titled measures used by other companies. Special items for all periods presented have been previously provided (See Note 1). In addition, the Company believes that providing financial results excluding the impact of Pharmaceuticals provides useful information (See Note 2). The reconciliations provided below reconcile the non-GAAP financial measures with the most directly comparable GAAP financial measures for the periods indicated.

(Millions, except per-share amounts)

	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	First Six Months 2008
Sales Dollars:								
Reported GAAP	\$ 16,054	\$ 16,332	\$ 18,232	\$ 20,011	\$ 21,167	\$ 22,923	\$ 24,462	\$ 13,202
Pharmaceutical	\$ (699)	\$ (767)	\$ (813)	\$ (793)	\$ (797)	\$ (774)	\$ -	\$ -
Adjusted Non-GAAP	\$ 15,355	\$ 15,565	\$ 17,419	\$ 19,218	\$ 20,370	\$ 22,149	\$ 24,462	\$ 13,202
Operating Income Dollars:								
Reported GAAP	\$ 2,075	\$ 2,816	\$ 3,504	\$ 4,326	\$ 4,854	\$ 5,696	\$ 6,193	\$ 2,950
Special Items	\$ 504	\$ 202	\$ 93	\$ -	\$ -	\$ (523)	\$ (681)	\$ 42
Pharmaceutical	\$ (157)	\$ (200)	\$ (217)	\$ (194)	\$ (226)	\$ (256)	\$ -	\$ -
Adjusted Non-GAAP	\$ 2,422	\$ 2,818	\$ 3,380	\$ 4,132	\$ 4,628	\$ 4,917	\$ 5,512	\$ 2,992
Diluted Earnings per Share:								
Reported GAAP	\$ 1.60	\$ 2.32	\$ 2.88	\$ 3.56	\$ 3.98	\$ 5.06	\$ 5.60	\$ 2.70
Special Items	\$ 0.39	\$ 0.14	\$ 0.07	\$ -	\$ 0.14	\$ (0.57)	\$ (0.62)	\$ 0.07
Pharmaceutical	\$ (0.12)	\$ (0.17)	\$ (0.18)	\$ (0.16)	\$ (0.20)	\$ (0.23)	\$ -	\$ -
Adjusted Non-GAAP	\$ 1.87	\$ 2.29	\$ 2.77	\$ 3.40	\$ 3.92	\$ 4.26	\$ 4.98	\$ 2.77

The Company uses local-currency sales growth, which excludes the impact of translation or currency exchange rates, as an indication of its economic sales growth. The Company has provided the components of local-currency sales growth below, including the impact of translation. The Company has provided local-currency sales growth that excludes the historical impacts of divestitures, primarily the Pharmaceuticals business, to portray what it believes are more meaningful sales growth trends. 3M believes this non-GAAP sales growth information excluding divestitures provides useful information (See Note 2). These measures are not in accordance with, nor are they a substitute for, GAAP measures.

	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005	Year 2006	Year 2007	First Six Months 2008
Sales Change Percents:								
Total Reported Sales Change	-3.9%	1.7%	11.6%	9.8%	5.8%	8.3%	6.7%	9.3%
Less: Translation Impact	-3.3%	0.1%	5.2%	3.8%	0.7%	0.8%	3.2%	5.8%
Local-Currency Sales Change (including divestitures)	-0.6%	1.6%	6.4%	6.0%	5.1%	7.7%	3.5%	3.5%
Local Currency Sales Change (excluding divestitures)	-1.1%	1.4%	6.8%	6.5%	5.3%	8.1%	7.3%	3.7%

The Company uses non-GAAP measures to focus on shareholder value creation. 3M uses Return on Invested Capital (ROIC), defined as annualized after-tax operating income (including interest income) divided by average operating capital. Operating capital is defined as net assets (total assets less total liabilities) excluding debt and minority interest liabilities. 3M's ROIC calculation was revised in 2008 to include interest income and to simplify/improve the means for determining operating capital. Prior period amounts have been updated to conform to the revised calculation. This measure excludes special items and the historical impacts of the Pharmaceuticals business (see Notes 1 and 2). These measures are not recognized under U.S. generally accepted accounting principles and may not be comparable to similarly titled measures used by other companies.

	Year 2001	Year 2005	Year 2006	Year 2007	First Six Months 2008
Return on Invested Capital	14.2%	24.4%	27.8%	27.1%	21.6%
Return on Invested Capital - excluding Pharmaceuticals and Special Items	16.3%	23.8%	23.6%	24.2%	22.1%

As previously indicated, the Company provides non-GAAP measures, including the business segment operating income amounts shown within this presentation that exclude special items. Special items for the six months ended June 30, 2008 have been previously provided in an 8-K that was furnished to the U.S. Securities and Exchange Commission (SEC) on July 24, 2008. Special items for the years 2007 and 2006 have been previously provided in an 8-K that was furnished to the SEC on January 29, 2008. An 8-K filed May 19, 2008, provided results that reflect for all periods presented the impacts of certain business segment product moves effective in the first quarter of 2008. There were no special items that impacted business segment operating income results for the year 2005 and year 2004.

- (1) Special items for the periods presented have been discussed in Form 8-K's that were furnished to the SEC on July 24, 2008, January 29, 2008, January 30, 2007, and in 3M's 2003 Form 10-K filed March 2, 2004. Also reference 3M's Form 8-K dated May 19, 2008, which provided results that reflect for all periods presented the impacts of certain business segment product moves effective in the first quarter of 2008.
- (2) In December 2006 and January 2007, 3M completed the sale of its global branded Pharmaceuticals business. In connection with these transactions, 3M's Drug Delivery Systems Division became a source of supply to the acquiring companies. Because of the extent of 3M cash flows from these agreements in relation to the disposed businesses, the operations of the branded Pharmaceuticals business were not classified as discontinued operations. The sale of the branded Pharmaceuticals business impacted both sales and operating income growth in 2007, as significant Pharmaceuticals sales and income are in the reported base 2006 period and also in prior periods. Where indicated, to provide more meaningful trend information, portions of this presentation exclude the impact of 2006 and prior Pharmaceutical financial results, as this business was sold in December 2006 and January 2007.